ageas SA/NV

(Incorporated as a limited liability company (société anonyme/naamloze vennootschap) in Belgium)

€500,000,000 Subordinated Fixed to Floating Rate Notes due July 2049 (the "Notes")

Issue price: 99.206 per cent.

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and the Luxembourg law of 10 July 2005 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended (the "**Luxembourg Prospectus Law**"). It contains information relating to the issue by ageas SA/NV (the "**Issuer**") of the Notes and must be read in conjunction with the documents incorporated by reference herein.

The terms and conditions of the Notes (the "**Conditions**", and references herein to a numbered Condition shall be construed accordingly) provide that the Notes will constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under or arising from the Notes in respect of principal, interest and other amounts (including, without limitation, Arrears of Interest (as defined below) and any damages awarded for breach of any obligations in respect of the Notes) in respect of the Notes, will constitute direct, unsecured and subordinated obligations of the Issuer and claims in respect thereof shall, subject to any obligations which are mandatorily preferred by law, at all times rank in the event of a Winding-up: (i) behind claims in respect of (aa) any existing or future unsubordinated indebtedness and payment obligations of the Issuer (including, without limitation, the claims of policyholders of the Issuer (if any)), (bb) any existing or future direct, unsecured and dated subordinated indebtedness and payment obligations of the Issuer which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 3 Capital as at their respective issue dates and (cc) any obligations which rank, or are expressed to rank, *pari passu* with any Tier 3 Capital and/or senior to the Notes, (ii) *pari passu* and without any preference among themselves, (iii) at least equally and rateably with claims in respect of (aa) any other existing or future direct, unsecured and dated subordinated indebtedness and payment obligations of the Issuer which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 2 Capital as at their respective issue dates (other than Junior Securities) and (bb) any obligations which rank, or are expressed to rank, *pari passu* therewith and (iv) in priority to the claims of Junior Creditors (each term as defined in the Conditions). In the event of a Winding-up, no payments will be made under the Notes until the claims of holders of senior ranking indebtedness and payment obligations shall first have been satisfied in full.

The Notes will bear interest from (and including) 10 April 2019 (the "**Issue Date**") to (but excluding) the First Call Date (as defined in the Conditions) at the rate of 3.250 per cent. *per annum*. From (and including) the First Call Date, the Notes will bear interest at a floating rate of interest which will be determined in accordance with the Conditions. During the Fixed Rate Interest Period, interest shall be payable annually in arrear on each Interest Payment Date, commencing on 2 July 2019, and thereafter interest shall be payable on the Notes quarterly in arrear on each Interest Payment Date (subject to deferral as described below) (each term as defined in the Conditions).

The Issuer may, at its discretion, defer payment of the accrued but unpaid interest in full in respect of any Interest Payment Date that is neither a Compulsory Interest Payment Date nor a Mandatory Interest Deferral Date (each term as defined in the Conditions). Furthermore, an Interest Payment scheduled to be paid on an Interest Payment Date must be deferred mandatorily on such Interest Payment Date in case of a Mandatory Interest Deferral Event (as defined in the Conditions). Any Interest Payment, or any part thereof, which has been deferred, shall, so long as the same remains unpaid, constitute "**Arrears of Interest**" which will not themselves bear interest. Such Arrears of Interest will become payable in accordance with Condition 4 (*Interest Deferral*).

Unless previously redeemed or purchased and cancelled, the Notes will, subject to no Regulatory Deficiency Event having occurred and to the satisfaction of the Solvency Condition (each term as defined in the Conditions), be redeemed in whole but not in part at their principal amount together with Arrears of Interest (if any) and any other accrued interest up to (but excluding) the Interest Payment Date falling in July 2049 (the "**Scheduled Maturity Date**"). The holders of the Notes have no right to require the Issuer to redeem the Notes before the Scheduled Maturity Date. The Issuer has the right to redeem the Notes in whole but not in part (i) on the First Call Date or any Interest Payment Date thereafter, (ii) at any time, if less than 20 per cent. of the aggregate principal amount of the Notes issued (including any Notes which, pursuant to Condition 15 (*Further Issues*), form a single series with the Notes originally issued) remain outstanding, (iii) if a Deductibility Event or a Gross-up Event has occurred and is continuing, (iv) if a Capital Disqualification Event has occurred and is continuing and (v) if a Ratings Methodology Event has occurred and is continuing (each term as defined in the Conditions), at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, in accordance with the Conditions.

Application has been made to the *Commission de Surveillance du Secteur Financier* in Luxembourg (the "**CSSF**"), which is the Luxembourg competent authority for the purposes of the Prospectus Directive and the Luxembourg Prospectus Law, for the approval of this Prospectus as a prospectus for the purposes of Article 5.3 of the Prospectus Directive and the Luxembourg Prospectus Law. By approving this Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction contemplated by this Prospectus or the quality or solvency of the Issuer, in accordance with Article 7(7) of the Luxembourg Prospectus Law.

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended ("**MiFID II**"), appearing on the list of regulated markets issued by the European Commission.

The Notes will be issued in dematerialised form (*dématérialisé/gedematerialiseerd*) in accordance with the Belgian Companies Code (*Code des Sociétés/Wetboek van Vennootschappen*), as amended (the "**Belgian Companies Code**") and cannot be physically delivered. The Notes will be in the denomination of €100,000 each and may only be settled in principal amounts equal to that denomination or an integral multiple thereof. The Notes will be represented exclusively by book entry in the records of the securities settlement system (the "**NBB Securities Settlement System**") operated by the National Bank of Belgium (the "**NBB**") or any successor thereto. Access to the NBB Securities Settlement System is available through those of its NBB Securities Settlement System participants whose membership extends to securities such as the Notes. NBB Securities Settlement System participants include certain banks, stockbrokers (*sociétés de bourse/beursvennootschappen*), Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking Frankfurt ("**Clearstream**"), SIX SIS AG ("**SIX SIS**") and Monte Titoli S.p.A. ("**Monte**

Titoli"). Accordingly, the Notes will be eligible for clearance through, and will therefore be accepted by, Euroclear, Clearstream, SIX SIS and Monte Titoli. Investors who are not NBB Securities Settlement System participants can hold their Notes within securities accounts in Euroclear, Clearstream, SIX SIS, Monte Titoli or the other direct or indirect participants of the NBB Securities Settlement System.

The Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB Securities Settlement System. The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any consumer (*consommateur/consument*) within the meaning of the Belgian Economic Law Code (*Code de droit économique/Wetboek van economisch recht*).

The Notes constitute debt instruments. An investment in the Notes involves certain risks. Investors should ensure that they understand the nature of the Notes and the extent of their exposure to risks and they should review and consider these risk factors carefully before purchasing any Notes. For a discussion of these risks please refer to the section headed "*Risk Factors*" in this Prospectus.

The Issuer has been rated "A" (stable outlook) (Financial Strength Rating) and "A" (stable outlook) (Issuer Credit Rating and Foreign Currency Issuer Rating) by S&P Global Ratings Europe Limited ("**S&P**") and "A" (stable outlook) (Long-Term Issuer Default Rating) and "A+" (stable outlook) (Insurer Financial Strength Rating) by Fitch Deutschland GmbH ("**Fitch**"). The Notes are expected to be rated "BBB+" by S&P and "BBB+" by Fitch. S&P and Fitch are established in the European Union and are registered under Regulation (EU) No 1060/2009, as amended. S&P and Fitch are displayed on the latest update of the list of registered credit rating agencies on the ESMA website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Prospectus dated 8 April 2019.

Sole Structuring Agent to the Issuer

J.P. MORGAN

Joint Bookrunners

J.P. MORGAN | **MORGAN STANLEY**

NATIXIS | **SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING**

IMPORTANT INFORMATION

GENERAL

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and the Luxembourg law of 10 July 2005 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended. It has been prepared for the purposes of giving information with regard to the Issuer and its subsidiaries (the "**Group**") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Prospectus has been prepared on the basis of Annexes IX and XIII to Commission Regulation (EC) 809/2004.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents incorporated by reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference and form part of this Prospectus. The information on websites that is not incorporated by reference in this Prospectus and that is referred to in this Prospectus is for information purposes only and does not form part of the Prospectus.

Market data and other statistical information used in this Prospectus has been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an "**Independent Source**"). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the relevant Independent Source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus does not constitute an offer of Notes, and may not be used for the purposes of an offer or solicitation by anyone, in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Notes or the distribution of this Prospectus in any jurisdiction where any such action is required, except as specified herein. The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, NATIXIS and Société Générale (the "**Joint Bookrunners**") to inform themselves about and to observe any such restrictions. For a description of further restrictions on offers and sales of Notes and distribution of this Prospectus, see "*Subscription and Sale*".

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners.

Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Joint Bookrunners expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention.

Save for the Issuer, no other person has separately verified the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Bookrunners or any third party or any of their respective affiliates as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection thereto. To the fullest extent permitted by law, the Joint Bookrunners accept no liability whatsoever in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection thereto or for any other statement made or purported to be made by the Joint Bookrunners or on their behalf in connection with the Issuer or the issue and offering of the Notes. The Joint Bookrunners accordingly disclaim any and all liability, whether arising in tort or contract or otherwise which they might otherwise have in respect of this Prospectus or any such statement.

Neither this Prospectus nor any other information supplied in connection with this Prospectus or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation or a statement of opinion (or a report on either of those things) by the Issuer or the Joint Bookrunners that any recipient of this Prospectus should purchase any Notes. Any investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Joint Bookrunners to any person to subscribe for, or purchase, any Notes.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each potential investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes.

This Prospectus contains various amounts and percentages which have been rounded and, as a result, when those amounts and percentages are added up, they may not total.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFER OF THE SECURITIES GENERALLY

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended ("**MiFID II**"), appearing on the list of regulated markets issued by the European Commission.

The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Joint Bookrunners represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Bookrunners which is intended to permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and/or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets and any financial variable which might have an impact on the return on the Notes; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). A further description of the restrictions on offers and sales of the Notes in the United States or to, or for the benefit of, U.S. persons, and in certain other jurisdictions, is set forth under "*Subscription and Sale*".

The Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB Securities Settlement System.

MiFID II product governance / Professional clients and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of sales to EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "**retail investor**" means a person who

is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive 2002/92/EC, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to consumers – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any consumer (*consommateur/consument*) within the meaning of the Belgian Economic Law Code (*Code de droit économique/Wetboek van economisch recht*) (the "**Belgian Economic Law Code**").

By purchasing, or making or accepting an offer to purchase, the Notes (or a beneficial interest in the Notes) from the Issuer and/or any Joint Bookrunner, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and the Joint Bookrunners that:

(i) it is not a "consumer" (as defined in the Belgian Economic Law Code);

(ii) it will not sell, offer or otherwise make the Notes available to "consumers"; and

(iii) it will at all times comply with the applicable laws and regulations relating to the offering of investment instruments (such as the Notes) to "consumers", including (without limitation) the provisions of the Belgian Economic Law Code.

Each potential investor should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

Benchmark Regulation – The Euro Interbank Offered Rate ("**EURIBOR**"), which is provided by the European Money Markets Institute ("**EMMI**"), is used for purposes of determining the Floating Interest Rate (as defined in the Conditions). As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply such that EMMI is not currently required to obtain authorisation or registration.

STABILISATION

In connection with the issue of the Notes, J.P. Morgan Securities plc as stabilisation manager (the "**Stabilisation Manager**"), or persons acting on behalf of the Stabilisation Manager, may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. Stabilisation may, however, not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

CURRENCIES

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "**euro**", "**EUR**" and "**€**" are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Union, as amended.

FORWARD LOOKING STATEMENTS

This Prospectus contains certain statements that constitute forward looking statements. Such forward looking statements may include, without limitation, statements relating to the Group's business strategies, trends in its business, competition and competitive advantage, regulatory changes and restructuring plans. Words such as "believes", "expects", "projects", "anticipates", "seeks", "estimates", "intends", "plans" or similar expressions are intended to identify forward looking statements, but are not the exclusive means of identifying such statements. The Issuer does not intend to update these forward looking statements except as may be required by applicable securities laws. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward looking statements will not be achieved.

A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access to capital markets; (ii) market and interest rate fluctuations; (iii) the strength of global economy in general and the strength of the economies of the countries in which the Group conducts operations; (iv) the potential impact of government risk in certain European Union countries; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the Group; (vii) the effects of, and changes in, fiscal, monetary, trade and tax policies, financial regulation and currency fluctuations; (viii) the possibility of the imposition of foreign exchange controls by government and monetary authorities; (ix) operational factors, such as systems failure, human error, or the failure to implement procedures properly; (x) actions taken by regulators with respect to the Group's business and practices in one or more of the countries in which the Group conducts operations; (xi) the adverse resolution of litigation and other contingencies and/or (xii) the Group's success at managing the risks involved in the foregoing.

The foregoing list of important factors is not exclusive. When evaluating forward looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Prospectus.

Investors should also note that forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors. Forward looking statements refer only to the date when they were made and neither the Issuer nor the Joint Bookrunners undertake any obligation to update or review any forward looking statement, whether as a result of new information, future events or any other factors. Given these uncertainties, potential investors should only rely to a reasonable extent on such forward looking statements in making decisions regarding investment in the Notes.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

Before investing in the Notes, prospective investors should carefully consider all of the information in this Prospectus, including the following specific risks and uncertainties. If any of the following risks materialises, the Group's business, results of operations, financial condition and prospects could be materially adversely affected. In that event, the value of the Notes could decline and an investor might lose part or all of its investment due to an inability of the Issuer to fulfil its obligations under the Notes. Although the Issuer believes that the risks and uncertainties described below represent the principal risks and uncertainties inherent in investing in the Notes, the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons which may not be considered significant risks by the Issuer based on the information currently available to it or which it may not currently be able to anticipate. The latter may also have a material adverse effect on the Group's business, results of operations, financial condition and prospects and could negatively affect the value of the Notes and/or the ability of the Issuer to fulfil its obligations under the Notes.

The Notes may not be a suitable investment for all investors. Investing in the Notes may entail several risks. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. In case of doubt, potential investors should consult their own financial and legal advisers about the risks of investing in the Notes and the suitability of such investment in light of their particular situation.

Terms defined in the Conditions shall have the same meaning where used below. For further information on the risk management of the Group, please refer to note 5 (Risk Management) of the 2018 annual report of the Issuer and section "Description of the Issuer – Risk management" below.

1 Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the Notes

Financial risks

The level of, and volatility in, interest rates may adversely affect the Group.

To be able to meet their future liabilities, insurers invest in a variety of assets that typically include a large portfolio of fixed income securities. In this respect, interest rate volatility can adversely affect insurance businesses by reducing the returns earned and by reducing the market value of such portfolios. Interest rate risk exists for all assets and liabilities which are sensitive to changes in the term structure of interest rates or interest rate volatility. This applies to both real and nominal term structures. Changes in interest rates can also impact the products which insurance companies sell.

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and internal economic and political considerations, inflation, governmental debt, regulatory environment and other factors that are beyond the Group's control. In particular, the insurance sector can be adversely impacted by sustained low interest rates. In times of low interest rates, bond yields typically decrease. Consequently, when the bonds mature the sums realised are reinvested in bonds with lower yields, which in turn decreases the investment income of the insurer. A protracted period of low interest rates has a negative impact, especially on life insurers with substantial interest rate guarantees and other policyholder options on a traditional book of business where the portfolio yield approximates the guaranteed interest rate on the policies written. Persistently low interest rates not only render delivering the necessary return for clients or offering competitive profit sharing more difficult, but also hamper efforts to maintain the required profitability to remunerate shareholders.

Furthermore, the Group's regulatory solvency position is determined by applying market-consistent methods to the valuation of its insurance liabilities, which are influenced by both the level and volatility of interest rates.

Low interest rates also make it difficult to continue to offer clients attractive life investment and savings insurance products, which may lead to a reduction in new business and hence may have an adverse impact on the Group's business, results of operations, financial condition and prospects.

The Group's non-life insurance business is equally impacted by interest rate volatility, as its long tail business (such as disability insurance and workmen's compensation) is heavily dependent on investment returns, thereby displaying direct sensitivity to interest rate movements.

As cash flows can be (re-)invested at higher rates, the earnings of an insurer will typically be positively impacted by an increase in interest rates, though only over a protracted period of time. The largest beneficiaries will be life insurers with large traditional books of participating business. Surrenders or lapses could, however, increase as higher investment returns may be available elsewhere and policyholders would have an incentive to switch. This is particularly the case if surrender penalties are relatively low.

Stock market volatility or downturns can adversely affect the Group.

The Group may be subject to equity risk, which arises from the sensitivity of assets, liabilities and financial instruments to changes in the level or volatility of market prices for equities or their yield.

Volatility and declines in market indices can reduce unrealised capital gains in its investment portfolio and hence impact the Issuer's excess solvency margin, as well as influence the economic valuation of its insurance liabilities used to determine its solvency position. Volatility can also negatively affect the demand for certain insurance products, such as unit linked products which combine insurance coverage with investments in financial instruments. Stock market downturns and high volatility can occur not only as a result of the economic cycle, but also as a result of war, acts of terrorism, natural disasters or other factors that are beyond the Group's control.

The Group is vulnerable to spread risk.

Spread risk results from the sensitivity of the value of assets and liabilities and financial instruments to changes in the level or in the volatility of spreads over the risk-free interest rate term structure. A spread widening will reduce the value of fixed income securities and increase the investment income associated with the purchase of new fixed income securities in an investment portfolio. Conversely, spread tightening will generally increase the value of fixed income securities in the portfolio and will reduce the investment income associated with new purchases of fixed income securities. Furthermore, the Group's economic valuation of insurance liabilities used to determine its solvency position is also impacted by both the level and volatility of assets' spreads. A number of factors can cause an individual asset or a whole class of assets to decrease in market value, including a perception or fear in the market that there is an increase in the likelihood of defaults. The spread risk can therefore have an adverse effect on the Group's business, results of operations, financial condition and prospects.

Fluctuations in currency exchange rates may affect the Group's business, results of operations, financial condition and prospects.

The Group is exposed to currency risk, which arises from the sensitivity of assets and liabilities to changes in the level of currency exchange rates when there is a mismatch between the relevant currency of the assets and liabilities. This risk may materialise in situations where the Group has assets or liabilities that are non-euro denominated, either as a participation or in the context of a risk transfer between Group entities. A strengthening or weakening of the euro against the relevant foreign currency may have an adverse effect on the Group's business, results of operations, financial condition and prospects. The Group's policy is in principle not to hedge

equity investments and permanent funding for subsidiaries and equity associates in foreign currency, but to accept the mismatch arising from ownership of local operating companies in non-euro currencies as a consequence of being an international group.

The Group is exposed to fluctuations in the property markets and other risks related to real estate projects.

Fluctuations in the property markets may have an adverse impact on the Group in light of the investments made in real estate assets. The Group is furthermore active in the real estate sector, mainly through AG Real Estate SA/NV. Its property portfolio is subject to risks related to, amongst others, rent levels, property prices, occupancy levels, consumer spending and interest rates. The property portfolio may also be impacted by changes in the general economic conditions in the markets where the Group is actively developing real estate projects, for example on the occupancy levels of property investments. If any of these risks materialise, this may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

A concentration of comparable risks in the Group's portfolio may adversely affect its business, results of operations, financial condition and prospects.

The Group may be exposed to concentration risk stemming from a lack of diversification of risks in the asset portfolio originated from a large exposure to a single issuer of securities or a group of related issuers. Such concentration risk can arise due to large aggregate exposures to single counterparties or an aggregate of exposures to a number of positively correlated counterparties (i.e., counterparties which have a tendency to default under similar circumstances) with the potential to produce a significant amount of impairments due to a bankruptcy or failure to pay. If any such risk materialises, it may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Issuer is subject to the risk of potential sovereign debt credit deterioration and default.

As is the case for many insurance companies, the Issuer holds a significant amount of government bonds in its portfolio. This exposes the Issuer to the risk of potential sovereign debt credit deterioration and default. Investments in sovereign debt are subject to the direct and indirect consequences of political, economic and social changes (including changes in governments) and to changes in the creditworthiness of the relevant government. The risk exists that the government may be unable or unwilling to repay principal or pay interest when due in accordance with the terms of such debt, and the Issuer may have limited recourse to compel payment in the event of non-payment or of a default. A government's willingness or ability to repay principal and to pay interest in a timely manner may be affected by different factors that are beyond the Issuer's control, such as the relative size of the debt service burden to the economy as a whole. Periods of economic uncertainty may affect the volatility of market prices of sovereign debt to a greater extent than the volatility inherent in debt obligations of other types of instruments. Any such event or changes may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to risks stemming from defaults in its investments as well as in its counterparties.

The Issuer is exposed to default risk, which may arise in relation to the investments it makes as well as to its counterparties in transactions. The investment default risk represents the risk of actual default of the Group's investments. Counterparty default risk is the risk that the third parties owing money, securities or other assets to the Group do not pay or fulfil their obligations when due. These parties include trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses, reinsurers, bond issuers and financial intermediaries. Third parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, fraud or other reasons. Any such risk may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's mortgage portfolio is subject to the risk of default by borrowers and to changes in the real estate prices.

Through its mortgage portfolio, the Group is exposed to the risk of default by borrowers under their mortgage loans. Such defaults may occur for various reasons, including bankruptcy or a general lack of liquidity. In such case, the amount which the Group will be able to recover may be dependent on the value of the underlying asset, which will be exposed to changes in the real estate market. The value of the asset may furthermore be exposed to other risks, such as the risk of destruction and damage.

Asset illiquidity can adversely affect the Group.

Liquidity risk in the Group's business stems from the risk of being unable to liquidate investments and other assets in order to settle financial obligations when they fall due. Constraints on liquidating assets may be structural or due to market disruption.

The financial commitments of the Group and its local businesses are often long-term, and generally assets held to back these would be long-term and may not be liquid. Claims and other outflows can be unpredictable and may differ significantly from expected amounts. If liquid resources are not available to meet a financial commitment as it falls due, liquid funds will need to be borrowed and/or illiquid assets sold (which may trigger a significant loss in value) in order to meet the commitment. Losses would arise from any discount that would need to be offered to liquidate assets.

Causes of liquidity risk in the operating companies of the Group can be split into elements that can create a sudden increase in the need for cash and elements that can reduce unexpectedly the availability of expected resources to cover cash needs. Such liquidity risk includes, for example, underwriting liquidity risk, which is the risk that the Group or a local business needs to pay a material amount to cover unanticipated changes in customer behaviour (lapse risk), sudden rise in frequency claims or sudden large claims resulting from large or catastrophic events such as windstorms, ash clouds, flu pandemic, etc. If any such risks would materialise at the level of the operating companies of the Group, this may also have an indirect adverse impact on the Issuer, for example arising from limited dividend upstreaming.

A sustained increase in inflation rates may adversely affect the Group's business, solvency position and results of operations.

Inflation, as measured by consumer price indices or other means, is a continuing risk. A sustained increase in the inflation rate in the markets where the Group operates would have multiple impacts on the Group and may adversely affect its business, results of operations, financial condition and prospects. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may in turn (i) decrease the estimated fair value of certain fixed income securities the Group holds in its investment portfolio, resulting in reduced levels of unrealised capital gains available to the Group and which could adversely impact its solvency margin position and net income and (ii) result in increased surrenders of certain life and savings products, particularly those with fixed rates below market rates. This may also require the Group to pay higher interest rates on debt securities that it might issue in the financial markets from time to time.

A significant and sustained increase in inflation has historically also been associated with sluggish performance of equity markets generally. A sustained decline in equity markets may (i) result in impairment charges to equity securities that the Group holds in its investment portfolio and reduce levels of unrealised capital gains available to the Group, which would in turn reduce net income and negatively impact the Group's solvency position, (ii) negatively impact performance, future sales and surrenders of unit linked products where the underlying investments are often allocated to equity funds and (iii) negatively impact the ability of the Group's asset management to retain and attract assets under management, as well as the value of assets that are managed, all of which may adversely impact the Group's results of operations.

In addition, in the context of certain property and casualty risks underwritten by the Group (particularly "long-tail" risks), a sustained increase in inflation may result in claims inflation (i.e., an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim), coupled with an underestimation of corresponding claims reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable to policyholders. This may consequently lead to actual claims payments significantly exceeding associated insurance reserves. In addition, a failure to accurately anticipate higher inflation and factor it into the product pricing assumptions may result in a systemic mispricing of products, resulting in underwriting losses which may adversely impact the Group's business, results of operations, financial condition and prospects.

A sustained deflationary environment may affect the Group's business in different ways.

In a deflation period, consumption delays (resulting from consumption postponement due to price decrease) will cause a drop in the level of aggregate demand, which may lead to a drop in the level of inflows, a slack in capacity if the economy is in recession and a higher profits pressure as selling prices would drop below costs. As far as non-life insurance business is concerned, a protracted period of deflation can have a positive impact through lower claim severity and margins which are expected to be higher. Claims reserves may develop beneficially and may show higher prudence. The life insurance industry may be more (adversely) affected by sustained deflationary pressures. Since many products provide for a minimum rate of return guarantee, any scenario that leads to deflation or sustained periods of very low inflation, may pose challenges to life insurers to earn at least promised rate guarantees.

Insurance liability risks

Experience in the Group's life and non-life businesses could be inconsistent with the assumptions the Group's operating companies use to price their products.

The results of the Group's life and non-life businesses depend significantly upon the extent to which their actual claim experience remains consistent with the assumptions used by the operating companies of the Group in the pricing of its products. Life insurance premiums are calculated using assumptions as to mortality, interest rates and expenses used to project future liabilities. In non-life insurance, claim frequency, claim severity and expense assumptions are used to set prices. Although experience (i.e., the claims and expenses as actually experienced) is closely monitored, there is no guarantee that actual experience will match the assumptions that were used in initially establishing the future policyholder benefits and related premium levels. To the extent that actual experience differs significantly from the assumptions used, the Group may be faced with unforeseen losses that adversely impact its results.

Non-life underwriting risks may have an adverse impact on the Group's business, results of operations, financial condition and prospects.

The Group may be subject to non-life underwriting risks, which mainly consist of reserve, premium, catastrophe and lapse risks. Outstanding claims may be affected by an adverse change in the value of insurance liabilities resulting from fluctuations in the timing and amount of claim settlements and claim expenses, commonly referred to as the reserve risk. There may furthermore be a risk that the premium paid by a policyholder will not be sufficient to cover all liabilities, including claims and expenses resulting from fluctuations in frequency, severity of claims, timing of claim settlements or adverse changes in expenses. Losses may also occur as a consequence of claims generated by catastrophic events, natural disasters or man-made events with a lot of victims involved or with collateral impacts such as pollution or business interruption. Finally, a lapse risk may occur, related to future premiums included in the premium provision where an expected profit is foreseen. Lapse risk is the risk that more lapses will occur than the expected ones, generating less profit than foreseen.

The Group is subject to risks concerning the adequacy of its technical provisions, which could have an adverse impact on the Group's results in case these provisions prove to be insufficient.

The technical provisions of the Group serve to cover the current and future liabilities towards its policyholders. Technical provisions include, among others, mathematical provisions, claims provisions (for reported and unreported claims), unearned premium provisions and ageing provisions. Depending on the actual realisation of the future liabilities (i.e., the claims as actually experienced), the current technical provisions may prove to be inadequate. Reserving inadequacy can also occur due to other factors that are beyond the control of the Group, such as unexpected legal developments, advances in medicine and changes in social attitudes. To the extent that technical provisions are insufficient to cover the Group's actual insurance losses, expenses or future policy benefits, the Group would have to add to these technical provisions and incur a charge to its earnings, which may adversely affect its business, results of operations, financial condition and prospects.

Insurance fraud may adversely affect the Group.

Fraudulent insurance claims may be made which the Group is unable to detect. The volume, value and frequency of fraudulent claims may increase from time to time for various reasons and if not detected and inadvertently paid, can impact on anticipated claims volumes and matching reserves resulting in adverse effects on the Group's business, results of operations, financial condition and prospects.

The Group is at risk from customers who misrepresent or fail to provide full disclosure in relation to the risk against which they are seeking cover before such cover is purchased and from policyholders who fabricate claims and/or inflate the value of their claims. Furthermore, the Group may be subject to risk from members of its staff who undertake, or fail to follow procedures to prevent, fraudulent activities. Finally, the Group may be subject to risk stemming from fraud by third parties.

Reinsurance may not be adequate to protect the Group against losses and it may incur losses due to the inability of its reinsurers to meet their obligations.

In the normal course of their business, Group companies transfer exposures to certain risks in their non-life and life insurance businesses to third parties through reinsurance arrangements. Under these arrangements, reinsurers assume a portion of the Group's losses and expenses associated with reported and unreported claims in exchange for a portion of the premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. If reinsurance is not available at commercially attractive rates and if the resulting additional costs are not compensated by premiums paid to the Group, this could adversely affect the Group's business, results of operations, financial condition and prospects. Also, increasing concentration in the reinsurance market reduces the number of major reinsurance providers and therefore could hamper the Group's efforts to diversify in its reinsurance risk.

Reinsurers may also seek to "cut off" the obligations they owe under the reinsurance arrangements by schemes of arrangement. A scheme of arrangement allows an insurer or reinsurer to achieve finality for their exposure to certain policies by giving creditors a fair valuation of ultimate liabilities (i.e., settling all known claims balances and incurred but not reported balances). A scheme of arrangement may limit the benefit of reinsurance protections and ultimately the amount available to pay out subsequent claims.

Any decrease in the amount of the Group's reinsurance cover relative to its primary insurance liability could increase its risk of loss. Reinsurance arrangements do not eliminate the Group's obligation to pay claims and introduce counterparty risk with respect to the Group's ability to recover amounts due from the reinsurers. Furthermore, the risk of default by a reinsurer cannot be excluded. Any inability of its reinsurers to meet their financial obligations could adversely affect the Group's business, results of operations, financial condition and prospects. The reinsurance risk to which the Group is exposed may also lead to retrocession risk for the Issuer.

Operational risks

Operational risks are an inherent part of the Group's business.

The Group is exposed to operational risks due to losses arising from inadequate or failed internal processes, personnel, systems or external events. The Group has identified seven major sources of operational risks: (i) unintentional or negligent failure to meet a professional obligation to specific clients (including fiduciary and suitability requirements) and corporate stakeholders (e.g. regulators) or from the nature or design of a product, (ii) losses from failed transaction processing or process management, from relations with trade counterparties and vendors, (iii) loss events associated with the interruption of business activity due to internal or external system and/or communication system failures, the inaccessibility of information and/or the unavailability of utilities and other externally driven business disruptions which may also harm personnel, (iv) events arising from acts/omissions, intentional or unintentional, inconsistent with applicable laws on employment relation, health, safety and diversity/discrimination acts the Group is responsible for, (v) the risk due to deliberate abuse of procedures, systems, assets, products and/or services of a company involving at least one internal staff member (i.e., a member who is on the payroll of the company) who intend to deceitfully or unlawfully benefit themselves or others, (vi) events arising from acts of fraud and thefts, or intentional circumvention of the law, actuated by third parties, with the goal of obtaining a personal benefit, damaging the Group or its counterparties (for which the Group pays), or damaging the Group's assets, including all forms of cyber risk and fraud by clients and external parties and (vii) losses arising from loss or damage to physical assets from natural disasters or other events. If any such risk materialises, this may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The risk management framework in place may leave the Group exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to losses or increases in liabilities.

The Group's risk management techniques and strategies may not be fully effective in mitigating the Group's risk exposure in all economic market environments or against all types of risk, including the risks that the risk management fails to identify or anticipate. Some of the quantitative and risk metrics for managing the Group's risk are based on the use of observed historical market behaviour and data. The Group applies statistical and other tools to these observations to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures adequately. The Group's losses could thus be significantly greater than its measures would indicate. In addition, the quantified modelling does not take all risks into account and although it is complemented by a more qualitative approach that takes into account a broader set of risks, this could prove to be insufficient. Unanticipated or incorrectly assessed risk exposures could result in losses to or increases in liabilities for the Group.

The hiring and retention of skilled employees is a priority for the Issuer and the non-realisation of this objective could have a negative impact on the sustainability and development of its business and on its profitability.

The success of the Group's business, the continuity of its operations and its ability to develop new products and services and to comply with a continually changing legal framework depend on its ability to attract and retain qualified employees, particularly those with responsibilities such as actuarial analysis, financial analysis, risk and compliance. The Group faces intense competition in the hiring and retention of trained and capable employees. The retirement of employees also creates the additional challenge of bridging the age or seniority gap by timely attracting new recruits with adequate profiles. In addition, talent management in view of effective succession planning for critical functions and successful in-sourcing certain new capabilities may also prove to be challenging.

Failure to attract and retain sufficient highly skilled and trained employees may adversely impact the Group's ability to comply with its legal obligations (including the approval of certain individuals by regulatory

authorities) or its ability to sustain or develop certain businesses and may therefore have an adverse effect on the Group's business, results of operations, financial condition and prospects.

Failure of the Group's information systems or of its ability to respond to technological changes could adversely affect the Group's operations.

The Group relies on ICT systems to provide most of its services. These systems are subject to several risks, such as power outages, disruptions of internet traffic, software bugs and problems arising from human error. Any such risk may result in loss of data or a significant disruption of the Group's operations.

In addition, if the Group's ICT systems and software require investments and improvements and these are not made or not sufficiently made, this could lead to failures and disruptions of the ICT systems or software. This may increase the risk of security breaches and attacks or otherwise cause the loss of information and data.

The insurance market is furthermore subject to emerging technological changes. One of the challenges which the Group faces is the effective adaptation to this constantly evolving technological landscape. If the Group is not effective in anticipating the impact on its business of changing technologies (such as driverless cars, connected devices, artificial intelligence and online insurance advice), the Group's ability to successfully operate its business may be impaired.

Strategic and business risks

The solvency capital ratios of the Issuer and the Group may be negatively impacted by adverse capital market conditions, evolving regulatory interpretations and other factors.

The National Bank of Belgium (the "**NBB**") has designated the Issuer as an insurance holding. The supervision of the Issuer is therefore based on the requirements of Directive 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance of 25 November 2009, as amended (the "**Solvency II Directive**" or "**Solvency II**"), which entered into force on 1 January 2016. Since 2018, the Issuer also obtained a licence as a reinsurance company and, as such, is subject to the supervision of the NBB. It should furthermore be noted that additional local regulatory requirements may apply to Group members established outside the European Union.

Under Solvency II, the Issuer is required, both on a solo and on a consolidated level, to maintain eligible own funds sufficient to meet solvency capital requirements (and lower minimum regulatory capital requirements) calculated in the manner set forth in the applicable rules, which permit calculation based on either a standard formula or an internal model approved by the regulator. The Issuer uses a partial internal model ("**PIM**") to measure its solvency capital requirement under pillar 1, which sets out quantitative requirements. For internal management purposes, the Issuer supplements the PIM non-life with its own internal view to measure its solvency capital requirements under pillar 2, setting out requirements for governance and risk management. More specifically, on top of the PIM non-life, the Issuer enhances the standard formula with the following elements: (i) reviewed spread risk treatment by including a fundamental spread for EU sovereign (and equivalent) exposures and excluding non-fundamental spread on other debt, (ii) an internal model for real estate, including parking concessions and (iii) exclusion of transitional measures.

The Issuer's solvency capital ratios are sensitive to capital market conditions as well as a variety of other factors. Insurance regulators generally have broad discretion in interpreting, applying and enforcing their rules and regulations with respect to solvency and regulatory capital requirements and, during periods of extreme financial market turmoil, regulators may become more conservative in the interpretation, application and enforcement of these rules, for example by imposing increased reserving requirements for certain types of risks, greater liquidity requirements, higher discounts/"haircuts" on certain assets or asset classes, more conservative calculation methodologies or taking other similar measures which may significantly increase regulatory capital requirements.

In the event of a failure by the Issuer to meet the applicable regulatory capital requirements, insurance regulators have broad authority to require or take various regulatory actions, including limiting or prohibiting the issuance of new business, prohibiting payment of dividends and/or, in extreme cases, putting the company into rehabilitation or insolvency proceedings. In this respect, the Issuer is also subject to the risk that contingency plans designed to ensure that the Issuer remains within the regulatory minimum requirements do not achieve their objectives.

The businesses of the Group are subject to extensive laws and regulations and changes in the legal and/or regulatory environment may have an adverse effect on its business, financial condition, reputation or image in the market.

The Group conducts its businesses subject to ongoing regulation and associated regulation risks, including the effects of changes in the laws, regulations, policies and interpretation thereof in those jurisdictions in which the Group conducts business. New regulations or changes in existing regulations may be imposed in relation to, among others, allowable product features, conduct of business, underwriting practices (e.g. genetic testing), guarantees, profit sharing, personnel rules, reserving and solvency. The timing and form of future changes in regulation are unpredictable and beyond the Group's control. Changes made could materially and adversely affect the Group's business, results of operations, financial condition and prospects, for example in relation to the volume or quality of new sales or the profitability of in-force business.

In particular, the Issuer is subject to the so called "Twin Peaks" supervisory structure in Belgium aimed at simpler and more transparent insurance products and at reinforcing consumer protection rights. While the Issuer, as an insurance holding, is subject to the supervision of the NBB, the supervision of insurance products is entrusted to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*) (the "**FSMA**"). Heightened regulatory scrutiny could, for example, prohibit certain types of segmentation and adversely impact the Issuer's profitability.

On 9 December 2014, Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") was published in the Official Journal of the European Union. The PRIIPs Regulation applies directly in all EU Member States as from 1 January 2018. On 2 February 2016, Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast) (the "**IDD**") was published in the Official Journal of the European Union. The deadline for the transposition of the IDD into national law was originally scheduled for 23 February 2018 but was delayed to 1 July 2018. It has been partially transposed into Belgian law. The PRIIPs Regulation and the IDD are closely linked. These introduce rules aimed at levelling the playing field for the sale and disclosure of insurance and retail investment products to strengthen consumer protection. The PRIIPs Regulation addresses disclosure rules for retail investment products and introduces a new standard for product information called a "Key Information Document" or "KID". The IDD addresses sales and disclosure rules for insurance products, including additional sales rules for insurance investment products. The main difficulties for the Issuer are transparency of remuneration in life as well as in non-life insurance (with a transitional regime of five years for non-life), a ban on commissions on life insurance investment products sold on the basis of independent advice, the introduction of investment profiles and suitability/appropriateness tests in life invest products and the implementation of the key information document.

On 14 April 2016, the European Parliament formally adopted Regulation (EU) 2016/679, a new general data protection regulation (the "**GDPR**"), establishing a harmonised data protection regulation across the EU that will replace all current national data protection laws. The GDPR entered into force on 25 May 2018 and includes both stricter compliance requirements and sanctions for non-compliance. The GDPR imposes a substantially higher compliance burden on the insurance industry and could potentially impair the Group's ability to use customer data; for example by restricting the Group's ability to create customer profiles.

Additional regulatory developments regarding solvency requirements, including further implementing measures under the Solvency II Directive or changes resulting from further efforts by the European Insurance and Occupational Pensions Authority ("**EIOPA**") to harmonise implementation of the Solvency II Directive, may lead to further changes in the insurance industry's solvency framework and prudential regime as well as associated costs. Other proposals to reform or extend the regulatory framework are also expected; for example, the development of a new risk-based, global insurance capital standard (ICS). It is difficult to predict how the rules and regulations resulting from such initiatives and proposals will affect the insurance industry generally or the Issuer's and the Group's business, results of operations, financial condition and prospects.

Potential investors should also be aware that Group companies located outside Europe may also be the subject of extensive laws and regulations.

If the Group fails, or appears to fail, to address some of the above regulatory changes, the Group's reputation could be harmed and the Group could be subject to additional legal risk, including enforcement actions, fines and penalties. Despite its best efforts to comply with applicable regulations, there are a number of risks in areas where applicable regulations may be unclear or where regulators revise their previous guidance or courts overturn previous rulings. The Group also faces increasing compliance costs in view of the continuously changing regulatory landscape in which it operates, which could impact its results and financial condition.

The Issuer is subject to risks stemming from its new reinsurance business.

In June 2018, the Issuer received the approval from the NBB to organise and operate reinsurance operations. The development of such activities is intended to increase the fungibility of capital within the Group, giving the Issuer greater flexibility and agility to execute its strategy. Such development may, however, be complex and expensive and may present other risks and challenges. There can be no assurance that the Issuer will realise any or all of the anticipated benefits of the deployment of the new reinsurance activities. If the Issuer does not succeed in developing the new activities, this may adversely impact the Group's business, results of operations, financial condition and prospects.

The Group may be subject to risks stemming from anticipated business growth opportunities, including in relation to potential acquisitions and joint ventures.

To pursue its growth ambitions, the Group may contemplate certain business growth opportunities, such as the deployment of new activities, undertaking acquisitions or the set-up of additional joint venture arrangements. The integration of new or acquired businesses may, however, present various risks and challenges and may have an impact on the capital requirements of the Group. Furthermore, there can be no assurance that the Group will realise any or all of the anticipated benefits of any realised business growth opportunity or that any such new or acquired business can perform as anticipated. Finally, risks regarding joint venture arrangements may involve the challenges in achieving strategic objectives and expected benefits of the relevant business arrangement. The aforementioned factors could adversely impact the Group's business, results of operation, financial condition and prospects.

The Group is exposed to risks associated with the preparation of financial information.

The preparation of financial information in terms of the adequacy of the systems, the reporting and compilation of financial information, taking into account changes in scope or changes in accounting standards, is a major challenge for the Group. Competent teams in charge of producing it and suitable tools and systems must be able to prevent this financial information from not being produced on time or presenting deficiencies with regard to the required quality.

The consolidated accounts of the Issuer are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). These may be adversely affected by changes to IFRS as issued by the International

Accounting Standards Board and adopted by the European Union, which may result in negative effects on the accounting treatment and valuation of the Issuer's insurance and reinsurance contracts.

Changes to IFRS for insurance companies have been proposed in recent years and further changes may be proposed in the future. The International Accounting Standards Board has published IFRS 9 accounting standards for financial instruments and IFRS 17 accounting standards for insurance contracts (replacing IFRS 4 as of 1 January 2022). These will make significant changes to the financial reporting landscape of insurance entities. These standards could affect the way in which the Issuer presents its financial information, including the effect of technical reserves and reinsurance on the value of insurance contracts. It is uncertain whether and how these standards will affect the Issuer, but there is potential for them to adversely affect the Issuer's financial position. The Issuer may also have to devote resources to adapt its organisation, processes and systems to reflect these changes which could be costly. Any changes may also need to be considered alongside other regulatory changes which may come into effect.

The Group's performance is subject to substantial competitive pressure that could adversely affect its results.

The Group is subject to substantial competition in the various jurisdictions in which it is active. This has also been impacted by the financial crisis and solvency capital requirements, which have put insurers under pressure to generate profitability in a mature environment.

In addition, industry consolidation continued in order to diversify risks and realise economies of scale. Furthermore, high capital requirements for monoline insurance companies, anticipating the implementation of Solvency II, have led to further consolidation in the past. Insurers are also exploring different approaches in distribution as an alternative response to the challenges they have encountered or they expect to encounter in the future.

Consumer demand and awareness also affect competition, in particular as a result of technological advances and the impact of (social) media. Consumers have become more knowledgeable, price conscious and risk averse, demanding more convenience and transparency. Online aggregators furthermore allow consumers to compare insurance premiums.

If the Group is unable to offer competitive and attractive products profitably, it may lose market share and/or incur losses on some of its activities. Competitive pressure could further result in increased pricing pressure, particularly as competitors seek to win market share, which may impair the ability of the Group to maintain or increase profitability.

The Group relies on the distribution and brand of its partners.

The Group's strategy of partnership and reliance on the distribution and brand of its partners leads to inevitable dependence on such partners and risks in terms of distribution and operations. Distribution risk relates to challenges in the ability to maintain alignment of interests in joint ventures set up with partners, control product mix and volumes, commoditisation of Group products and sudden loss of sales if a distribution channel does not continue the strategic relationship. Risks furthermore arise in relation to the operations of the partnerships. The Group supports the maintenance of an effective control framework which substantially and appropriately covers corporate governance, finance, risk management, compliance and audit functions. In joint ventures, however, where the Group does not necessarily have direct control, there is an increased likelihood of risks materialising due to control issues. The main risks for joint venture companies, in particular for those established in Asia, are conflicts of interests in situations where the partner itself has ambitions to expand across the region or even globally, the partner's restructuring ambitions resulting in unreasonable demands, potential adverse regulatory actions and deterioration in the relationship with local management.

The Group may be subject to distribution risk.

Distribution is very important in the Group's business model and the Group relies to an important extent on external parties and partners for distribution, including different bank channels such as channels from BNP Paribas Fortis SA/NV in Belgium and Maybank in Asia. Distribution risk can arise due to a number of causes, including lack of alignment of incentives, poor relationship management or lack of sufficient bargaining power in the relationship.

A substantial part of the distribution, particularly in the non-life insurance business, originates from distribution through a large network of brokers that may also offer products of the Group's competitors. As a result, the Group's successful distribution through this channel depends on the preferences of these intermediaries for the products and services of the Group. Intermediaries' preferences are determined in part by the level of compensation offered and also by product features and quality, the services offered to customers, the support services and the financial position or solvency of the insurance company. The Group may not succeed in continuing to provide incentives to insurance brokers to market their products and services successfully, which failure could adversely impact its business, results of operations, financial condition and prospects.

Please also refer to the risk factor "*The Group relies on the distribution and brand of its partners*" above.

The Issuer is exposed to the risk of a downgrade of any of its credit ratings.

The Issuer is rated, at the request or with the co-operation of the Issuer in the rating process, "A" (stable outlook) (Financial Strength Rating) and "A" (stable outlook) (Issuer Credit Rating and Foreign Currency Issuer Credit Rating) by S&P and "A" (stable outlook) (Long-Term Issuer Default Rating) and "A+" (stable outlook) (Insurer Financial Strength Rating) by Fitch. A downgrade of any of the Issuer's credit ratings (for any reason whatsoever) could have a variety of negative effects, including higher funding and refinancing costs in the capital markets, a weakened competitive position, increased surrenders or termination of policies, increased costs of reinsurance and damage to the Issuer's reputation and image, all of which could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

Furthermore, credit ratings may not reflect the potential impact of all risks related to structure, market and other factors that may affect the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant credit rating agency.

Reputation risk can have an adverse impact on the Group.

The Group may be adversely affected in case of a loss resulting from a decrease in the number of clients, transactions and funding opportunities arising from the adverse perception of the image of the Issuer or any other Group companies on the part of customers, counterparties, shareholders, investors or regulators. This may have an adverse impact on the Group's business, results of operations, financial condition and prospects.

The Group's business may be affected by country-specific risks.

The Group will be exposed to specific risks in the countries in which it is active. Investments in a country will depend heavily on changes in the business environment and may therefore adversely affect operating profits or the value of assets in that specific country. This may include financial factors, such as currency controls, devaluation or regulatory changes, or stability factors, such as mass riots, civil war and other potential events contributing to companies' strategic risks.

The Group is subject to risks relating to changes in the political, economic and social environment.

Changes in general political, economic and social conditions may have an adverse impact on the Group's business, results of operations, financial condition and prospects. The Group may be affected by political events which are beyond its control, such as the uncertainties relating to the exit of the United Kingdom from the

European Union and the ongoing trade war between the United States and China. Furthermore, the global economy, the condition of the financial markets and adverse macro-economic developments can all significantly influence the Group's performance.

The Group is in general exposed to environment risk.

The Group may in general be subject to environment risk, which covers a range of changes to the external environment. This includes: (i) changes in the economic environment arising from economic factors (e.g. inflation, deflation, unemployment and changing consumer confidence or behaviour) that can impact the Group's businesses, (ii) environmental risks of the geopolitical environment which can impact the Group's ability to develop business in the different countries where it operates, (iii) technology shifts and the impact this can have on customer buying behaviour and the need to develop appropriate IT strategies, (iv) other emerging risks, such as major scale events or circumstances beyond one's direct capacity to control, which would impact in ways difficult to imagine today, such as potential claims from nanotechnology or changing weather patterns and (v) contagion risks – an extreme form of concentration risk that arises when usually unrelated risk factors affect each other and become highly correlated – linked to the greater levels of connectivity across the world and therefore the Group's markets and risk types.

The Group is subject to risks resulting from the occurrence of natural or man-made disasters or pandemics.

Pandemics, natural catastrophic events (such as hurricanes, windstorms, hailstorms and earthquakes) and man-made disasters (such as acts of terrorism) each have the potential to affect the results of the Group adversely. In particular, assessing weather-related risk in a rapidly changing environment has become increasingly difficult, with knowledge of past weather events becoming an unreliable guide for the future. It cannot be excluded that the Group could be adversely affected by these types of risks.

Continuing difficult market conditions and business cycles in which the Group operates may adversely affect its business and its profitability.

The Group's business is affected by changing general market conditions, which can cause its results to fluctuate from year to year, as well as on a more long term basis. These conditions include economic cycles, such as insurance industry cycles and financial market cycles, including volatile movements in market prices for securities. In particular, cycles in the non-life insurance industry are characterised by periods of price competition, fluctuations in underwriting results and the occurrence of unpredictable weather-related and other losses. Fluctuations in interest rates, credit spreads, consumer and business spending, demographics and other factors also influence the performance of the Group's business.

Market conditions continue to be volatile and there can be no assurance as to the effect of this volatility, particularly if it is prolonged, on the results of the Group's activities.

Litigation or other proceedings or actions may adversely affect the Group's business and hence its financial condition and results of operations.

In the course of its normal business, the Group is, from time to time, involved in legal proceedings the outcomes of which are difficult to predict or quantify. The Group may also become involved in legal disputes in the future that may involve substantial claims for damages or other payments. There may also be adverse publicity associated with litigation that could decrease customer acceptance of the Group's services, regardless of whether the allegations are valid or whether the Group ultimately is found liable. As a result, such proceedings could have an adverse effect on the Group's business, financial condition, operating results and prospects.

2 Factors relating to the Notes

The Issuer's obligations under the Notes are subordinated, and on a Winding-up of the Issuer investors may lose some or all of their investment in the Notes.

The Notes will constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under or arising from the Notes in respect of principal, interest and other amounts (including, without limitation, Arrears of Interest and any damages awarded for breach of any obligations in respect of the Notes) in respect of the Notes constitute direct, unsecured and subordinated obligations of the Issuer and claims in respect thereof shall, subject to any obligations which are mandatorily preferred by law, at all times rank in the event of a Winding-up: (i) behind claims in respect of (aa) any existing or future unsubordinated indebtedness and payment obligations of the Issuer (including, without limitation, the claims of policyholders of the Issuer (if any)), (bb) any existing or future direct, unsecured and dated subordinated indebtedness and payment obligations of the Issuer which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 3 Capital as at their respective issue dates and (cc) any obligations which rank, or are expressed to rank, *pari passu* with any Tier 3 Capital and/or senior to the Notes, (ii) *pari passu* and without any preference among themselves, (iii) at least equally and rateably with claims in respect of (aa) any other existing or future direct, unsecured and dated subordinated indebtedness and payment obligations of the Issuer which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 2 Capital as at their respective issue dates (other than Junior Securities) and (bb) any obligations which rank, or are expressed to rank, *pari passu* therewith and (iv) in priority to the claims of Junior Creditors.

By virtue of such subordination, in a Winding-up of the Issuer the assets of the Issuer would be applied first in satisfying all senior-ranking claims in full, and payments would be made to Holders of the Notes, pro rata and proportionately with payments made to holders of any other *pari passu* instruments (if any), only if and to the extent that there are any assets remaining after satisfaction in full of all such senior-ranking claims. A Holder may therefore recover a smaller proportion of its claim than the holders of senior-ranking liabilities of the Issuer, and may not even recover any part of its investment in the Notes.

Furthermore, the Conditions will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date. The incurrence of any such liabilities may reduce the amount (if any) recoverable by Holders on a Winding-up of the Issuer. Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes and each Holder shall, by virtue of its holding, be deemed to have waived all such rights of set-off, compensation or retention.

Although subordinated debt securities (such as the Notes) may pay a higher rate of interest (subject always to the Issuer's right and, in certain circumstances, obligation to defer interest payments in accordance with the Conditions) than comparable debt securities which are not subordinated, there is a real risk that an investor in such securities will lose some or all of its investment should the Issuer become insolvent.

Furthermore, if the Issuer's financial condition deteriorates such that there is an increased risk that the Issuer may be subject to a Winding-up, such circumstances can be expected to have an adverse effect on the market price of the Notes. Investors in the Notes may furthermore find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such event, investors may lose some or substantially all of their investment in the Notes, whether or not the Issuer is subject to a Winding-up.

Payments of principal and interest relating to the Notes are subject to the Solvency Condition, except in a Winding-up of the Issuer.

Except where the Issuer is subject to a Winding-up, all payments in respect of the Notes (including any damages awarded for breach of any obligations under the Notes) are, in addition to the discretion and/or obligation of the Issuer to defer payments pursuant to the Conditions, conditional upon the Issuer being solvent (as described in Condition 2(b) (*Condition to Payment*)) at the time for payment by the Issuer and no amount shall be payable in respect of the Notes unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter (see Condition 2 (*Winding-up*)). If the Issuer is unable to make payments on the Notes due to the operation of the Solvency Condition and such circumstances continue to exist, the Issuer may be required to defer payments of interest and/or principal on the Notes for an extended or indefinite period of time whilst continuing to make payments on certain of its other obligations, and there is a risk that the amounts so deferred may only become payable in a Winding-up of the Issuer (please also refer to the risk factor "*The Issuer's obligations under the Notes are subordinated, and on a Winding-up of the Issuer investors may lose some or all of their investment in the Notes*" above).

If the Issuer is unable, or the market anticipates that the Issuer may be unable, to pay any principal or interest as a result of the operation of the Solvency Condition, such circumstances can be expected to have an adverse effect on the market price of the Notes. Investors in the Notes may furthermore find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such event, investors may lose some or substantially all of their investment in the Notes.

The Issuer may redeem the Notes in certain circumstances, but has no obligation to redeem the Notes prior to the Scheduled Maturity Date.

The Scheduled Maturity Date of the Notes is the Interest Payment Date falling in July 2049. Although the Issuer may redeem or purchase the Notes in certain circumstances described herein prior to that date, the Issuer is under no obligation to do so. In addition, the Holders have no right to require the Issuer to redeem the Notes on the First Call Date or at any time before the Scheduled Maturity Date. Therefore, prospective investors should be aware that they may be required to bear the financial risks associated with an investment in long-term securities.

The Notes may in particular, subject to certain conditions to redemption set out in the Conditions, at the option of the Issuer be redeemed before the Scheduled Maturity Date, in whole but not in part, (i) on the First Call Date or any Interest Payment Date thereafter, (ii) at any time, if less than 20 per cent. of the aggregate principal amount of the Notes issued (including any Notes which, pursuant to Condition 15 (*Further Issues*), form a single series with the Notes originally issued) remain outstanding, (iii) if a Deductibility Event or a Gross-up Event has occurred and is continuing, (iv) if a Capital Disqualification Event has occurred and is continuing and (v) if a Ratings Methodology Event has occurred and is continuing, at their principal amount, in each case together with any Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date.

In case of such early redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate which is as high as the interest rate on the Notes being redeemed, and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, the Issuer's ability to redeem the Notes at its option in certain limited circumstances may affect the market value of the Notes. In particular, during any period when the Issuer has the right to elect to redeem the Notes or the market anticipates that redemption might occur, the market value of the Notes generally would not

be expected to rise substantially above the redemption price because of the optional redemption feature. This may also be true prior to any redemption period.

Please also refer to the risk factor "*Redemption payments under the Notes must be deferred by the Issuer in certain circumstances*" below.

Redemption payments under the Notes must be deferred by the Issuer in certain circumstances.

Notwithstanding the scheduled maturity of the Notes on the Scheduled Maturity Date, the Issuer must defer redemption of the Notes on the Scheduled Maturity Date or on any other date set for redemption of the Notes pursuant to the Conditions in the event that (i) a Regulatory Deficiency Event has occurred and is continuing or a redemption would itself cause a Regulatory Deficiency Event to occur or (ii) it cannot make the redemption payments in compliance with the Solvency Condition.

Any such deferral of redemption of the Notes will not constitute a default under the Notes or for any other purpose and will not give Holders any right to accelerate the Notes such that amounts of principal, interest or Arrears of Interest would become due and payable on the Notes earlier than otherwise scheduled pursuant to the Conditions.

Where redemption of the Notes is deferred pursuant to the occurrence of a Regulatory Deficiency Event, subject to certain conditions, the Notes will be redeemed by the Issuer on the earliest of (i) the date falling ten Business Days following the date the Regulatory Deficiency Event has ceased (and provided that no Regulatory Deficiency Event has occurred since then and is continuing or a redemption would itself cause a Regulatory Deficiency Event to occur), (ii) the date falling ten Business Days after the Relevant Supervisory Authority has agreed to the redemption of the Notes or (iii) the date on which a Winding-up occurs. Where redemption of the Notes is deferred if the Issuer cannot make the redemption payments in compliance with the Solvency Condition, subject to certain conditions, the Notes will be redeemed by the Issuer on the earliest of (a) the date falling ten Business Days following the day that the Solvency Condition is met (and provided that on such date the Solvency Condition is met and no Regulatory Deficiency Event has occurred and is continuing) or (b) the date on which a Winding-up occurs. Therefore, the Holders may receive their investment back at a later point in time than initially expected or not at all.

If the redemption of the Notes is deferred or the Notes are not redeemed for the reasons set out above, Holders will not receive any additional compensation for the postponement of such redemption.

Any actual or anticipated deferral of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption deferral provision of the Notes, including with respect to deferring redemption on the Scheduled Maturity Date, the market price of the Notes may be more volatile than the market prices of other debt securities without such deferral feature, including dated securities where redemption on the scheduled maturity date cannot be deferred, and the Notes may accordingly be more sensitive generally to adverse changes in the Issuer's financial condition. Investors in the Notes may also find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such event, investors may lose some or substantially all of their investment in the Notes.

The Notes provide Holders with limited rights and remedies.

The only enforcement events in the Conditions relate to non-payment of an amount when due. Any amounts of principal, interest and/or other amounts in respect of the Notes which are deferred on a scheduled payment date in accordance with the Conditions which permit or require deferral shall not fall due on such scheduled payment date, and accordingly non-payment on such date of the amounts so deferred shall not entitle the Holders to take enforcement action against the Issuer.

Upon any default, the sole remedy available to any Holder for recovery of amounts which have become due in respect of the Notes is to sue for payment of principal or interest when the same are due and to prove or claim in the Winding-up of the Issuer. The Holders have no right to petition for or institute proceedings for the bankruptcy of the Issuer in Belgium or to institute equivalent insolvency proceedings (including those equivalent to a Winding-up) pursuant to any laws in any country in respect of any default of the Issuer under the Notes. A deferral of payment of interest and/or principal, as described under the risk factor "*Interest payments under the Notes may and, in certain circumstances, must be deferred by the Issuer*" below, shall not constitute a default under the Notes for any purpose, including enforcement action against the Issuer.

In a Winding-up, the risks described under the risk factor "*The Issuer's obligations under the Notes are subordinated, and on a Winding-up of the Issuer investors may lose some or all of their investment in the Notes*" above shall apply, and each Holder will have only limited ability to influence the conduct of such Winding-up.

The Holders have no rights to proceed directly against the Issuer or prove or claim in a Winding-up of the Issuer, save in the very limited circumstances set out in the Conditions.

No right of set-off, compensation or retention.

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes and each Holder shall, by virtue of being a Holder, be deemed to have waived all such rights of set-off, compensation or retention.

Interest payments under the Notes may and, in certain circumstances, must be deferred by the Issuer.

In respect of any Interest Payment Date that is neither a Compulsory Interest Payment Date nor a Mandatory Interest Deferral Date, the Issuer may at its discretion defer payment of the accrued but unpaid interest up to that Interest Payment Date in full, and in such circumstances the relevant interest payment shall not fall due on such Interest Payment Date and the Issuer shall have no obligation to make such payment on that date.

In addition, the Issuer is required, subject to certain exceptions set out in the Conditions, to defer any payment of interest on the Notes which is scheduled to be paid on an Interest Payment Date if: (i) a Regulatory Deficiency Event has occurred and is continuing at the relevant Interest Payment Date or (ii) the Solvency Condition is not met as at such Interest Payment Date or (iii) payment of such Interest Payment would cause a Regulatory Deficiency Event to occur or (iv) payment of such Interest Payment would cause the Solvency Condition not to be met.

The deferral of interest as described above will not constitute a default under the Notes for any purpose, including enforcement action against the Issuer. Any interest so deferred shall, for so long as the same remains unpaid, together with any other interest in respect of the Notes not paid on an earlier Interest Payment Date in accordance with the Conditions, constitute Arrears of Interest. Arrears of Interest do not themselves bear interest.

Arrears of Interest may, subject to certain conditions, be paid in whole or in part by the Issuer at any time, but in any event shall be payable by the Issuer (subject to satisfaction of the Solvency Condition) on the earliest to occur of (i) the next succeeding Interest Payment Date which is not a Mandatory Interest Deferral Date and on which a scheduled payment of interest in respect of the Notes is made or is required to be made pursuant to Condition 3 (*Interest*), (ii) the date on which the Notes are redeemed or repaid in accordance with Condition 5 (*Redemption*) or (iii) upon the Winding-up of the Issuer. The holders of the Notes have no right to require payment of Arrears of Interest.

Any actual or anticipated deferral of interest will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provisions of the Notes, the market price of the Notes may

be more volatile than the market prices of other debt securities on which interest accrues that is not subject to such deferral and may be more sensitive generally to adverse changes in the financial condition of the Issuer. Investors should be aware that any announcement relating to the future deferral of interest payments or any actual deferral of interest payments may have an adverse effect on the market price of the Notes. Investors in the Notes may furthermore find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such event, investors may lose some or substantially all of their investment in the Notes.

The Notes do not contain a so-called "dividend stopper" provision. Therefore, while the deferral of interest payments continues, the Issuer is not prohibited by the Conditions from making payments on other securities ranking senior to, equally with or more junior to the Notes.

Regulation and reform of "benchmarks" may adversely affect the value of the Notes.

Reference rates and indices, including interest rate benchmarks, such as the Euro Interbank Offered Rate ("**EURIBOR**"), which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, including, in June 2016, pursuant to the entry into force of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation could have a material adverse effect on the Notes.

The Conditions provide that the Floating Interest Rate shall be determined by reference to the offered rate for 3-month deposits in euro as displayed in the display designated as "EURIBOR 01" on the Thomson Reuters Monitor Money Rates Service (or such other page or pages as may replace it for the purpose of displaying such information).

Where such offered rate is not available, the Conditions provide for the Floating Interest Rate to be determined by the Agent by reference to quotations from banks communicated to the Agent at the request of the Issuer or any third party on behalf of the Issuer.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Floating Interest Rate may ultimately revert to the Interest Rate applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Notes.

If a Benchmark Event (which, amongst other events, includes the permanent discontinuation of the Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Floating Interest Rate will result in the Notes performing differently (which may include payment of a lower Floating Interest Rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Holders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread may be determined by the Issuer and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. It may however not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to the Holders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Floating Interest Rate. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in the Notes performing differently (which may include payment of a lower Floating Interest Rate) than they would if the Original Reference Rate were to continue to apply in its current form.

No Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital for the purposes of the Applicable Regulations.

The Issuer may not be able to appoint an Independent Adviser in a timely manner and/or determine a Successor Rate or Alternative Rate in accordance with the Conditions.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner or is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Floating Interest Rate for the next succeeding Interest Period will be the Interest Rate applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event or, where the Benchmark Event occurs before the first Interest Determination Date, the Floating Interest Rate will be the last available rate which was displayed on the page referred to above.

Where the Issuer has been unable to appoint an Independent Adviser or has failed to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply to the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Floating Interest Rate, or in the case of the first Interest Determination Date the last available rate which was displayed on the page referred to above as at such first Interest Determination Date, will result in the Notes performing differently (which may include payment of a lower Floating Interest Rate) than they would do if the relevant benchmark were to continue to apply or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or fails to determine a Successor Rate or Alternative Rate for the life of the Notes, the initial Floating Interest Rate, or in the case of the first Interest Determination Date the last available rate which was displayed on the page referred to above as at such first Interest Determination Date, will continue to apply to maturity. This will result in the Notes, in effect, becoming fixed rate securities.

Variation of the terms of the Notes upon the occurrence of a Ratings Methodology Event or a Capital Disqualification Event.

Subject to Condition 8 (*Preconditions to Redemption, Variation and Purchase*), if a Ratings Methodology Event or a Capital Disqualification Event has occurred and is continuing, the Issuer (subject to the prior approval of the Relevant Supervisory Authority (if required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time)) may, without any

requirement for the consent of the Holders, at any time (whether before or following the First Call Date) modify the Conditions so that the Notes remain or become (in the case of a Ratings Methodology Event) Rating Agency Compliant Securities or (in the case of a Capital Disqualification Event) Qualifying Tier 2 Securities. The Conditions may only be so modified if the proposed modification would not of itself give rise to a Deductibility Event, a Gross-up Event, a Capital Disqualification Event or a Ratings Methodology Event.

There can be no assurance that, due to the particular circumstances of each Holder, such modified Notes will be as favourable to each Holder in all respects.

Change of law.

The Conditions and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England, save that the provisions of Conditions 1 (*Form, Denomination and Title*), 2 (*Winding-up*) and 13(a) (*Meetings of Holders*) and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, Belgian law, in each case in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England and/or Belgian law, or the official application, interpretation or the administrative practice of the laws of England and/or Belgian law after the date of this Prospectus.

Prospective investors should also note that any replacement of, change to, or change to the interpretation by the Relevant Supervisory Authority or any court or authority entitled to do so of, the Applicable Regulations may result in the Notes ceasing to qualify as Tier 2 Capital for the purposes of the Issuer and/or the Group. In such case, the Issuer may elect to redeem the Notes due to the occurrence of a Capital Disqualification Event or to modify the Conditions of the Notes. Please also refer to the risk factors "*The Issuer may redeem the Notes in certain circumstances, but has no obligation to redeem the Notes prior to the Scheduled Maturity Date*" and "*Variation of the terms of the Notes upon the occurrence of a Ratings Methodology Event or a Capital Disqualification Event*" above.

Credit ratings may not reflect all risk.

The Issuer has been and the Notes are expected to be assigned a credit rating by S&P and Fitch. Credit ratings may, however, not reflect the potential impact of all risks related to the structure, market, additional factors discussed in this section and other factors that may affect the market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant credit rating agency.

Furthermore, the credit ratings to be assigned to the Notes are not a statement as to the likelihood of non-deferral of interest on the Notes. In addition, if the credit ratings assigned to the Issuer were to be downgraded or withdrawn for any reason, this may in turn lead to one or more of the credit ratings assigned to the Notes to be downgraded or withdrawn, which could have an adverse effect on the market value of the Notes.

Modifications and waivers without the consent of the Holders.

The Conditions contain provisions for calling meetings of Holders to consider certain matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meetings and Holders who voted in a manner contrary to the majority.

Furthermore, the Conditions also provide that the Issuer and the Agent may, subject to the prior approval of the Relevant Supervisory Authority (if required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time), agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Agency Agreement or the Conditions which in the Issuer's opinion is of a formal, minor or technical nature or is made to correct a manifest error or

to comply with mandatory provisions of law or (ii) any other modification of the provisions of the Agency Agreement or the Conditions which is, in the opinion of the Issuer, not materially prejudicial to the interests of the Holders. The foregoing is without prejudice to any amendments which may be made to the Conditions or the Agency Agreement pursuant to Condition 3(i) (*Benchmark replacement*).

Finally, the Conditions provide that the Issuer may, under certain circumstances, vary the Conditions in accordance with Condition 6 (*Variation*). In this respect, please also refer to the risk factor "*Variation of the terms of the Notes upon the occurrence of a Ratings Methodology Event or a Capital Disqualification Event*" above.

Taxation.

The statements in relation to taxation set out in this Prospectus are based on current law and the practice of the relevant authorities in force or applied at the date of this Prospectus. Potential investors should be aware that any relevant tax law or practice applicable as at the date of this Prospectus and/or the date of purchase of the Notes may change at any time (including during the term of the Notes). Any such change may have an adverse effect on a Holder, including that the liquidity of the Notes may decrease and/or the amounts payable to or receivable by an affected Holder may be less than otherwise expected by such Holder.

Potential purchasers and sellers of the Notes should also be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred, where the investors are resident for tax purposes and/or other jurisdictions.

Potential investors are advised not to rely upon the tax overview contained in this Prospectus, but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

No tax gross-up protection in respect of payments of principal under the Notes.

Potential investors should be aware that the Conditions do not provide for payments of principal to be grossed up in the event withholding tax is imposed on repayments of principal. As such, the Issuer would not be required to pay any Additional Amounts to the extent any withholding or deduction applies to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Holders may receive less than the full amount due under the Notes and the market value of the Notes may be adversely affected.

The Notes may be held only by eligible investors.

The Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB Securities Settlement System.

The proposed financial transactions tax ("FTT").

On 14 February 2013, the European Commission published a proposal (the "**FTT Commission Proposal**") for a Council Directive on a common financial transactions tax (the "**FTT**") for an enhanced cooperation in the area of financial transactions tax. Pursuant to the FTT Commission Proposal, the FTT shall be implemented and enter into effect in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain; together, the "**FTT Participating Member States**"). Estonia has, however, since stated that it will no longer participate.

The FTT Commission Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the FTT Commission Proposal, the FTT could apply in certain circumstances to persons both within and outside of the FTT Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in an FTT Participating Member State. A financial institution may be, or be deemed to be, "established" in an FTT Participating Member State in a broad range of circumstances, including (i) by transacting with a person established in an FTT Participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in an FTT Participating Member State.

The FTT proposal however remains subject to negotiation between the FTT Participating Member States (excluding Estonia). It may therefore be altered prior to any implementation and the scope of any such tax is thus uncertain. Additional EU Member States may decide to participate and/or other FTT Participating Member States may decide to withdraw.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with the subscription, purchase, holding or disposal of the Notes.

Common Reporting Standard.

Following recent international developments, the exchange of information will be governed by the Common Reporting Standard ("**CRS**").

On 15 January 2018, 98 jurisdictions signed the multilateral competent authority agreement ("**MCAA**"), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 50 jurisdictions have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017 relating to income year 2016 (referred to as the early adopters). More than 50 jurisdictions have committed to exchange information as from 2018.

Under CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends Directive 2011/16/EU on administrative cooperation in direct taxation.

The Belgian government has implemented DAC2 and the CRS pursuant to the law of 16 December 2015 on the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the "**Law of 16 December 2015**").

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other jurisdictions that have signed the MCAA, as of the respective date determined by Royal Decree. In a Royal Decree of 14 June 2017, it has been determined

that the automatic provision of information applies as from 2017 (for the 2016 financial year) for a first list of eighteen jurisdictions, and as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions.

Investors who are in doubt as to their position should consult their own tax advisers.

The secondary market generally.

Although application has been made for the Notes to be listed on the official list and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange as of the Issue Date, the Notes have no established trading market and one may never develop. Furthermore, if a market does develop, no assurances can be given that it will continue or that it will be or remain liquid.

If a secondary market does not develop or such secondary market is insufficiently liquid, an investor might not be able to sell its Notes easily or at prices that will provide it with a yield comparable to similar investments that have a developed secondary market. The possibility to sell the Notes might additionally be restricted by country specific reasons. Illiquidity may have an adverse effect on the market value of the Notes.

Fixed rate securities are exposed to specific market risks.

The Notes will bear a fixed interest rate *per annum* during the Fixed Rate Interest Period. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the "**Market Interest Rate**"). While the nominal rate of a security with a fixed interest rate is fixed for a specified period, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security is likely to change in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls until the yield of such security is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a security with a fixed compensation rate typically increases until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for the Holders if they sell the Notes during the Fixed Rate Interest Period.

Investors will not be able to calculate in advance their rate of return on the Notes after the Fixed Rate Interest Period.

If the Notes are not called on the First Call Date, the Notes will bear interest at a floating rate from (and including) the First Call Date until (but excluding) the Scheduled Maturity Date.

The Floating Interest Rate is based on three components, namely the offered rate (expressed as a rate *per annum*) for 3-month deposits in euro, the Margin and the Step-Up. The Floating Interest Rate (i.e., the coupon) is payable quarterly and will be determined immediately prior to any relevant Interest Period by reference to the then prevailing offered rate for 3-month deposits in euro.

Investors should be aware that the Floating Interest Rate is subject to changes to the offered rate for 3-month deposits in euro and therefore cannot be anticipated. Holders are therefore not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments in instruments which have a fixed interest rate until their maturity.

Since the Margin and the Step-Up are fixed at the Issue Date, Holders are subject to the risk that the Margin and the Step-Up do not reflect the spread that investors require in addition to the offered rate for 3-month deposits in euro as a compensation for the risks inherent in the Notes (the "**Market Spread**"). The Market Spread typically changes continuously. As the Market Spread changes, the price of the Note changes in the opposite direction. A decrease of the Market Spread has a positive impact on the price of the Note; an increase of the Market Spread has a negative impact on the price of the Note. However, after the First Call Date the price of the Notes is subject to changes in the Market Spread, changes in the offered rate for 3-month deposits in euro

or both. Investors should be aware that movements of the Market Spread can adversely affect the price of the Notes and can lead to losses for the Holders if they sell the Notes at any time after the First Call Date.

Reinvestment risk.

In addition, Holders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the Market Interest Rate (or Market Spread, respectively) declines and if Holders want to invest such proceeds in comparable transactions, Holders will only be able to reinvest such proceeds in comparable transactions at or by reference to the then prevailing lower Market Interest Rates (or Market Spread, respectively).

Inflation risk.

The value of future payments of principal and interest may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced at rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

Relationship with the Issuer.

All notices and payments to be delivered to the Holders will be distributed by the Issuer to such Holders in accordance with the Conditions. In the event that a Holder does not receive such notices or payments, its rights may be prejudiced but it may not have a direct claim against the Issuer therefor.

Reliance on the procedures of the NBB Securities Settlement System and its participants.

The Notes will be issued in dematerialised form in accordance with Article 468 et seq. of the Belgian Companies Code and cannot be physically delivered. The Notes will be represented exclusively by book entry in the records of the NBB Securities Settlement System. Access to the NBB Securities Settlement System is available through those of its NBB Securities Settlement System participants whose membership extends to securities such as the Notes. NBB Securities Settlement System participants include certain banks, stockbrokers (*sociétés de bourse/beursvennootschappen*), Euroclear, Clearstream, SIX SIS and Monte Titoli. Accordingly, the Notes will be eligible for clearance through, and will therefore be accepted by, Euroclear, Clearstream, SIX SIS and Monte Titoli. Investors who are not NBB Securities Settlement System participants can hold their Notes within securities accounts in Euroclear, Clearstream, SIX SIS, Monte Titoli or the other direct or indirect participants of the NBB Securities Settlement System. Transfers of interests in the Notes will be effected between the NBB Securities Settlement System participants in accordance with the rules and operating procedures of the NBB Securities Settlement System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB Securities Settlement System participants through which they hold their Notes.

The Issuer and the Agent will not have any responsibility for the proper performance by the NBB Securities Settlement System or its participants of their obligations under their respective rules and operating procedures.

A Holder must rely on the procedures of the NBB Securities Settlement System, Euroclear, Clearstream, SIX SIS and Monte Titoli to receive payments under the Notes. The Issuer will have no responsibility or liability for the records relating to the Notes within the NBB Securities Settlement System.

Holders must look solely to the direct participants and sub-participants in the NBB Securities Settlement System for payments under the Notes.

The Conditions and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Holders and that the payment obligations of the Issuer under the Notes will be discharged by payment to the NBB Securities Settlement System in respect of each amount so paid. Each of the persons shown in the records of a direct participant, sub-participant or the operator of the NBB

Securities Settlement System as the beneficial holder of a particular nominal amount of Notes must look solely to the relevant direct participant or sub-participant, as the case may be, for its share of each payment so made by the Issuer on the Notes.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal or interest than expected, or no principal or interest.

The Agent does not assume any fiduciary duties or other obligations to Holders and is, in particular, not obliged to make determinations which protect or further their interests.

The Agent is the agent of the Issuer and is required to act in accordance with the Agency Agreement and the Conditions in good faith and endeavour at all times to make necessary determinations in a commercially reasonable manner. The Holders should however be aware that the Agent does not assume any fiduciary or other obligations to the Holders and is, in particular, not obliged to make determinations which protect or further the interests of the Holders.

The Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Agent shall not be liable for the consequences to any person (including the Holders) of any errors or omissions in any determination made by the Agent in relation to the Notes or interests in the Notes, in each case in the absence of bad faith, wilful misconduct, gross negligence or fraud. Without prejudice to the generality of the foregoing, if the Agent is rendered unable to carry out its obligations under the Agency Agreement as a result of the occurrence of a Force Majeure Event (as defined in the Agency Agreement), the Agent shall not be liable for any failure to carry out such obligations for so long as it is so prevented having made reasonable efforts to mitigate the circumstances under which it is unable to so act.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following documents:

(i) the annual report and the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017 (consolidated in accordance with IFRS) and the related auditor's report thereon as set out in the annual report of the Issuer; and

(ii) the annual report and the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018 (consolidated in accordance with IFRS) and the related auditor's report thereon as set out in the annual report of the Issuer.

Such documents shall, in accordance with Article 11 of the Prospectus Directive, be incorporated by reference in, and form part of, this Prospectus, save that any statement contained in a document or part of a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, be part of this Prospectus.

All documents incorporated by reference have been previously published or are published simultaneously with this Prospectus and have been filed with the CSSF for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg.

This Prospectus and the documents incorporated by reference in this Prospectus are available on the website of the Issuer (www.ageas.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuer confirms that it has obtained the approval from its auditors to incorporate the consolidated financial statements and the related auditor's reports thereon in this Prospectus.

The tables below set out the relevant page references for the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018, as set out in the annual reports of the Issuer. The information incorporated by reference that is not included in the below tables is considered to be additional information and is not required by the relevant schedules of Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended.

2017 annual report of the Issuer	
Consolidated statement of financial position	p. 34
Consolidated income statement	p. 35
Consolidated statement of comprehensive income	p. 36
Consolidated statement of changes in equity	p. 37
Consolidated statement of cash flow	p. 38
Notes	p. 40-204
Statutory auditor's report	p. 206-212

2018 annual report of the Issuer	
Consolidated statement of financial position	p. 41
Consolidated income statement	p. 42
Consolidated statement of comprehensive income	p. 43
Consolidated statement of changes in equity	p. 44
Consolidated statement of cash flow	p. 45
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OVERVIEW OF THE NOTES

This overview should be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference herein (see "Documents incorporated by reference").

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this overview. Reference to "Conditions" in this Prospectus are to the "Terms and Conditions of the Notes".

The Issuer	ageas SA/NV.
Description of the Notes	€500,000,000 Subordinated Fixed to Floating Rate Notes due July 2049 (the "**Notes**").
Sole Structuring Agent to the Issuer	J.P. Morgan Securities plc.
Joint Bookrunners	J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, NATIXIS and Société Générale.
Initial Paying Agent	Citibank Europe plc.
Issue Date	10 April 2019.
Issue price	99.206 per cent.
Denomination	€100,000 and integral multiples in excess thereof.
Scheduled Maturity Date	Interest Payment Date falling in July 2049.
Form of the Notes	The Notes will be issued in dematerialised form (*dématérialisé/ gedematerialiseerd*) in accordance with the Belgian Companies Code (*Code des Sociétés/Wetboek van Vennootschappen*), as amended (the "**Belgian Companies Code**") and cannot be physically delivered.
Status and subordination of the Notes	The Notes will constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under or arising from the Notes in respect of principal, interest and other amounts (including, without limitation, Arrears of Interest and any damages awarded for breach of any obligations in respect of the Notes) in respect of the Notes, will constitute direct, unsecured and subordinated obligations of the Issuer subordinated in the manner set out further and claims in respect thereof shall, subject to any obligations which are mandatorily preferred by law, at all times rank in the event of a Winding-up: (i) behind claims in respect of (aa) any existing or future unsubordinated indebtedness and payment obligations of the Issuer (including, without limitation, the claims of policyholders of the Issuer (if any)), (bb) any existing or future direct, unsecured and dated subordinated indebtedness and payment obligations of the Issuer which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 3 Capital as at their respective issue dates and (cc) any obligations which rank, or are expressed to rank, *pari passu* with any Tier 3 Capital and/or

	senior to the Notes, (ii) *pari passu* and without any preference among themselves, (iii) at least equally and rateably with claims in respect of (aa) any other existing or future direct, unsecured and dated subordinated indebtedness and payment obligations of the Issuer which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 2 Capital as at their respective issue dates (other than Junior Securities) and (bb) any obligations which rank, or are expressed to rank, *pari passu* therewith and (iv) in priority to the claims of Junior Creditors. In the event of a Winding-up, no payments will be made under the Notes until the claims of holders of senior ranking indebtedness and payment obligations shall first have been satisfied in full.
Interest	The Notes will bear interest from (and including) the Issue Date to (but excluding) 2 July 2029 (the "**First Call Date**") at the rate of 3.250 per cent. *per annum*. From (and including) the First Call Date, the Notes will bear interest at a floating rate of interest (the "**Floating Interest Rate**"). The Floating Interest Rate in respect of each Interest Period commencing on or after the First Call Date will be determined by the Agent in accordance with Condition 3(d) (*Floating Interest Rate*), unless a Benchmark Event has occurred in which case the Floating Interest Rate shall be determined pursuant to and in accordance with Condition 3(i) (*Benchmark replacement*). Payment of interest may be subject to optional and mandatory deferral as described below.
Interest Payment Dates	During the Fixed Rate Interest Period, interest shall be payable annually in arrear on each Interest Payment Date, commencing on 2 July 2019, and thereafter interest shall be payable on the Notes quarterly in arrear on each Interest Payment Date. "**Interest Payment Date**" means (i) in respect of the period from the Issue Date to (and including) the First Call Date, 2 July in each year, starting on (and including) 2 July 2019 and (ii) after the First Call Date, 2 January, 2 April, 2 July and 2 October in each year, starting on (and including) 2 October 2029, provided that if any Interest Payment Date after the First Call Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next Business Day.
Interest Deferral	Optional Deferral of Interest In respect of any Interest Payment Date that is neither a Compulsory Interest Payment Date nor a Mandatory Interest Deferral Date, by notice to the Holders in accordance with Condition 14 (*Notices*) and to the Agent given not less than 10 days prior to the relevant Interest Payment Date, the Issuer may at its discretion defer payment of the accrued but unpaid interest up to that Interest Payment Date in full, and in such circumstances the relevant interest payment shall not fall due on such Interest Payment Date and the Issuer shall have no obligation to make such payment on that date.

Mandatory Deferral of Interest Payments

An Interest Payment scheduled to be paid on an Interest Payment Date must be deferred mandatorily on such Interest Payment Date (a "**Mandatory Interest Deferral Date**") if:

(i) a Regulatory Deficiency Event has occurred and is continuing at the relevant Interest Payment Date; or

(ii) the Solvency Condition is not met as at such Interest Payment Date; or

(iii) payment of such Interest Payment would cause a Regulatory Deficiency Event to occur; or

(iv) payment of such Interest Payment would cause the Solvency Condition not to be met,

(each of (i) to (iv) above being referred to in the Conditions as a "**Mandatory Interest Deferral Event**"),

provided, however, that in the case of (i) and (iii) above, the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or part thereof) if and to the extent:

(i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment or part thereof (if and to the extent that the Relevant Supervisory Authority can give such waiver in accordance with the Applicable Regulations);

(ii) paying such Interest Payment (or part thereof) does not further weaken the solvency position of the Issuer and/or the Group as determined in accordance with the Applicable Regulations; and

(iii) each Minimum Capital Requirement will be complied with at the time of and immediately after the Interest Payment (or part thereof) is made.

The deferral of interest as described above will not constitute a default under the Notes for any purpose, including enforcement action against the Issuer.

Arrears of Interest

Any Interest Payment, or any part thereof, deferred as a result of:

(i) any optional deferral of such payment of interest pursuant to Condition 4(a) (*Optional Deferral of Interest*);

(ii) the obligation on the Issuer to defer such payment of interest pursuant to Condition 4(b) (*Mandatory Deferral of Interest*); or

(iii) the operation of the Solvency Condition,

together with any other interest in respect of the Notes not paid on an earlier Interest Payment Date in accordance with the Conditions, shall, so long as the same remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest shall not themselves bear interest.

Subject to a Mandatory Interest Deferral Event not having occurred and being continuing and to such payment not causing a Mandatory Interest Deferral Event, Arrears of Interest may be settled at the option of the Issuer in whole (or in part) at any time following delivery of a notice to such effect given by the Issuer to the Holders and the Agent in accordance with Condition 4(f) (*Notices and Certificates*).

If a Regulatory Deficiency Event occurs, then (save for any payment to be made in accordance with Condition 2(c) (*Amount due on a Winding-up*) on a Winding-up of the Issuer) the prior approval of the Relevant Supervisory Authority shall be required in relation to any payment of Arrears of Interest which accrued prior to the occurrence of, or during the continuance of, a Mandatory Interest Deferral Event.

The Issuer, having given (except in the case of (iii) below) any notifications to, or received any consent from the Relevant Supervisory Authority (in either case if and to the extent required by Applicable Regulations), shall pay any Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

(i) the next succeeding Interest Payment Date which is not a Mandatory Interest Deferral Date and on which a scheduled payment of interest in respect of the Notes is made or is required to be made pursuant to Condition 3 (*Interest*);

(ii) the date on which the Notes are redeemed or repaid in accordance with Condition 5 (*Redemption*); or

(iii) upon the Winding-up of the Issuer.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Notes or for any other purpose, unless such payment is required in accordance with Condition 4(e) (*Payment of Arrears of Interest*).

Solvency Condition

Except in a Winding-up of the Issuer, all payments in respect of the Notes (including any damages awarded for breach of any obligations thereunder) are, in addition to the obligation of the Issuer to defer payments pursuant to the Conditions, conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be payable in respect of the Notes unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

The Issuer will be considered to be "solvent" if (i) it is able to pay its debts owed to its creditors (ignoring for these purposes only the claims of Junior Creditors) as they fall due, (ii) its credit has not been imperilled within the meaning of Article XX.99 of the Belgian Economic Law Code and (iii) its Assets exceed its Liabilities.

In a Winding-up of the Issuer the amount payable in respect of the Notes shall be an amount equal to the principal amount of such Notes, together with Arrears of Interest (if any) and any other unpaid interest which has accrued up to (but excluding) the date of payment of such amounts

(together with any damages awarded for breach of any obligations in respect of the Notes) and the claims for such amounts will be subordinated in the manner described above.

Redemption

Unless previously redeemed or purchased and cancelled, the Notes will, subject to no Regulatory Deficiency Event having occurred and to the satisfaction of the Solvency Condition, be redeemed in whole but not in part at their principal amount together with Arrears of Interest (if any) and any other accrued interest up to (but excluding) the Interest Payment Date falling on the Scheduled Maturity Date, which may be deferred as described below.

The holders of the Notes have no right to require the Issuer to redeem the Notes before the Scheduled Maturity Date.

The Issuer has the right to redeem the Notes in whole but not in part (i) on the First Call Date or any Interest Payment Date thereafter, (ii) at any time, if less than 20 per cent. of the aggregate principal amount of the Notes issued (including any Notes which, pursuant to Condition 15 (*Further Issues*), form a single series with the Notes originally issued) remain outstanding, (iii) if a Deductibility Event or a Gross-up Event has occurred and is continuing, (iv) if a Capital Disqualification Event has occurred and is continuing and (v) if a Ratings Methodology Event has occurred and is continuing, at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, in accordance with the Conditions.

The consent of the Relevant Supervisory Authority to any redemption of the Notes may be required pursuant to the Applicable Regulations.

Deferral of Redemption

Deferral of Redemption relating to a Regulatory Deficiency Event

If a Regulatory Deficiency Event has occurred and is continuing on the Scheduled Maturity Date or the date specified in the notice of redemption by the Issuer under Condition 5(b) (*Issuer's call option and clean-up call*), 5(c) (*Redemption for Taxation Reasons*), 5(d) (*Redemption following a Capital Disqualification Event*) or 5(e) (*Redemption Due to Ratings Methodology Event*), as the case may be, or a redemption would itself cause a Regulatory Deficiency Event to occur, the Issuer shall give notice to the Holders in accordance with Condition 5(i) (*Notices and Certificates*) and to the Agent that redemption of the Notes shall be deferred, and no redemption pursuant to Condition 5 (*Redemption*) will fall due or be permitted other than as set out below and in accordance with Condition 8 (*Preconditions to Redemption, Variation and Purchase*).

In such event, subject (except in the case of (iii) below) to the Solvency Condition in Condition 2(b) (*Condition to Payment*), such Notes shall instead become due for redemption at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, upon the earliest of:

(i) the date falling 10 Business Days after the date the Regulatory Deficiency Event has ceased (provided that if on such 10th Business Day a further Regulatory Deficiency Event has occurred and is continuing or a redemption would itself cause a Regulatory Deficiency Event to occur, the Notes shall not fall due for redemption on such date and the Issuer shall give further notice thereof to the Holders in accordance with Condition 5(i) (*Notices and Certificates*) and to the Agent, and the provisions of Condition 5(f) (*Deferral of Redemption relating to a Regulatory Deficiency Event*) shall apply *mutatis mutandis* to determine the subsequent date for redemption of the Notes); or

(ii) the date falling 10 Business Days after the Relevant Supervisory Authority has agreed to the redemption of the Notes; or

(iii) the Winding-up of the Issuer.

"**Regulatory Deficiency Event**" means any of the following events:

(i) the amount of 'own fund-items' (or whatever the terminology is employed by the Applicable Regulations from time to time) of the Issuer and/or the Group eligible to cover each Solvency Capital Requirement and/or the Minimum Capital Requirement is not sufficient to cover such Solvency Capital Requirement or Minimum Capital Requirement; or

(ii) (if required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time) the Relevant Supervisory Authority notifying the Issuer that it has determined, in view of the financial and/or solvency condition of the Issuer and/or the Group, that in accordance with Applicable Regulations at such time the Issuer must take specified action in relation to deferral of payments of principal and/or interest under the Notes.

Deferral of Redemption relating only to the Solvency Condition

If Condition 5(f) (*Deferral of Redemption relating to a Regulatory Deficiency Event*) does not apply, but the Issuer is required to defer redemption of the Notes on the Scheduled Maturity Date or the date specified in the notice of redemption by the Issuer under Condition 5(b) (*Issuer's call option and clean-up call*), 5(c) (*Redemption for Taxation Reasons*), 5(d) (*Redemption following a Capital Disqualification Event*) or 5(e) (*Redemption Due to Ratings Methodology Event*), as the case may be, only as a result of the Solvency Condition not being satisfied at such time or following such payment, the Issuer shall give notice to the Holders in accordance with Condition 5(i) (*Notices and Certificates*) and to the Agent that redemption of the Notes shall be deferred, and no redemption pursuant to Condition 5 (*Redemption*) will fall due or be permitted other than as set

out below and in accordance with Condition 8 (*Preconditions to Redemption, Variation and Purchase*).

In such event, such Notes shall instead become due for redemption at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, upon the earlier of:

(i) the date falling 10 Business Days immediately following the day that the Solvency Condition is met, provided that if on such 10th Business Day the Solvency Condition is not met or a Regulatory Deficiency Event has occurred and is continuing, or would not be met or would occur (as applicable) if the Notes were to be redeemed, then the Issuer shall give further notice to the Holders in accordance with Condition 5(i) (*Notices and Certificates*) and to the Agent that redemption of the Notes will again be deferred, the Notes shall not fall due for redemption on such date and Condition 5(f) (*Deferral of Redemption relating to a Regulatory Deficiency Event*) (in the case of deferral due to a Regulatory Deficiency Event) or Condition 5(g) (*Deferral of Redemption relating only to Solvency Condition*) (in the case of deferral only due to the Solvency Condition) shall apply mutatis mutandis to determine the subsequent date for the redemption of the Notes; or

(ii) the Winding-up of the Issuer.

No default or acceleration

Notwithstanding any other provision in the Conditions, the deferral of the redemption of the Notes in accordance with Condition 2(b) (*Condition to Payment*) or Condition 5 (*Redemption*) will not constitute a default by the Issuer under the Notes or for any other purpose and will not give Holders any right to accelerate the Notes such that amounts of principal, interest or Arrears of Interest would become due and payable on the Notes earlier than otherwise scheduled pursuant to the Conditions.

Preconditions to redemption, variation and purchase

Any redemption, variation or purchase of the Notes is subject (if and to the extent required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time) to:

(a) the Issuer having complied with the regulatory rules on notification to or consent or non-objection from, the Relevant Supervisory Authority (in each case, as contained within, referred to in or imposed on the Issuer, the Group or the Notes directly or indirectly by virtue of the Applicable Regulations);

(b) in relation to any redemption pursuant to Condition 5(b) (*Issuer's call option and clean-up call*), 5(c) (*Redemption for*

Taxation Reasons), 5(d) (*Redemption following a Capital Disqualification Event*) or 5(e) (*Redemption Due to Ratings Methodology Event*) and/or any purchase pursuant to Condition 7 (*Purchase and Cancellation*) occurring prior to the fifth anniversary of the Issue Date of the most recently issued tranche of Notes, such redemption or purchase being funded out of the proceeds of a new issue of one or more basic own-funds items of at least the same quality as the Notes or (in the case of a Capital Disqualification Event, a Gross-up Event or a Deductibility Event) such alternative pre-conditions as are required by, or permitted in accordance with, the Applicable Regulations);

(c) in relation to any redemption pursuant to Condition 5 (*Redemption*) and any purchase pursuant to Condition 7 (*Purchases and Cancellation*), a Regulatory Deficiency Event not continuing, the Solvency Condition being satisfied and such actions not causing a Regulatory Deficiency Event or the Solvency Condition not to be met; and

(d) in relation to any redemption pursuant to Condition 5 (*Redemption*) and any purchase pursuant to Condition 7 (*Purchases and Cancellation*), no Insolvent Insurer Winding-up relating to a Group Insurance Undertaking having occurred and being continuing.

Notwithstanding a Regulatory Deficiency Event (i) having occurred or (ii) occurring as a result of any redemption or purchase or being caused by such redemption or purchase, but always subject to the satisfaction of the Solvency Condition and to sub-paragraph (d) above, the Issuer may redeem or purchase Notes following the occurrence of a Regulatory Deficiency Event if:

(a) the Relevant Supervisory Authority has exceptionally waived the suspension of the redemption or purchase;

(b) the Notes have been exchanged for or converted into another basic own-funds item of at least the same quality as the Notes; and

(c) each Minimum Capital Requirement is complied with at the time of and immediately after the redemption or purchase.

Enforcement Events

The Holders shall have no right to petition for or institute proceedings for the bankruptcy of the Issuer in Belgium or to institute equivalent insolvency proceedings (including those equivalent to a Winding-up) pursuant to any laws in any country in respect of any default of the Issuer under the Notes.

The right to sue for payment in respect of the Notes is limited to circumstances where payment has become due. Pursuant to Condition 2(b) (*Condition to Payment*) and save as set out in

Condition 2(c) (*Amount due on a Winding-up*) and 11(b) (*Amounts to become due and payable on Winding-up*), no principal, interest or any other amount will be due on the relevant payment date if the Solvency Condition is not satisfied, at the time of and immediately after any such payment. In the case of any payment of interest in respect of the Notes, such payment will be deferred and not be due if Condition 4(b) (*Mandatory Deferral of Interest Payments*) applies and may be deferred in accordance with Condition 4(c) (*Deferral not default*) and in the case of payment of principal, such payment will be deferred and will not be due if a Regulatory Deficiency Event has occurred and is continuing or the Solvency Condition would not be met as set out in Condition 5(f) (*Deferral of Redemption relating to a Regulatory Deficiency Event*) and 5(g) (*Deferral of Redemption relating only to Solvency Condition*).

If the Issuer defaults:

(i) for a period of 7 days or more in the payment of any interest due in respect of the Notes or any of them; or

(ii) for a period of 14 days or more in payment of the principal due in respect of the Notes or any of them,

any Holder may sue for payment when due and prove or claim in the Winding-up of the Issuer for such payment but may take no further or other action to enforce, prove or claim for any such payment.

No payment in respect of the Notes may be made by the Issuer pursuant to Condition 11(a) (*No right to institute bankruptcy and other similar proceedings*) other than during or after a Winding-up of the Issuer, unless the Issuer has given prior written notice (with a copy to the Agent and made available to the Holders) to, and received consent (if required) from, the Relevant Supervisory Authority which the Issuer shall confirm in writing to the Agent and the Holders.

Variation

Subject to Condition 8 (*Preconditions to Redemption, Variation and Purchase*), if a Ratings Methodology Event or a Capital Disqualification Event has occurred and is continuing, the Issuer (subject to the prior approval of the Relevant Supervisory Authority (if required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time)) may, without any requirement for the consent of the Holders, at any time (whether before or following the First Call Date) modify the Conditions so that the Notes remain or become (in the case of a Ratings Methodology Event) Rating Agency Compliant Securities or (in the case of a Capital Disqualification Event) Qualifying Tier 2 Securities. The Conditions may only be so modified if the proposed modification would not of itself give rise to a Deductibility Event, a Gross-up Event, a Capital Disqualification Event or a Ratings Methodology Event.

Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future Taxes imposed, levied, collected, withheld or assessed by the Kingdom

	of Belgium or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay (subject as provided in Condition 10 (*Taxation*)) such additional amounts in respect of Interest Payments and Arrears of Interest (but not in respect of principal) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required.
Listing and Admission to Trading	Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II, appearing on the list of regulated markets issued by the European Commission.
Clearing Systems	The Notes will be represented exclusively by book entry in the records of the NBB Securities Settlement System operated by the NBB or any successor thereto. Access to the NBB Securities Settlement System is available through those of its NBB Securities Settlement System participants whose membership extends to securities such as the Notes. NBB Securities Settlement System participants include certain banks, stockbrokers (*sociétés de bourse/beursvennootschappen*), Euroclear, Clearstream, SIX SIS and Monte Titoli. Accordingly, the Notes will be eligible for clearance through, and will therefore be accepted by, Euroclear, Clearstream, SIX SIS and Monte Titoli. Investors who are not NBB Securities Settlement System participants can hold their Notes within securities accounts in Euroclear, Clearstream, SIX SIS, Monte Titoli or the other direct or indirect participants of the NBB Securities Settlement System.
Statutory Auditors	KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren (*réviseur agréé/ erkende revisor*), represented by Mr Olivier Macq and Mr Frans Simonetti, with offices at Luchthaven Brussel Nationaal 1K, B-1930 Zaventem, Belgium, has audited the consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017 in accordance with the International Standards of Auditing and the audit resulted in an unqualified opinion with two emphasis of matter paragraphs. KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren is a member of the *Institut des Réviseurs d'Entreprises/ Instituut der Bedrijfsrevisoren*. PwC Réviseurs d'entreprises / PwC Bedrijfsrevisoren (*réviseur agréé/ erkende revisor*), represented by Mr Yves Vandenplas, with offices at Woluwedal 18, B-1932 Zaventem, Belgium, has audited the consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018 in accordance with the International Standards of Auditing and the audit resulted in an unqualified opinion with an emphasis of matter paragraph. PwC Réviseurs d'entreprises / PwC Bedrijfsrevisoren is a member of the *Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren*.

Governing Law	The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England, save that the provisions of Conditions 1 (*Form, Denomination and Title*), 2 (*Winding-up*) and 13(a) (*Meetings of Holders*) and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, Belgian law.
Use of Proceeds	The proceeds from the Notes are expected to be used by the Issuer for general corporate purposes and to optimise the capital structure and strengthen the regulatory solvency of the Group and its operating subsidiaries.
Representation of Holders	The Conditions contain provisions for calling meetings of Holders to consider matters relating to the Notes. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.
Selling restrictions	Selling restrictions apply in various jurisdictions. The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB Securities Settlement System operated by the National Bank of Belgium. The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any consumer (*consommateur/consument*) within the meaning of the Belgian Economic Law Code (*Code de droit économique/Wetboek van economisch recht*).
Ratings	The Issuer has been rated "A" (stable outlook) (Financial Strength Rating) and "A" (stable outlook) (Issuer Credit Rating and Foreign Currency Issuer Rating) by S&P and "A" (stable outlook) (Long-Term Issuer Default Rating) and "A+" (stable outlook) (Insurer Financial Strength Rating) by Fitch. The Notes are expected to be rated "BBB+" by S&P and "BBB+" by Fitch. S&P and Fitch are established in the European Union and are registered under Regulation (EU) No 1060/2009, as amended. S&P and Fitch are displayed on the latest update of the list of registered credit rating agencies on the ESMA website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

	A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
ISIN	BE0002644251.
Common Code	198006521.
LEI	5493005DJBML6LY3RV36.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions, save for the paragraphs in italics that shall not form part of the Conditions.

The issue of the €500,000,000 subordinated fixed to floating rate notes due July 2049 (the "**Notes**" which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 and forming a single series with the Notes) was (save in respect of any such further issues) authorised by a resolution of the Board of Directors of ageas SA/NV (the "**Issuer**") passed on 26 March 2019 and a resolution of the Executive Committee of the Issuer passed on 19 March 2019. The Notes are issued subject to an agency agreement dated on or about the Issue Date (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer and Citibank Europe plc as the paying agent (the "**Agent**" which expressions shall include any successor thereto or additional or replacement paying agent) and a service contract for the issuance of fixed income securities dated on or about the Issue Date (the "**Clearing Services Agreement**") between the NBB (as defined below), the Issuer and Citibank Europe plc as paying agent has been entered into in relation to the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of, and definitions in, the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the Holders at the specified office of the Agent. The Holders are deemed to have notice of all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Agent shall include any successor appointed under the Agency Agreement.

1 Form, Denomination and Title

The Notes are issued in dematerialised form in accordance with Article 468 et seq. of the Belgian Companies Code (*Wetboek van Vennootschappen/Code des Sociétés*). The Notes will be represented by book entry in the records of the securities settlement system (the "**NBB Securities Settlement System**") operated by the National Bank of Belgium (*Banque Nationale de Belgique/Nationale Bank van België*) (the "**NBB**") or any successor thereto. The Notes can be held through participants in the NBB Securities Settlement System, including Euroclear, Clearstream, SIX SIS and Monte Titoli and through other financial intermediaries which in turn hold the Notes through Euroclear, Clearstream, SIX SIS and Monte Titoli or other participants in the NBB Securities Settlement System. The Notes are accepted for clearance through the NBB Securities Settlement System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian Law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB Securities Settlement System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition 1 being referred to herein as the "**NBB Securities Settlement System Regulations**"). Title to the Notes will pass by account transfer in accordance with the NBB Securities Settlement System Regulations. The Notes shall neither be physically delivered nor converted into bearer securities (*titres au porteur/effecten aan toonder*). The Holders will not be entitled to exchange the Notes for securities in bearer form.

The Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB Securities Settlement System.

For so long as the Notes are held by or on behalf of the NBB Securities Settlement System, each person (each an "**Accountholder**") being shown in the records of a participant or sub-participant in the NBB Securities Settlement System as the holder of a particular principal amount of the Notes (in which regard any certificates or other documents issued by the NBB Securities Settlement System or a participant or sub-participant therein

as to the principal amount of such Notes standing to the account of any Accountholder (together with any notification from the NBB Securities Settlement System or the operator thereof as to the identity of a relevant participant with whom the Accountholder holds its Notes) shall be conclusive and binding for all purposes) shall be treated by the Issuer and the Agent as the holder of that principal amount for the purpose of any quorum, voting, or for any other associative rights. With respect to the payment of principal or interest on the Notes, such payment will be made to participants in the NBB Securities Settlement System and with respect to the delivery of any notice to be given to or by a Holder in respect of the Notes pursuant to these Conditions, such notice must be given in accordance with the standard procedures of the NBB Securities Settlement System and, in the case of notice by a Holder, may only be given by a participant in the NBB Securities Settlement System (whether acting on its own behalf or on behalf of other subscribers holding through such participant) in respect of the relevant Notes held by or through it, and the expressions "**Holder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

The Notes are in the principal amount of €100,000 each and may only be settled through the NBB Securities Settlement System in principal amounts equal to that denomination or an integral multiple thereof.

2 Winding-up

(a) ***General***

The Notes constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under or arising from the Notes in respect of principal, interest and other amounts (including, without limitation, Arrears of Interest and any damages awarded for breach of any obligations in respect of the Notes) in respect of the Notes, constitute direct, unsecured and subordinated obligations of the Issuer subordinated in the manner set out below and claims in respect thereof shall, subject to any obligations which are mandatorily preferred by law, at all times rank in the event of a Winding-up:

(i) behind claims in respect of (aa) any existing or future unsubordinated indebtedness and payment obligations of the Issuer (including, without limitation, the claims of policyholders of the Issuer (if any)), (bb) any existing or future direct, unsecured and dated subordinated indebtedness and payment obligations of the Issuer which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 3 Capital as at their respective issue dates and (cc) any obligations which rank, or are expressed to rank, *pari passu* with any Tier 3 Capital and/or senior to the Notes;

(ii) *pari passu* and without any preference among themselves;

(iii) at least equally and rateably with claims in respect of (aa) any other existing or future direct, unsecured and dated subordinated indebtedness and payment obligations of the Issuer which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 2 Capital as at their respective issue dates (other than Junior Securities) and (bb) any obligations which rank, or are expressed to rank, *pari passu* therewith; and

(iv) in priority to the claims of Junior Creditors.

(b) ***Condition to Payment***

Except in a Winding-up of the Issuer, all payments in respect of the Notes (including any damages awarded for breach of any obligations thereunder) are, in addition to the obligation of the Issuer to defer payments pursuant to these Conditions, conditional upon the Issuer being solvent at the time for payment

by the Issuer and no amount shall be payable in respect of the Notes unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

In these Conditions the Issuer will be considered to be "solvent" if (i) it is able to pay its debts owed to its creditors (ignoring for these purposes only the claims of Junior Creditors) as they fall due, (ii) its credit has not been imperilled within the meaning of Article XX.99 of the Belgian Economic Law Code and (iii) its Assets exceed its Liabilities.

(c) ***Amount due on a Winding-up***

In a Winding-up of the Issuer the amount payable in respect of the Notes shall be an amount equal to the principal amount of such Notes, together with Arrears of Interest (if any) and any other unpaid interest which has accrued up to (but excluding) the date of payment of such amounts (together with any damages awarded for breach of any obligations in respect of the Notes) and the claims for such amounts will be subordinated in the manner described in Condition 2(a) above.

(d) ***Set-off***

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Holder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Holder shall, unless such payment is prohibited by applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up, the liquidator or, as appropriate, such relevant insolvency practitioner as is appointed to the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or relevant insolvency practitioner appointed to the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

3 Interest

(a) ***Interest Rate***

The Notes bear interest at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 3.

During the Fixed Rate Interest Period, interest shall, subject to Conditions 2(b) and 4, be payable on the Notes annually in arrear on each Interest Payment Date and the amount of interest payable on each Interest Payment Date (other than the first Interest Payment Date) shall amount to €3,250 per Calculation Amount, and thereafter interest shall, subject to Conditions 2(b) and 4, be payable on the Notes quarterly in arrear on each Interest Payment Date, in each case as provided in this Condition 3.

Where it is necessary to compute an amount of interest in respect of any Note during the Fixed Rate Interest Period for a period which is less than a complete year, the relevant day-count fraction shall be determined on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) or, in the case of any period falling within the short first Interest Period, the number of days in the period from and including 2 July 2018 to but excluding the first Interest Payment Date.

For the avoidance of doubt, the first Interest Period shall be a short first Interest Period for the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and the amount of

interest payable in respect of each Calculation Amount on the first Interest Payment Date shall, subject to Conditions 2(b) and 4, be €739.04.

Interest shall accrue on the Notes in respect of all Interest Periods (and any other period in respect of which interest may fall to be calculated) commencing on or after the First Call Date on the basis of a day-count fraction equal to the actual number of days elapsed in the relevant period divided by 360.

(b) ***Accrual of Interest***

The Notes will cease to bear interest from (and including) (i) the date of redemption thereof pursuant to Condition 5 or (ii) from (and including) the date on which the Notes become repayable in a Winding-up of the Issuer in accordance with Conditions 2 and 11(b), as the case may be, unless payment of all amounts due in respect of the Notes is not made, in which event interest shall continue to accrue at the applicable Interest Rate in respect of unpaid amounts on the Notes, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Interest in respect of any Note shall be calculated per Calculation Amount and the amount of interest per Calculation Amount shall be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 3(a) for the relevant period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(c) ***Fixed Interest Rate***

For the Fixed Rate Interest Period, the Notes bear interest at the rate of 3.250 per cent. *per annum* (the "**Fixed Interest Rate**").

(d) ***Floating Interest Rate***

From (and including) the First Call Date, the Notes will bear interest at a floating rate of interest (the "**Floating Interest Rate**"). The Floating Interest Rate in respect of each Interest Period commencing on or after the First Call Date will be determined by the Agent on the basis of the following provisions, unless a Benchmark Event has occurred, in which case the Floating Interest Rate shall be determined pursuant to and in accordance with Condition 3(i):

(i) On each Interest Determination Date, the Agent will determine the offered rate (expressed as a rate *per annum*) for 3-month deposits in euro as at 11 a.m. (Central European time) on such Interest Determination Date, as displayed on the display designated as page "EURIBOR 01" on the Thomson Reuters Monitor Money Rates Service (or such other page or pages as may replace it for the purpose of displaying such information). The Floating Interest Rate for the relevant Interest Period shall be such offered rate as determined by the Agent plus (a) the Margin and (b) the Step-Up.

(ii) If such offered rate does not so appear, or if the relevant page is unavailable, the Issuer, or any third party on behalf of the Issuer, will, on such date, request the principal eurozone office of the Reference Banks to provide the Agent with its offered quotation to leading banks in the eurozone inter-bank market for 3-month deposits in euro and for a Representative Amount as at 11 a.m. (Central European time) on the Interest Determination Date in question. If at least two of the Reference Banks provide the Agent with such offered quotations, the Floating Interest Rate for the relevant Interest Period shall be the rate determined by the Agent to be the arithmetic mean (rounded if necessary to the nearest one hundred thousandth of a percentage point (0.000005 per cent. being rounded upwards)) of such offered quotations plus (a) the Margin and (b) the Step-Up.

(iii) If on any Interest Determination Date to which the provisions of paragraph (ii) above apply, one only or none of the Reference Banks provides the Agent with such a quotation, the Floating Interest Rate for the relevant Interest Period shall be the rate which the Agent determines to be the aggregate of the Margin, the Step-Up and the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (0.000005 per cent. being rounded upwards)) of the euro lending rates which leading banks in the eurozone selected by the Issuer or any third party on behalf of the Issuer are quoting, on the relevant Interest Determination Date, to leading banks in the eurozone for a period of 3 months and for a Representative Amount, provided that if the applicable Floating Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the relevant Floating Interest Rate shall be determined by the Agent as at the last preceding Interest Determination Date (or, in the case of the first Interest Determination Date, as at such first Interest Determination Date but by reference to the last available rate which was displayed on the page referred to in paragraph (i) above).

(e) ***Floating Interest Rate and Calculation of Floating Interest Amounts***

The Agent will, as soon as practicable after 11 a.m. (Central European time) on each Interest Determination Date, determine the Floating Interest Rate in respect of the relevant Interest Period and calculate the amount of interest which is payable in respect of a Calculation Amount on the Interest Payment Date for that Interest Period (the "**Floating Interest Amount**"). The determination of the applicable Floating Interest Rate and the amount of interest which is payable per Calculation Amount by the Agent shall (in the absence of manifest error) be final and binding upon all parties.

(f) ***Floating Interest Rate and Floating Interest Amounts***

The Agent shall cause notice of the Floating Interest Rate determined in accordance with this Condition 3 in respect of each relevant Interest Period, the Floating Interest Amount per Calculation Amount and the relevant date scheduled for payment to be given to the Issuer, the NBB (as operator of the NBB Securities Settlement System), any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 14, the Holders, in each case as soon as practicable after its determination but in any event not later than the second Business Day thereafter.

The Floating Interest Amount and the date scheduled for payment so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant period in accordance with these Conditions. If the Notes become due and payable pursuant to Condition 2(c), the accrued interest per Calculation Amount and the Floating Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Agent in accordance with this Condition 3 but no publication of the Floating Interest Rate or the amount of interest payable per Calculation Amount so calculated need be made.

(g) ***Agent and Reference Banks***

The Issuer may, without the prior written approval of the Holders, from time to time replace the Agent with another leading investment, merchant or commercial bank or financial institution in the eurozone provided that there will at all times be an Agent that is a participant of the NBB Securities Settlement System. If the Agent is unable or unwilling to continue to act as the Agent or fails duly to determine the Floating Interest Rate in respect of any Interest Period as provided in Condition 3(d) or calculate the Floating Interest Amount, the Issuer shall forthwith appoint another leading investment, merchant or commercial bank or financial institution in the eurozone to act as such in its place, subject to having given notice to the Holders in accordance with Condition 14 not more than 45 nor less than 30 days prior to such appointment. The Agent may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) ***Determinations of Agent Binding***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 by the Agent, shall (in the absence of manifest error be binding on the Issuer, the Agent and all Holders and (in the absence of wilful default or negligence) no liability to the Holders or the Issuer shall attach to the Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

(i) ***Benchmark replacement***

(i) Independent Adviser

If the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Floating Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining (without any requirement for the consent or approval of the Holders) a Successor Rate or, failing which, an Alternative Rate (in accordance with Condition 3(i)(ii)), for the purposes of determining the Floating Interest Rate (or the relevant component part thereof) applicable to the Notes and, in either case, an Adjustment Spread (in accordance with Condition 3(i)(iii)) and any Benchmark Amendments (in accordance with Condition 3(i)(iv)).

An Independent Adviser appointed pursuant to this Condition 3(i)(i) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agent or the Holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 3(i)(i).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 3(i)(ii) prior to the relevant Interest Determination Date, the relevant Floating Interest Rate shall be determined by the Agent in accordance with Conditions 3(d)(ii) and (iii)). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(i)(i).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the Floating Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes in respect of which a Floating Interest Rate applies (subject to the operation of this Condition 3(i)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the Floating Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes in respect of which a Floating Interest Rate applies (subject to the operation of this Condition 3(i)).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, Adjustment Spread is determined in accordance with this Condition 3(i) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3(i)(v), without any requirement for the consent or approval of Holders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Agent of a certificate signed by two directors of the Issuer pursuant to Condition 3(i)(v), the Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of an agreement supplemental to or amending the Agency Agreement), provided that the Agent shall not be obliged so to concur if in the opinion of the Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 3(i)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 3(i), no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital for the purposes of the Applicable Regulations.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3(i) will be notified promptly by the Issuer to the Agent and, in accordance with Condition 14, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Agent of the same, the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment

Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 3(i); and

(B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent and the Holders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 3(i)(i), (ii), (iii) and (iv), the Original Reference Rate and the fall-back provisions provided for in Condition 3(d) will continue to apply unless and until a Benchmark Event has occurred and the Agent has been notified in accordance with Condition 3(i)(v).

4 Interest Deferral

(a) ***Optional Deferral of Interest***

In respect of any Interest Payment Date that is neither a Compulsory Interest Payment Date nor a Mandatory Interest Deferral Date, by notice to the Holders in accordance with Condition 14 and to the Agent given not less than 10 days prior to the relevant Interest Payment Date, the Issuer may at its discretion defer payment of the accrued but unpaid interest up to that Interest Payment Date in full, and in such circumstances the relevant interest payment shall not fall due on such Interest Payment Date and the Issuer shall have no obligation to make such payment on that date.

(b) ***Mandatory Deferral of Interest Payments***

An Interest Payment scheduled to be paid on an Interest Payment Date shall be deferred mandatorily on such Interest Payment Date (a "**Mandatory Interest Deferral Date**") if:

(i) a Regulatory Deficiency Event has occurred and is continuing at the relevant Interest Payment Date; or

(ii) the Solvency Condition is not met as at such Interest Payment Date; or

(iii) payment of such Interest Payment would cause a Regulatory Deficiency Event to occur; or

(iv) payment of such Interest Payment would cause the Solvency Condition not to be met,

(each of (i) to (iv) above being referred to in these Conditions as a "**Mandatory Interest Deferral Event**"),

provided, however, that in the case of (i) and (iii) above, the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or part thereof) if and to the extent:

(i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment or part thereof (if and to the extent that the Relevant Supervisory Authority can give such waiver in accordance with the Applicable Regulations);

(ii) paying such Interest Payment (or part thereof) does not further weaken the solvency position of the Issuer and/or the Group as determined in accordance with the Applicable Regulations; and

(iii) each Minimum Capital Requirement will be complied with at the time of and immediately after the Interest Payment (or part thereof) is made.

If the Issuer is required to defer any Interest Payment (in whole or in part) pursuant to this Condition 4(b), it shall give notice to the Holders and the Agent in accordance with Condition 4(f).

The foregoing provisions of this Condition 4(b) shall apply mutatis *mutandis* to any payment of Arrears of Interest pursuant to Condition 4(e) on the basis that references in this Condition 4(b) to: (i) "Interest Payment" shall be construed therein to mean the relevant payment of Arrears of Interest and (ii) "Interest Payment Date" shall be construed therein to mean the scheduled date for payment of such Arrears of Interest.

(c) ***Deferral not default***

If the Issuer elects to defer any payment of interest pursuant to Condition 4(a), or is required to defer any payment of interest (in whole or in part) pursuant to Conditions 2(b) or 4(b), the amount of interest so deferred shall not fall due on the scheduled payment date, the Issuer shall not have any obligations to make such payment on such date, and any such deferral and non-payment shall not constitute a default by the Issuer under the Notes or for any other purpose.

(d) ***Arrears of Interest***

Any Interest Payment, or any part thereof, deferred as a result of (i) any optional deferral of such payment of interest pursuant to Condition 4(a), (ii) the obligation on the Issuer to defer such payment of interest pursuant to Condition 4(b) or (iii) the operation of the Solvency Condition, together with any other interest in respect of the Notes not paid on an earlier Interest Payment Date in accordance with these Conditions shall, so long as the same remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest shall not themselves bear interest.

(e) ***Payment of Arrears of Interest***

Subject to a Mandatory Interest Deferral Event not having occurred and being continuing and to such payment not causing a Mandatory Interest Deferral Event, Arrears of Interest may be settled at the option of the Issuer in whole (or in part) at any time following delivery of a notice to such effect given by the Issuer to the Holders and the Agent in accordance with Condition 4(f).

If a Regulatory Deficiency Event occurs, then (save for any payment to be made in accordance with Condition 2(c) on a Winding-up of the Issuer) the prior approval of the Relevant Supervisory Authority shall be required in relation to any payment of Arrears of Interest which accrued prior to the occurrence of, or during the continuance of, a Mandatory Interest Deferral Event.

The Issuer, having given (except in the case of (iii) below) any notifications to, or received any consent from the Relevant Supervisory Authority (in either case if and to the extent required by Applicable Regulations), shall pay any Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

(i) the next succeeding Interest Payment Date which is not a Mandatory Interest Deferral Date and on which a scheduled payment of interest in respect of the Notes is made or is required to be made pursuant to Condition 3;

(ii) the date on which the Notes are redeemed or repaid in accordance with Condition 5; or

(iii) upon the Winding-up of the Issuer.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Notes or for any other purpose, unless such payment is required in accordance with this Condition 4(e).

For the avoidance of doubt, in the case of Notes varied in accordance with Condition 6, interest, Arrears of Interest and any other amounts accrued on the Notes originally issued will continue to accrue on such varied Notes.

(f) ***Notices and Certificates***

The Issuer shall give not less than 5 nor more than 30 Business Days' prior notice to the Holders, in accordance with Condition 14, and to the Agent:

(i) of any election by the Issuer to defer interest pursuant to Condition 4(a) above and of the amount of interest so deferred;

(ii) of any Mandatory Interest Deferral Date, which notice shall specify (A) the amount of interest that will be deferred (and thus not paid) on such Mandatory Interest Deferral Date and (B) whether such deferral is due to a Regulatory Deficiency Event or non-satisfaction of the Solvency Condition (provided that if a Mandatory Interest Deferral Event occurs less than 5 Business Days before such Interest Payment Date, the Issuer shall give such notice as soon as practicable under the circumstances on or before such Mandatory Interest Deferral Date); and

(iii) of any date upon which amounts in respect of Arrears of Interest are to be paid, which notice shall specify the Business Day on which such Arrears of Interest (or part thereof) will (subject to no Mandatory Interest Deferral Event having occurred and continuing as at such Business Day) be settled.

Prior to the publication of any notice pursuant to (i) above, the Issuer shall deliver to the Agent and make available to Holders a copy of a certificate signed by two directors of the Issuer stating either that (A) a Regulatory Deficiency Event has occurred and is continuing or that payment of the relevant Interest Payment (or part thereof) would cause a Regulatory Deficiency Event or (B) that the Solvency Condition is not satisfied or payment of the relevant Interest Payment (or part thereof) could not be made in compliance with the Solvency Condition, on the relevant Interest Payment Date, whichever is applicable. Such certificate shall be conclusive and binding on the Agent and Holders.

5 Redemption

(a) ***Scheduled Maturity Date***

Subject to Conditions 2(b), 5(f) and 8, unless previously redeemed or purchased and cancelled, the Notes will be redeemed in whole but not in part at their principal amount together with Arrears of Interest (if any) and any other accrued interest up to (but excluding) the Interest Payment Date falling in July 2049 (the "**Scheduled Maturity Date**").

The Issuer shall only have the right to redeem, vary or purchase the Notes in accordance with this Condition 5, Condition 6 or Condition 7, as applicable, and Condition 8.

(b) ***Issuer's call option and clean-up call***

Subject to Conditions 2(b), 5(f) and 8, the Issuer may, at its option,

(i) on the First Call Date or any Interest Payment Date thereafter; or

(ii) at any time, if less than 20 per cent. of the aggregate principal amount of the Notes issued (including any Notes which, pursuant to Condition 15, form a single series with the Notes originally issued) remain outstanding,

elect to redeem all, but not some only, of the Notes at their principal amount, together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed for redemption by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 14 (which notice shall be irrevocable) and to the Agent. Upon the expiry of such notice the Issuer shall (subject as aforesaid) redeem the Notes.

(c) ***Redemption for Taxation Reasons***

Subject to Conditions 2(b), 5(f) and 8, if a Deductibility Event or a Gross-up Event occurs and is continuing as at the date on which notice is given to Holders pursuant to this Condition 5(c), then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Holders, in accordance with Condition 14 (which notice shall, subject as aforesaid, be irrevocable), and to the Agent, redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date. Upon the expiry of such notice, the Issuer shall (subject as aforesaid) redeem the Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Agent and make available to Holders a copy of an opinion of an independent law firm or other tax adviser in the Kingdom of Belgium (in either case being nationally recognised and experienced in such matters) addressed to the Issuer that a Deductibility Event or a Gross-up Event (as the case may be) has occurred and is continuing or will apply to payments to be made on the next succeeding Interest Payment Date. Such opinion shall constitute sufficient evidence of the Deductibility Event or Gross-up Event having occurred and being continuing or as occurring as at the next Interest Payment Date (without liability to any person) and shall be conclusive and binding on the Agent and Holders. For the avoidance of doubt, such opinion need not address whether the relevant Deductibility Event or Gross-up Event could be avoided by the Issuer taking reasonable measures available to it at the time.

(d) ***Redemption following a Capital Disqualification Event***

Subject to Conditions 2(b), 5(f) and 8, if a Capital Disqualification Event occurs and is continuing as at the date on which notice is given to Holders pursuant to this Condition 5(d), then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Holders, in accordance with Condition 14 (which notice shall, subject as aforesaid, be irrevocable), and to the Agent, redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date. Upon the expiry of such notice, the Issuer shall (subject as aforesaid) redeem the Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Agent and make available to Holders a copy of a certificate signed by two directors of the Issuer stating that a Capital Disqualification Event has occurred and is continuing. Such certificate shall

constitute sufficient evidence of the Capital Disqualification Event having occurred and being continuing (without liability to any person) and shall be conclusive and binding on the Agent and Holders.

(e) ***Redemption Due to Ratings Methodology Event***

Subject to Conditions 2(b), 5(f) and 8, if a Ratings Methodology Event has occurred and is continuing as at the date on which notice is given to Holders pursuant to this Condition 5(e) then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Holders, in accordance with Condition 14 (which notice shall, subject as aforesaid, be irrevocable), and to the Agent, redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date. Upon the expiry of such notice, the Issuer shall (subject as aforesaid) redeem the Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver to the Agent and make available to Holders a copy of a certificate signed by two directors of the Issuer stating that a Ratings Methodology Event has occurred and is continuing. Such certificate shall constitute sufficient evidence of the Ratings Methodology Event having occurred and being continuing (without liability to any person) and shall be conclusive and binding on the Agent and Holders.

(f) ***Deferral of Redemption relating to a Regulatory Deficiency Event***

If a Regulatory Deficiency Event has occurred and is continuing on the Scheduled Maturity Date or the date specified in the notice of redemption by the Issuer under Condition 5(b), 5(c), 5(d) or 5(e), as the case may be, or a redemption would itself cause a Regulatory Deficiency Event to occur, the Issuer shall give notice to the Holders in accordance with Condition 5(i) and to the Agent that redemption of the Notes shall be deferred, and no redemption pursuant to Condition 5 will fall due or be permitted other than as set out below in this Condition 5(f) and in accordance with Condition 8.

In such event, subject (except in the case of (iii) below) to the Solvency Condition in Condition 2(b), such Notes shall instead become due for redemption at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, upon the earliest of:

(i) the date falling 10 Business Days after the date the Regulatory Deficiency Event has ceased (provided that if on such 10th Business Day a further Regulatory Deficiency Event has occurred and is continuing or a redemption would itself cause a Regulatory Deficiency Event to occur, the Notes shall not fall due for redemption on such date and the Issuer shall give further notice thereof to the Holders in accordance with Condition 5(i) and to the Agent, and the provisions of this Condition 5(f) shall apply *mutatis mutandis* to determine the subsequent date for redemption of the Notes); or

(ii) the date falling 10 Business Days after the Relevant Supervisory Authority has agreed to the redemption of the Notes; or

(iii) the Winding-up of the Issuer.

(g) ***Deferral of Redemption relating only to Solvency Condition***

If Condition 5(f) does not apply, but the Issuer is required to defer redemption of the Notes on the Scheduled Maturity Date or the date specified in the notice of redemption by the Issuer under Condition 5(b), 5(c), 5(d) or 5(e), as the case may be, only as a result of the Solvency Condition not being satisfied at such time or following such payment, the Issuer shall give notice to the Holders in accordance with Condition 5(i) and to the Agent that redemption of the Notes shall be deferred, and no

redemption pursuant to Condition 5 will fall due or be permitted other than as set out below in this Condition 5(g) and in accordance with Condition 8.

In such event, such Notes shall instead become due for redemption at their principal amount, together with Arrears of Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, upon the earlier of (i) the date falling 10 Business Days immediately following the day that the Solvency Condition is met, provided that if on such 10th Business Day the Solvency Condition is not met or a Regulatory Deficiency Event has occurred and is continuing, or would not be met or would occur (as applicable) if the Notes were to be redeemed, then the Issuer shall give further notice to the Holders in accordance with Condition 5(i) and to the Agent that redemption of the Notes will again be deferred, the Notes shall not fall due for redemption on such date and Condition 5(f) (in the case of deferral due to a Regulatory Deficiency Event) or this Condition 5(g) (in the case of deferral only due to the Solvency Condition) shall apply *mutatis mutandis* to determine the subsequent date for the redemption of the Notes or (ii) the Winding-up of the Issuer.

(h) ***No default or acceleration***

Notwithstanding any other provision in these Conditions, the deferral of the redemption of the Notes in accordance with Condition 2(b) or this Condition 5 will not constitute a default by the Issuer under the Notes or for any other purpose and will not give Holders any right to accelerate the Notes such that amounts of principal, interest or Arrears of Interest would become due and payable on the Notes earlier than otherwise scheduled pursuant to these Conditions.

(i) ***Notices and Certificates***

The Issuer shall give such prior notice to the Holders as is practicable in the circumstances, in accordance with Condition 14, and to the Agent of:

(i) each deferral of redemption pursuant to Condition 5(f) or 5*(*g), which notice shall specify whether the relevant deferral is due to a Regulatory Deficiency Event or non-satisfaction of the Solvency Condition; and

(ii) any subsequent date of redemption of the Notes pursuant to Condition 5(f) or 5(g).

Prior to the publication of any notice pursuant to (i) above, the Issuer shall deliver to the Agent and make available to Holders a copy of a certificate signed by two directors of the Issuer stating either that (A) a Regulatory Deficiency Event has occurred and is continuing on the Scheduled Maturity Date or the relevant scheduled redemption date, as the case may be, or that redemption of the Notes would cause a Regulatory Deficiency Event to occur or (B) that the Solvency Condition is not satisfied or redemption of the Notes on the Scheduled Maturity Date or the relevant scheduled redemption date, as the case may be, could not be effected in compliance with the Solvency Condition, whichever is applicable. Such certificate shall constitute sufficient evidence of the events and circumstances described therein and shall be conclusive and binding on the Agent and Holders.

6 Variation

Subject to Condition 8, if a Ratings Methodology Event or a Capital Disqualification Event has occurred and is continuing, the Issuer (subject to the prior approval of the Relevant Supervisory Authority (if required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time)) may, without any requirement for the consent of the Holders, at any time (whether before or following the First Call Date) modify the Conditions so that the Notes remain or become (in the case of a Ratings Methodology Event) Rating Agency Compliant Securities or (in the case of a Capital Disqualification Event) Qualifying Tier 2 Securities. The Conditions may only be so modified if the proposed

modification would not of itself give rise to a Deductibility Event, a Gross-up Event, a Capital Disqualification Event or a Ratings Methodology Event.

Prior to any such modification, the Issuer shall deliver to the Agent and make available to Holders a copy of an opinion or a certificate, as the case may be, in the form required by Condition 5(d) or 5(e), as appropriate, and also confirming the matters detailed in the paragraph above and the definition of Rating Agency Compliant Securities or Qualifying Tier 2 Securities, as applicable. Such opinion or certificate shall constitute sufficient evidence that (i) the matters set out in the opinion or certificate have occurred and are continuing and (ii) the conditions to modification set out in this Condition 6 have been or will be met or satisfied, and shall be conclusive and binding on the Agent and the Holders.

In connection with any variation in accordance with this Condition 6, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading. The Issuer shall give notice of any such variation to the Holders, in accordance with Condition 14, and to the Agent as soon as reasonably practicable after such variation.

7 Purchases and Cancellation

(a) ***Purchases***

Subject to Condition 8, the Issuer or any of its Subsidiaries may at any time purchase or procure others to purchase beneficially for its account Notes in any manner and at any price. All Notes so purchased may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation to the Agent.

The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Holders and shall be deemed not to be outstanding for the purposes of calculating quorums at meetings of the Holders and for the purposes of Condition 13.

(b) ***Cancellation***

All Notes redeemed by the Issuer pursuant to Condition 5, and all Notes purchased by the Issuer or any of its Subsidiaries and surrendered for cancellation, shall be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

8 Preconditions to Redemption, Variation and Purchase

Any redemption, variation or purchase of the Notes is subject (if and to the extent required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time) to:

(a) the Issuer having complied with the regulatory rules on notification to or consent or non-objection from, the Relevant Supervisory Authority (in each case, as contained within, referred to in or imposed on the Issuer, the Group or the Notes directly or indirectly by virtue of the Applicable Regulations);

(b) in relation to any redemption pursuant to Condition 5(b), 5(c), 5(d) or 5(e) and/or any purchase pursuant to Condition 7 occurring prior to the fifth anniversary of the Issue Date of the most recently issued tranche of the Notes, such redemption or purchase being funded out of the proceeds of a new issue of one or more basic own-funds items of at least the same quality as the Notes or (in the case of a Capital Disqualification Event, a Gross-up Event or a Deductibility Event) such alternative pre-conditions as are required by, or permitted in accordance with, the Applicable Regulations);

(c) in relation to any redemption pursuant to Condition 5 and any purchase pursuant to Condition 7, a Regulatory Deficiency Event not continuing, the Solvency Condition being satisfied and such actions not causing a Regulatory Deficiency Event or the Solvency Condition not to be met; and

(d) in relation to any redemption pursuant to Condition 5 and any purchase pursuant to Condition 7, no Insolvent Insurer Winding-up relating to a Group Insurance Undertaking having occurred and being continuing.

Notwithstanding a Regulatory Deficiency Event (i) having occurred or (ii) occurring as a result of any redemption or purchase or being caused by such redemption or purchase, but always subject to the satisfaction of the Solvency Condition and to sub-paragraph (d) above, the Issuer may redeem or purchase Notes following the occurrence of a Regulatory Deficiency Event if:

(a) the Relevant Supervisory Authority has exceptionally waived the suspension of the redemption or purchase;

(b) the Notes have been exchanged for or converted into another basic own-funds item of at least the same quality as the Notes; and

(c) each Minimum Capital Requirement is complied with at the time of and immediately after the redemption or purchase.

Notwithstanding the above requirements of this Condition 8, if, at the time of any redemption, variation or purchase, the Applicable Regulations permit the redemption, variation or purchase only after compliance with one or more other or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

A certificate from any two directors of the Issuer delivered to the Agent with a copy made available to the Holders confirming that the Issuer is in compliance with the matters detailed above (or such other or additional pre-conditions) shall be conclusive evidence thereof. Such certificate shall constitute sufficient evidence that the requirements of, or circumstances required by, this Condition 8 have been or will be met or satisfied and shall be conclusive and binding on the Agent and the Holders.

9 Payments

(a) ***Principal and Interest***

All payments of principal and interest in respect of the Notes shall be made through the Agent and the NBB Securities Settlement System in accordance with the NBB Securities Settlement System Regulations. The payment obligations of the Issuer under the Notes will be discharged by payment to the NBB Securities Settlement System in respect of each amount so paid. Each of the persons shown in records of a direct participant, sub-participant or the operator of the NBB Securities Settlement System as the beneficial holder of a particular principal amount of Notes must look solely to the relevant direct participant or sub-participant, as the case may be, for its share of each payment so made by the Issuer on the Notes.

(b) ***Payments***

Each payment in respect of the Notes pursuant to Condition 9(a) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(c) ***Payments only on business days***

If the date for payment of any amount in respect of any Note is not a Business Day then the holder thereof shall not be entitled to payment of the amount payable until the next following Business Day and shall not be entitled to any further interest or payment in respect of any such delay.

(d) ***Payments subject to laws***

Save as provided in Condition 10, payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its Agent agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

The Agent shall not make or impose on a Holder any charge or commission in relation to any payment in respect of the Notes.

(e) ***Agents, etc.***

The Issuer reserves the right under the Agency Agreement at any time, without the prior approval of the Agent, to vary or terminate the appointment of the Agent as paying agent, provided that it will maintain, in relation to the Notes, a paying agent which will at all times be a participant in the NBB Securities Settlement System. Notice of any change in any agent or its specified offices will promptly be given by the Issuer to the Holders in accordance with Condition 14.

(f) ***Fractions***

When making payments to Holders, if the relevant payment is not of an amount which is a whole multiple of one cent, such payment will be rounded down such that the amount is a whole multiple of one cent.

10 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts in respect of Interest Payments and Arrears of Interest (but not in respect of principal) ("**Additional Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

(a) **Other connection:** to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of its having some connection with the Kingdom of Belgium other than a mere holding of such Note; or

(b) **Non-Eligible Investor:** to a Holder who at the time of issue of the Notes was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Holder who was such an eligible investor at the time of issue of the Notes but, for reasons within the Holder's control, either ceased to be such an eligible investor or, at any relevant time on or after the issue of the Notes, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian Law of 6 August 1993 relating to transactions in certain securities; or

(c) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note is presented for payment; or

(d) **Conversion into registered securities:** to a Holder who is liable to such Taxes because such Note held by it was upon its request converted into a registered Note and could no longer be cleared through the NBB Securities Settlement System.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

References in these Conditions to Interest Payments and/or Arrears of Interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions.

11 Enforcement Events

Notwithstanding any of the provisions below in Condition 11, the right to sue for payment is limited to circumstances where payment has become due. No principal, interest or any other amount will be due where payment of the same has been deferred pursuant to, and in accordance with the provisions of, Condition 2(b), 4 and/or 5, as the case may be.

(a) ***No right to institute bankruptcy and other similar proceedings***

The Holders shall have no right to petition for or institute proceedings for the bankruptcy of the Issuer in Belgium or to institute equivalent insolvency proceedings (including those equivalent to a Winding-up) pursuant to any laws in any country in respect of any default of the Issuer under the Notes.

The right to sue for payment in respect of the Notes is limited to circumstances where payment has become due. Pursuant to Condition 2(b) and save as set out in Condition 2(c) and 11(b), no principal, interest or any other amount will be due on the relevant payment date if the Solvency Condition is not satisfied, at the time of and immediately after any such payment. In the case of any payment of interest in respect of the Notes, such payment will be deferred and not be due if Condition 4(b) applies and may be deferred in accordance with Condition 4(c) and in the case of payment of principal, such payment will be deferred and will not be due if a Regulatory Deficiency Event has occurred and is continuing or the Solvency Condition would not be met as set out in Condition 5(f) and 5(g).

If the Issuer defaults (i) for a period of 7 days or more in the payment of any interest due in respect of the Notes or any of them or (ii) for a period of 14 days or more in payment of the principal due in respect of the Notes or any of them, any Holder may sue for payment when due and prove or claim in the Winding-up of the Issuer for such payment but may take no further or other action to enforce, prove or claim for any such payment.

No payment in respect of the Notes may be made by the Issuer pursuant to this Condition 11(a) other than during or after a Winding-up of the Issuer, unless the Issuer has given prior written notice (with a

copy to the Agent and made available to the Holders) to, and received consent (if required) from, the Relevant Supervisory Authority which the Issuer shall confirm in writing to the Agent and the Holders.

(b) ***Amounts to become due and payable on Winding-up***

If an order is made by the competent court or resolution passed for the Winding-up of the Issuer, the provisions of Condition 2(c) shall apply.

(c) ***Enforcement***

Without prejudice to Conditions 11(a) and 11(b) above, any Holder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes (other than any payment obligation of the Issuer under or arising from the Notes including, without limitation, payment of any principal or interest in respect of the Notes and any damages awarded for breach of any obligations in respect of the Notes) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums (in cash or otherwise) sooner than the same would otherwise have been payable by it.

Nothing in this Condition 11(c) shall, subject to Condition 11(a), prevent any Holder from proving or claiming in any Winding-up of the Issuer in respect of any payment obligations of the Issuer arising from the Notes such claim (including any claim for damages awarded for any breach of obligations in respect of the Notes) being for the amount set out in Condition 2(c).

(d) ***Extent of Holders' remedy***

No remedy against the Issuer, other than as referred to in this Condition 11, shall be available to the Holders, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes. For the avoidance of doubt, the Holders waive, to the fullest extent permitted by law, all their rights whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind (*résoudre/ontbinden*), or demand in legal proceedings the rescission (*résolution/ontbinding*) of, the Notes. Furthermore, to the fullest extent permitted by law, the Holders hereby waive their rights under Article 1117 of the Belgian Civil Code to nullify, or demand in legal proceedings the nullification of, the Notes on the ground of error (*erreur/dwaling*).

12 Prescription

Claims against the Issuer for payment of principal and interest in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

13 Meetings of Holders and Modification

(a) ***Meetings of Holders***

(i) Subject to paragraph (ii) below, the schedule to these Conditions (the "**Schedule**") contains provisions for convening meetings of Holders (the "**Meeting Provisions**") to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined below) of a modification of any of these Conditions.

Meetings of Holders may be convened to consider matters relating to Notes, including the modification or waiver of any provision of the Conditions applicable to the Notes. Any such modification or waiver may be made if sanctioned by an Extraordinary Resolution. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of the

Issuer. An "**Extraordinary Resolution**" means a resolution passed at a meeting of Holders duly convened and held in accordance with these Conditions and the Meeting Provisions by a majority of at least 75 per cent. of the votes cast.

All meetings of Holders will be held in accordance with the Meeting Provisions. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Holders holding not less than one fifth of the aggregate principal amount of the outstanding Notes. A meeting of Holders will be entitled (subject to the consent of the Issuer) to modify or waive any provision of the Conditions applicable to the Notes (including any proposal (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Holders) in accordance with the quorum and majority requirements set out in the Meeting Provisions. Resolutions duly passed in accordance with these provisions shall be binding on all Holders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

A written resolution signed by the holders of 75 per cent. in principal amount of the Notes outstanding shall take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

Convening notices for meetings of Holders shall be made in accordance with the Meeting Provisions.

Resolutions of holders of Notes will only be effective if such resolutions have been approved by the Issuer and, if so required, by the Relevant Supervisory Authority.

(ii) For so long as the relevant provisions relating to meetings of bondholders of the Belgian Companies Code of 7 May 1999 (the "**Existing Code**") cannot be derogated from, where any provision of the Meeting Provisions would conflict with the relevant mandatory provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.

(b) ***Modification of Agency Agreement and Conditions***

Subject to the prior approval of the Relevant Supervisory Authority (if required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time), the Issuer and the Agent may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Agency Agreement or the Conditions which in the Issuer's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, or (ii) any other modification of the provisions of the Agency Agreement or the Conditions which is, in the opinion of the Issuer, not materially prejudicial to the interests of the Holders. The foregoing is without prejudice to any amendments which may be made to the Conditions or the Agency Agreement pursuant to Condition 3(i).

Any such modification shall be binding on the Holders and shall be notified to the Holders in accordance with Condition 14 as soon as practicable thereafter.

14 Notices

Notices to the Holders shall be valid if delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the NBB Securities Settlement System.

For so long as the Notes are admitted to trading on a regulated market, any notices to Holders must also be published in accordance with the rules and regulations applying in respect of such market at the relevant time. For so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange, any notices to Holders will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In addition to the above, with respect to notices for meetings of Holders, convening notices for such meetings shall be made in accordance with Condition 13(a).

15 Further Issues

The Issuer may from time to time without the consent of the Holders create and issue further securities either having the same terms and conditions in all respects as the Notes or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as to interest, redemption and otherwise as the Issuer may determine at the time of their issue. The Trust Deed contains provisions for convening a single meeting of the Holders.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law and Jurisdiction

(a) ***Governing Law***

The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England, save that the provisions of Conditions 1, 2 and 13(a) and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, Belgian law.

(b) ***Jurisdiction***

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) ***Agent for Service of Process***

The Issuer has irrevocably appointed Ageas (UK) Limited, at its registered office for the time being (being at the date hereof at Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA, United Kingdom), as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18 Definitions

In these Conditions:

"**Accountholder**" has the meaning provided in Condition 1.

"**Additional Amounts**" has the meaning provided in Condition 10.

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Independent Adviser determines that no such industry standard is recognised or acknowledged);

(iii) the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines is as at such time customarily applied to the Successor Rate or the Alternative Rate (as the case may be) in market usage in the international debt capital markets for the purposes of producing a replacement rate for the Original Reference Rate.

"**Agency Agreement**" has the meaning provided in the preamble to these Conditions.

"**Agent**" has the meaning provided in the preamble to these Conditions.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 3(i)(ii) has replaced the Original Reference Rate in customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for the same duration as an Interest Period and in the same currency as the Notes.

"**Applicable Regulations**" means any solvency margin, capital adequacy or regulatory capital legislation, regulations or rules (whether having the force of law or otherwise) then in effect which are applicable to the Issuer and/or the Group as applied and construed by the Relevant Supervisory Authority, including the Solvency II Directive and any additional measures adopted to give effect to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of regulation (including, without limitation, the Level 2 Regulations), a directive, application of the relevant guidelines of the European Insurance and Occupational Pension Authority (EIOPA) or otherwise).

"**Arrears of Interest**" has the meaning provided in Condition 4(d).

"**Assets**" means the unconsolidated gross assets of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for subsequent events, all in such manner as the board of directors of the Issuer may determine.

"**Belgian Companies Code**" means the Belgian *Code des sociétés*/*Wetboek van vennootschappen*.

"**Benchmark Amendments**" has the meaning provided in Condition 3(i).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

(v) it has or will become unlawful for the Agent or the Issuer to calculate any payments due to be made to any Holder using the Original Reference Rate.

"**Business Day**" means (i) a day on which banks and foreign exchange markets are open for general business in Belgium and (ii) (if a payment is to be made on that day) a day which is a business day for the TARGET System and on which the NBB Securities Settlement System is operating.

"**Calculation Amount**" means €100,000 in principal amount.

a "**Capital Disqualification Event**" is deemed to have occurred if, as a result of any replacement of or change to (or change to the interpretation by the Relevant Supervisory Authority or any court or authority entitled to do so of) the Applicable Regulations, the whole or any part of the Notes cease to count as Tier 2 Capital for the purposes of the Issuer and/or the Group, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

"**Clearing Services Agreement**" has the meaning provided in the preamble to these Conditions.

"**Clearstream**" means Clearstream Banking Frankfurt.

"**Compulsory Interest Payment Date**" means any Interest Payment Date (i) in respect of which during the immediately preceding six-month period a Compulsory Interest Payment Event has occurred; and (ii) which is not a Mandatory Interest Deferral Date.

"**Compulsory Interest Payment Event**" means any declaration, payment or making of a dividend or distribution by the Issuer to its ordinary shareholders.

"**Conditions**" means these terms and conditions of the Notes, as amended from time to time.

"**Deductibility Event**" means that at any time, by reason of a Tax Law Change, in making any payment of interest on the Notes, the Issuer will no longer be entitled to claim a deduction in respect of any payments on the Notes (or its corresponding funding costs as recognised in its financial statements) in computing its taxation liabilities in the Kingdom of Belgium, or such entitlement is reduced (so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time).

"**EEA**" means the European Economic Area.

"**euro**" or "**€**" means the currency introduced at the start of the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

"**Euroclear**" means Euroclear Bank SA/NV.

"**First Call Date**" means 2 July 2029.

"**Fixed Interest Rate**" has the meaning provided in Condition 3(c).

"**Fixed Rate Interest Period**" means the period from (and including) the Issue Date to (but excluding) the First Call Date.

"**Floating Interest Amount**" has the meaning provided in Condition 3(e).

"**Floating Interest Rate**" has the meaning provided in Condition 3(d).

"**Gross-up Event**" means that at any time, by reason of a Tax Law Change, the Issuer has paid or would, on the occasion of the next payment of interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time).

"**Group**" means, at any time, the Issuer and its Subsidiaries (excluding any Subsidiaries which do not need to be taken into account for the purpose of the relevant calculation of group capital requirements or solvency of the relevant EEA insurance group).

"**Group Insurance Undertaking**" means an insurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Group pursuant to the Applicable Regulations.

"**Holder**" means, in respect of any Note, the person entitled thereto in accordance with the NBB Securities Settlement System Regulations, subject as provided in Condition 1.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 3(i)(i).

"**Insolvent Insurer Winding-Up**" means:

(i) the winding-up of any Group Insurance Undertaking; or

(ii) the appointment of any insolvency practitioner to any Group Insurance Undertaking,

in each case where the Issuer has determined, acting reasonably, that all Policyholder Claims of the policyholders and beneficiaries under contracts of insurance of that Group Insurance Undertaking may or will not be met in full.

"**insurance undertaking**" has the meaning given to it in the Solvency II Directive.

"**Interest Determination Date**" means, in relation to each Interest Period from and including the Interest Period beginning on the First Call Date, the second Business Day prior to the relevant Interest Period.

"**Interest Payment**" means in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 3.

"**Interest Payment Date**" means (i) in respect of the period from the Issue Date to (and including) the First Call Date, 2 July in each year, starting on (and including) 2 July 2019 and (ii) after the First Call Date, 2 January, 2 April, 2 July and 2 October in each year, starting on (and including) 2 October 2029, provided that if any Interest Payment Date after the First Call Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next Business Day.

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"**Interest Rate**" means the Fixed Interest Rate and/or the Floating Interest Rate, as the case may be.

"**Issuer**" means ageas SA/NV.

"**Issue Date**" means 10 April 2019, being the date of the initial issue of the Notes.

"**Junior Creditors**" means all holders of securities and other creditors (if any) of the Issuer whose claims rank, or are expressed to rank, junior to the claims of the Holders (including, without limitation, holders of Junior Securities).

"**Junior Securities**" means (a) any class of share capital of the Issuer, (b) any payment obligations of the Issuer which rank, or are expressed to rank, junior to the Notes and/or *pari passu* with any class of share capital of the Issuer, (c) any payment obligations in respect of undated subordinated indebtedness, (d) any obligations which constitute or constituted, or but for any applicable limitation on the amount of such capital would constitute or would have constituted, Tier 1 Capital as at their respective issue dates or are expressed to rank *pari passu* therewith and (e) any guarantee or support agreement entered into by the Issuer in respect of any obligations of any person or entity, which guarantee or support agreement ranks, or is expressed to rank, junior to the Notes and/or *pari passu* with any class of share capital of the Issuer.

"**Level 2 Regulations**" means the Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council of the European Union on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), as amended.

"**Liabilities**" means the unconsolidated gross liabilities of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingent liabilities and for subsequent events, all in such manner as the board of directors of the Issuer may determine.

"**Mandatory Interest Deferral Date**" has the meaning provided in Condition 4(b).

"**Mandatory Interest Deferral Event**" has the meaning provided in Condition 4(b).

"**Margin**" means 2.800 per cent. (being the initial credit spread of the Notes).

"**Minimum Capital Requirement**" means (as applicable):

(i) the minimum group Solvency Capital Requirement of the Group;

(ii) the Minimum Capital Requirement of the Issuer on a solo basis; and/or

(iii) any other minimum capital requirements (as applicable) from time to time,

in each case referred to in, or described in, the Applicable Regulations applicable to the Issuer and/or the Group (as the case may be).

"**NBB**" has the meaning provided in Condition 1.

"**NBB Securities Settlement System**" has the meaning provided in Condition 1.

"**NBB Securities Settlement System Regulations**" has the meaning provided in Condition 1.

"**Notes**" has the meaning provided in the preamble to these Conditions.

"**Original Reference Rate**" means the originally-specified screen rate used to determine the Floating Interest Rate (or any component part thereof) on the Notes or any Successor Rate or Alternative Rate previously adopted by the Issuer pursuant to any Benchmark Amendments.

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"**Policyholder Claims**" means claims of policyholders or beneficiaries under contracts of insurance in a winding-up, liquidation, bankruptcy or other analogous insolvency process of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder or such a beneficiary pursuant to a contract of insurance, including all amounts to which policyholders or such beneficiaries are entitled under applicable insolvency legislation or rules to reflect any right to receive, or expectation of receiving, benefits which such policyholders or such beneficiaries may have.

"**Proceedings**" has the meaning set out in Condition 17(b).

"**Qualifying Tier 2 Securities**" means securities issued directly by the Issuer that:

(a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer) and, subject thereto, which (1) contain terms which comply with the then current requirements of the Applicable Regulations in relation to Tier 2 Capital; (2) include terms which provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Notes; (3) rank senior to, or *pari passu* with, the ranking of the Notes; (4) preserve any existing rights under these Conditions to any accrued interest, Arrears of Interest and any or other amounts which have not been paid; (5) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (6) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and (7) contain terms providing for mandatory and/or optional deferral of payments of interest and/or principal only if such terms are not materially less favourable to an investor than the mandatory and optional deferral provisions, respectively, contained in the terms of the Notes; and

(b) are listed on the Luxembourg Stock Exchange's regulated market (or such other internationally recognised EEA regulated market as selected by the Issuer) and remain admitted to, and traded in, the same clearing system (or systems) as they were prior to such modification; and

(c) where the Notes which have been varied had a published rating solicited by the Issuer from a Rating Agency immediately prior to their variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying Tier 2 Securities.

"**Rating Agency Compliant Securities**" means Qualifying Tier 2 Securities that are assigned by each Rating Agency substantially the same "equity credit" or, at the absolute discretion of the Issuer, a lower "equity credit" (provided such "equity credit" is still higher than the "equity credit" assigned to the Notes after the occurrence of the Ratings Methodology Event) as that which was assigned by the relevant Rating Agency to the Notes on or around the Issue Date.

"**Rating Agency**" means S&P Global Ratings Europe Limited or Fitch Deutschland GmbH or their respective affiliates or successors.

"**Ratings Methodology Event**" will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation of such methodology) as a result of which the "equity credit" (or

such other nomenclature as may be used by the relevant Rating Agency from time to time to describe the degree to which the instrument is supportive of an issuer's senior obligations in terms of leverage or total capital) assigned by that Rating Agency to the Notes is, as notified by that Rating Agency to the Issuer or as published by that Rating Agency, reduced when compared to the "equity credit" assigned by that Rating Agency or its predecessor to the Notes on or around the Issue Date of the most recently issued tranche of the Notes.

"**Reference Banks**" means four major banks in the interbank market in the eurozone as selected by the Issuer or any third party on behalf of the Issuer.

"**Regulatory Deficiency Event**" means any of the following events:

(i) the amount of 'own fund-items' (or whatever the terminology is employed by the Applicable Regulations from time to time) of the Issuer and/or the Group eligible to cover each Solvency Capital Requirement and/or each Minimum Capital Requirement is not sufficient to cover such Solvency Capital Requirement or Minimum Capital Requirement; or

(ii) (if required or applicable in order for the Notes to qualify as regulatory capital of the Issuer and/or the Group under the Applicable Regulations from time to time) the Relevant Supervisory Authority notifying the Issuer that it has determined, in view of the financial and/or solvency condition of the Issuer and/or the Group, that in accordance with Applicable Regulations at such time the Issuer must take specified action in relation to deferral of payments of principal and/or interest under the Notes.

"**Relevant Date**" means (i) in respect of any payment other than a sum to be paid by the Issuer upon a Winding-up, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders, in accordance with Condition 14, and (ii) in respect of a sum to be paid by the Issuer on a Winding-up, the date which is one day prior to the date of such Winding-up.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Relevant Supervisory Authority**" means the NBB or such other authority having primary supervisory authority regarding capital or solvency with respect to the Issuer and/or the Group.

"**Representative Amount**" means, in relation to any quotation of a rate, an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Schedule**" has the meaning provided in Condition 13(a)(i).

"**Scheduled Maturity Date**" has the meaning provided in Condition 5(a).

"**Solvency II Directive**" means Directive 2009/138/EC of 25 November 2009 on the taking-up and pursuit of the business of insurance and re-insurance (Solvency II), as amended.

"**Solvency Capital Requirement**" means (as applicable):

(i) the Solvency Capital Requirement of the Group; and/or

(ii) the Solvency Capital Requirement of the Issuer on a solo basis; and/or

(iii) any additional or successor capital requirement from time to time (other than any Minimum Capital Requirement),

in each case, as referred to in, or described in, the Applicable Regulations applicable to the Issuer and/or the Group (as the case may be).

"**Solvency Condition**" has the meaning set out in Condition 2(b).

"**Step-Up**" means 1.000 per cent.

"**Subsidiary**" means in relation to any company or other legal entity (a "**parent**"), at any particular time, a company or other entity which is then directly or indirectly controlled or whose issued share capital (or equivalent) is then more than 50 per cent. beneficially owned by the parent. For this purpose, for a company or other entity to be "**controlled**" by the parent means that the parent (whether directly or indirectly and whether by ownership of shares or equivalent or by the possession of voting power, contract or otherwise) has the power to appoint or remove all or the majority of the board of directors or other governing body of that other company or entity or has the power to control the affairs and policies of that other company or entity.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto.

"**Taxes**" has the meaning set out in Condition 10.

"**Tax Law Change**" means a change or officially announced proposed change in, amendment or officially announced proposed amendment to, or clarification of, the laws or regulations of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which the Kingdom of Belgium is or becomes a party, or any change in the official application or official interpretation of such laws or regulations, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change, amendment or clarification becomes, or would become, effective on or after the issue date of the most recently issued tranche of the Notes.

"**Tier 1 Capital**" has the meaning set out in the Applicable Regulations.

"**Tier 2 Capital**" has the meaning set out in the Applicable Regulations.

"**Tier 3 Capital**" has the meaning set out in the Applicable Regulations.

"**Winding-up**" means any dissolution or liquidation of the Issuer, including the following events creating a competition between creditors (*samenloop van schuldeisers/concours de créanciers*), bankruptcy (*faillissement/faillite*), judicial liquidation (*gerechtelijke vereffening/liquidation forcée*) or voluntary liquidation (*vrijwillige vereffening/liquidation volontaire*), other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer.

Schedule
Provisions on meetings of Holders

Interpretation

1 In this Schedule:

1.1 references to a "**meeting**" are to a meeting of Holders and include, unless the context otherwise requires, any adjournment;

1.2 references to "**Notes**" and "**Holders**" are only to the Notes and in respect of which a meeting has been, or is to be, called and to the holders of those Notes, respectively;

1.3 "**agent**" means a holder of a Voting Certificate or a proxy for, or representative of, a Holder;

1.4 "**Block Voting Instruction**" means a document issued by a Recognised Accountholder or the NBB Securities Settlement System in accordance with paragraph 9;

1.5 "**Electronic Consent**" has the meaning set out in paragraph 30.1;

1.6 "**Extraordinary Resolution**" means a resolution passed (a) at a meeting of Holders duly convened and held in accordance with this Schedule by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;

1.7 "**Ordinary Resolution**" means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50 per cent. of the votes cast;

1.8 "**Recognised Accountholder**" means an entity recognised as account holder in accordance with article 468 of the Belgian Companies Code;

1.9 "**NBB Securities Settlement System**" means the securities settlement system operated by the NBB or any successor thereto;

1.10 "**Voting Certificate**" means a certificate issued by a Recognised Accountholder or the NBB Securities Settlement System in accordance with paragraph 8;

1.11 "**Written Resolution**" means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Notes outstanding; and

1.12 references to persons representing a proportion of the Notes are to Holders, proxies or representatives of such Holders holding or representing in the aggregate at least that proportion in principal amount of the Notes for the time being outstanding.

General

2 All meetings of Holders will be held in accordance with the provisions set out in this Schedule.

2.1 For so long as the relevant provisions relating to meetings of bondholders of the Belgian companies code of 7 May 1999 as is in effect on the Issue Date (the "**Existing Code**") cannot be derogated from, where any provision of this Schedule would conflict with the relevant provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.

2.2 Where any of the provisions of this Schedule would be illegal, invalid or unenforceable, that will not affect the legality, validity and enforceability of the other provisions of this Schedule.

Powers of meetings

3 A meeting shall, subject to the Conditions and (except in the case of sub-paragraph 3.5) only with the consent of the Issuer and, where applicable, the Relevant Supervisory Authority, and without prejudice to any powers conferred on other persons by this Schedule, have power by Extraordinary Resolution:

3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Holders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);

3.2 to assent to any modification of the Conditions, the Notes or this Schedule proposed by the Issuer or the Agent;

3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;

3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;

3.5 to appoint any persons (whether Holders or not) as a committee or committees to represent the Holders' interests and to confer on them any powers (or discretions which the Holders could themselves exercise by Extraordinary Resolution);

3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or to approve the exchange or substitution of the Notes into shares, bonds or other obligations or securities of the Issuer or any other person, in each case, in circumstances not provided for in the Conditions or in applicable law; and

3.7 to accept any security interests established in favour of the Holders or a modification to the nature or scope of any existing security interest or a modification to the release mechanics of any existing security interests.

provided that the special quorum provisions in paragraph 18 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 3.6 or for the purpose of making a modification to the Conditions, the Notes or this Schedule which would have the effect of (other than in accordance with the Conditions or pursuant to applicable law):

(i) to amend the dates of maturity or redemption of the Notes or date for payment of interest or interest amounts;

(ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;

(iii) to assent to a reduction of the principal amount of the Notes or a modification of the conditions under which any redemption, substitution or variation may be made;

(iv) to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment in circumstances not provided for in the terms and conditions of the Notes;

(v) to change the currency of payment of the Notes;

(vi) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass an Extraordinary Resolution; or

(vii) to amend this proviso.

Ordinary Resolution

4 Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Holders shall have power by Ordinary Resolution:

4.1 to assent to any decision to take any conservatory measures in the general interest of the Holders;

4.2 to assent to the appointment of any representative to implement any Ordinary Resolution; or

4.3 to assent to any other decisions which do not require an Extraordinary Resolution to be passed.

5 No amendment to the Conditions, the Notes or this Schedule which in the opinion of the Issuer relates to any of the matters listed in paragraph 4 above shall be effective unless approved at a meeting of Holders complying in all respect with the requirements of Belgian law, the provisions set out in this Schedule and the articles of association of the Issuer.

Convening a meeting

6 The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Holders holding at least 20 per cent. in principal amount of the Notes for the time being outstanding. Every meeting shall be held at a time and place approved by the Agent.

7 Convening notices for meetings of Holders shall be given to the Holders in accordance with Condition 14 not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting and the nature of the resolutions to be proposed and shall explain how Holders may appoint proxies or representatives obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

Arrangements for voting

8 A Voting Certificate shall:

8.1 be issued by a Recognised Accountholder or the NBB Securities Settlement System;

8.2 state that on the date thereof (i) the Notes (not being Notes in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB Securities Settlement System) held to its order or under its control (if and only to the extent permitted by the rules and procedures of the NBB Securities Settlement System) and blocked by it, and (ii) that no such Notes will cease to be so held and blocked until the first to occur of:

(i) the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and

(ii) the surrender of the Voting Certificate to the Recognised Accountholder or the NBB Securities Settlement System who issued the same; and

8.3 further state that until the release of the Notes represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Notes represented by such certificate.

9 A Block Voting Instruction shall:

9.1 be issued by a Recognised Accountholder or the NBB Securities Settlement System;

9.2 certify that the Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned

meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB Securities Settlement System) held to its order or under its control and blocked by it and that no such Notes will cease to be so held and (if and only to the extent permitted by the rules and procedures of the NBB Securities Settlement System) blocked until the first to occur of:

(i) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and

(ii) the giving of notice by the Recognised Accountholder or the NBB Securities Settlement System to the Issuer, stating that certain of such Notes cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

9.3 certify that each holder of such Notes has instructed such Recognised Accountholder or the NBB Securities Settlement System that the vote(s) attributable to the Note or Notes so held and (if and only to the extent permitted by the rules and procedures of the NBB Securities Settlement System) blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing three (3) Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;

9.4 state the principal amount of the Notes so held and (if and only to the extent permitted by the rules and procedures of the NBB Securities Settlement System) blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and

9.5 naming one or more persons (each hereinafter called a "**proxy**") as being authorised and instructed to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in paragraph 9.4 above as set out in such document.

10 If a holder of Notes wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must (if and only to the extent permitted by the rules and procedures of the NBB Securities Settlement System) block such Notes for that purpose at least three (3) Business Days before the time fixed for the meeting to the order of the Agent with a bank or other depositary nominated by the Agent for the purpose. The Agent or such bank or other depositary shall then issue a Block Voting Instruction in respect of the votes attributable to all Notes so blocked.

11 No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.

12 The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Holder.

13 Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Notes held to the order or under the control and (if and only to the extent permitted by the rules and procedures of the NBB Securities Settlement System) blocked by a Recognised Accountholder or the NBB Securities Settlement System and which have been deposited at the registered office at the Issuer not less than three (3) and not more than six (6) Business Days before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Notes continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any

such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates.

14 In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.

Chairman

15 The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Holders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Holder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

16 The following may attend and speak at a meeting:

16.1 Holders and their agents;

16.2 the chairman and the secretary of the meeting; and

16.3 the Issuer and the Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

Quorum and Adjournment

17 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Holders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

18 One or more Holders or agents present in person shall be a quorum:

18.1 in the cases marked "**No minimum proportion**" in the table below, whatever the proportion of the Notes which they represent; and

18.2 in any other case, only if they represent the proportion of the Notes shown by the table below.

Purpose of meeting	**Any meeting except for a meeting previously adjourned through want of a quorum**	**Meeting previously adjourned through want of a quorum**
	Required proportion	Required proportion
To pass a special quorum resolution	75 per cent.	25 per cent.
To pass any Extraordinary Resolution	A clear majority.	No minimum proportion
To pass an Ordinary Resolution	A clear majority	No minimum proportion

19 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 17.

20 At least ten days' notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

Voting

21 Each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more persons representing 2 per cent. of the Notes.

22 Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

23 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

24 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

25 On a show of hands or a poll every person has one vote in respect of each Note so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

26 In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect and Publication of an Extraordinary Resolution and an Ordinary Resolution

27 An Extraordinary Resolution and an Ordinary Resolution shall be binding on all the Holders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Ordinary Resolution or an Extraordinary Resolution to Holders within fourteen days but failure to do so shall not invalidate the resolution.

Minutes

28 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

29 The minutes must be published on the website of the Issuer within fifteen (15) days after they have been passed.

Written Resolutions and Electronic Consent

30 For so long as the Notes are in dematerialised form and settled through the NBB Securities Settlement System, then in respect of any matters proposed by the Issuer:

30.1 Where the terms of the resolution proposed by the Issuer have been notified to the Holders through the relevant clearing system(s) as provided in sub-paragraphs 30.1.1 and/or 30.1.2 below, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding (the "**Required Proportion**") by close of business on the Relevant Date ("**Electronic Consent**"). Any resolution passed in such manner shall be binding on all Holders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

30.1.1 When a proposal for a resolution to be passed as an Electronic Consent has been made, at least fifteen days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Holders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Holders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

30.1.2 If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Holders that the resolution will be proposed again on such date and for such period as determined by the Issuer. Such notice must inform Holders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 30.1 above. For the purpose of such further notice, references to "**Relevant Date**" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraphs 6 and 7 above, unless that meeting is or shall be cancelled or dissolved.

30.2 To the extent Electronic Consent is not being sought in accordance with paragraph 30.1, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Holders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Holders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders. For the purpose of determining whether a resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the clearing system(s) with entitlements to the Notes or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or with written instruction by the person identified by that accountholder for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the NBB Securities Settlement System, Euroclear Bank, Clearstream or any other relevant alternative clearing system (the "**relevant clearing system**") and in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system or the purposes of (b) above. Any resolution passed in such manner shall be binding on all Holders, even if the relevant consent

or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder or a particular principal amount of Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

31 A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution or an Ordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Holders whether or not they participated in such Written Resolution and/or Electronic Consent.

CLEARING

The Notes have been accepted for clearance through the NBB Securities Settlement System under the ISIN number BE0002644251 and Common Code 198006521 and will accordingly be subject to the NBB Securities Settlement System Regulations (as defined in the Conditions).

The Notes in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB (National Bank of Belgium, Boulevard de Berlaimont 14, B-1000 Brussels, Belgium).

Access to the NBB Securities Settlement System is available through those of its participants whose membership extends to securities such as the Notes.

NBB Securities Settlement System participants include certain banks, stockbrokers (*sociétés de bourse/ beursvennootschappen*), and Euroclear, Clearstream, SIX SIS and Monte Titoli. Accordingly, the Notes will be eligible to clear through, and therefore accepted by, Euroclear, Clearstream, SIX SIS and Monte Titoli and investors can hold their Notes within securities accounts in Euroclear, Clearstream, SIX SIS, Monte Titoli or the other direct or indirect participants of the NBB Securities Settlement System.

Transfers of interests in the Notes will be effected between NBB Securities Settlement System participants in accordance with the rules and operating procedures of the NBB Securities Settlement System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB Securities Settlement System participants through which they hold their Notes.

The Agent performs the obligations of paying agent as provided in the Agency Agreement and the Clearing Services Agreement.

The Issuer and the Agent will not have any responsibility for the proper performance by the NBB Securities Settlement System or its participants of their obligations under their respective rules and operating procedures.

DESCRIPTION OF THE ISSUER

This section should be read and construed in conjunction with the audited consolidated financial statements of the Issuer prepared in accordance with IFRS for the financial years ended 31 December 2017 and 31 December 2018 and the audit reports thereon. Figures as at 31 December 2018 in this section have been audited but have not yet been approved by the Issuer's annual shareholders meeting which will be held on 15 May 2019.

1 General overview of the Issuer and the Group

Overview

ageas SA/NV (the "**Issuer**") is the parent company of an international insurance group (the "**Group**"). The Group has a heritage spanning more than 190 years and is active both in life and non-life insurance, reinsurance and real estate services.

Ranked among the top 20 insurance companies in Europe with a market capitalisation of EUR 7,979 million as at 31 December 2018[1], the Issuer concentrates its business activities in Europe and Asia. The Group employs more than 11,800 people in the consolidated entities and over 45,000 in total (including in the non-consolidated partnerships of the Group). The Issuer's shares are listed on Euronext Brussels, where it is part of the local blue chip Bel20 index.

The Group is mainly active both in life insurance and in non-life insurance. For the year ended 31 December 2018, the Group recorded gross inflow[2] of EUR 14.5 billion, split 71 per cent. / 29 per cent. between life insurance and non-life insurance. At 31 December 2018, the Issuer's consolidated total assets amounted to EUR 101.7 billion.

Incorporation

The Issuer was incorporated as "Fortis Capital Holding" on 16 November 1993. It changed its legal name to "ageas SA/NV" on 28 April 2010.

The Issuer is a company with limited liability (*société anonyme/naamloze vennootschap*) incorporated and existing under the laws of Belgium for an unlimited duration, with its registered office at Rue du Marquis 1, box 7, B-1000 Brussels, Belgium (telephone number: +32 (0)2 557 57 11) and registered with the Crossroads Bank for Enterprises (*Banque-Carrefour des Entreprises/Kruispuntbank van Ondernemingen*) under enterprise number 0451.406.524 (RLE Brussels, French-speaking division). The legal identifier code (LEI) of the Issuer is 5493005DJBML6LY3RV36.

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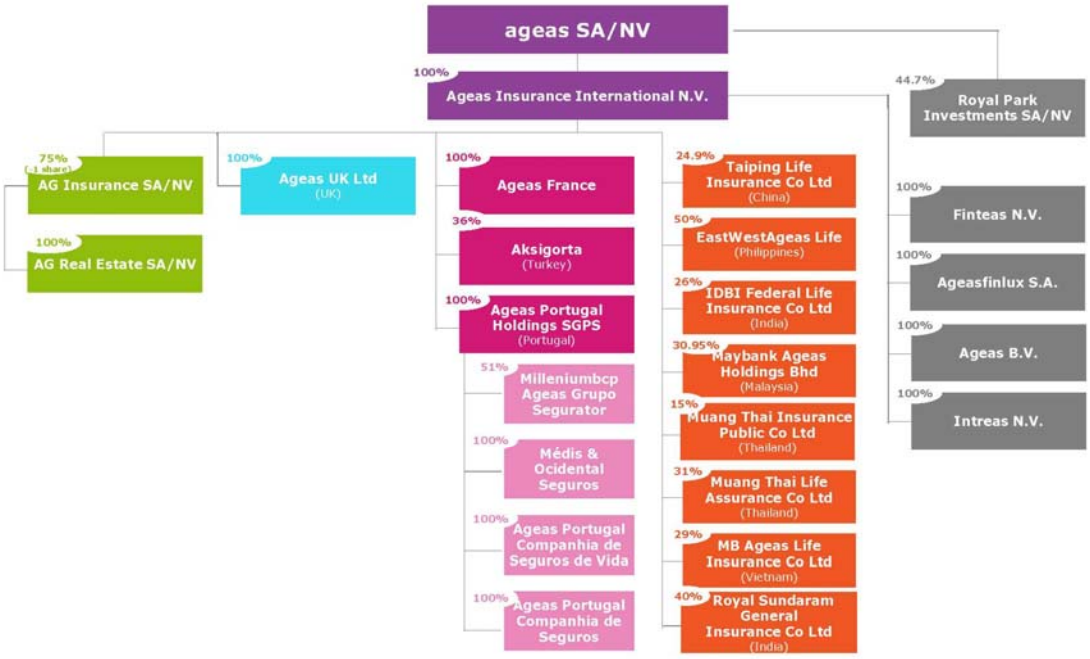
[1] Source: management estimate computed by the Issuer.

[2] Gross inflows refers to the sum of gross written premiums of insurance contracts and amounts received from investment contracts without discretionary participation features. The inflows are calculated taking into account the Issuer's pro rata ownership in its operating companies (including non-controlled participations).

Organisational structure

Set out below is a simplified structure of the Group formed by the Issuer and its subsidiaries as at the date of this Prospectus:



2 Shareholding structure

Share capital

As at the date of this Prospectus, the registered capital of the Issuer amounts to EUR 1,502,364,272.60, represented by 203,022,199 fully paid up ordinary shares without nominal value. All shares are in dematerialised or registered form.

Authorised capital

The shareholders' meeting of the Issuer of 16 May 2018 granted the Board of Directors the authority to increase the share capital in one or more transactions, provided that this may not result in the share capital being increased by an amount exceeding EUR 148,000,000.

Any capital increase decided by the Board of Directors within the limits of the authorised capital may take the form, *inter alia*, of contributions in cash or in kind, of the incorporation, with or without issue of new shares, of available and non-available reserves, issue premiums and claims, and of the issue of convertible bonds or bonds carrying subscription rights, as well as of subscription rights which may or may not be attached to another transferable security, and with or without cancellation or limitation of the preferential subscription right of the existing shareholders as the case may be in favour of one or more specific persons.

This authority has been granted to the Board of Directors for a period of three years, starting on the date of the publication in the Annexes to the Belgian State Gazette of the amendment to the articles of association of the Issuer as approved by the extraordinary general meeting of shareholders of 16 May 2018 (i.e., starting on 14 June 2018). This authority can be renewed in accordance with the provisions of the Belgian Companies Code.

Share buy-back programme

On 8 August 2018, the Issuer announced the decision of the Board of Directors to initiate a new share buy-back programme of the Issuer's outstanding shares for an amount of EUR 200 million. This followed the shareholders' authorisation granted on 16 May 2018.

The share buy-back programme started on 13 August 2018 and will run until 2 August 2019. It is implemented in accordance with industry best practices and in compliance with the applicable buy-back rules and regulations. To this end, the Issuer has mandated an independent broker to execute the programme through open market purchases on its behalf on Euronext Brussels.

The bought back shares are held as treasury shares. The Issuer will propose to its shareholders their cancellation, excluding the shares needed to cover share plans granted to senior management.

Shareholders' structure

The Issuer's shares are listed on Euronext Brussels, where it is part of the local blue chip Bel20 index. The shares are freely transferable.

Pursuant to the Belgian law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions (*loi du 2 mai 2007 relative à la publicité des participations importantes dans des émetteurs dont les actions sont admises à la négociation sur un marché réglementé et portant des dispositions diverses/wet van 2 mei 2007 op de openbaarmaking van belangrijke deelnemingen in emittenten waarvan aandelen zijn toegelaten tot de verhandeling op een gereglementeerde markt en houdende diverse bepalingen*) and the articles of association of the Issuer, shareholders whose participation in the Issuer's share capital crosses the threshold of 3 per cent., 5 per cent. and each successive multiple of 5 per cent., in either direction, are required to notify the Issuer and the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers/Autoriteit voor Financiële Diensten en Markten*) (the "**FSMA**") thereof.

According to the information available to the Issuer as at 29 March 2019 by virtue of the transparency declarations received by it, the main shareholders of the Issuer are the following:

Shareholder	Percentage	Date of the transparency declaration
Ping An	5.17 per cent.	6 May 2013
BlackRock, Inc.	4.94 per cent.	26 March 2019
Issuer	3.02 per cent.	21 January 2019
Fosun	3.01 per cent.	26 September 2017
Schroders plc	2.94 per cent.	20 September 2018

Shareholder agreements

The Issuer is not aware of any shareholder agreements that could restrict the transfer of securities of the Issuer and/or the exercise of voting rights in the context of a public acquisition bid.

3 Credit ratings of the Issuer

The Issuer is rated, at the request or with the cooperation of the Issuer in the rating process, by S&P Global Ratings Europe Limited ("**S&P**") and Fitch Ratings Limited ("**Fitch**") or their respective affiliates. The ratings (situation as at the date of this Prospectus) can be summarised as follows:

S&P	
Financial Strength Rating	A (stable outlook)
Issuer Credit Rating	A (stable outlook)
Foreign Currency Issuer Credit Rating	A (stable outlook)
Fitch	
Long-Term Issuer Default Rating	A (stable outlook)
Insurer Financial Strength Rating	A+ (stable outlook)

On 10 December 2018, S&P issued an upgrade on the Financial Strength Rating, Issuer Credit Rating and Foreign Currency Issuer Credit Rating by three notches from "BBB" to "A" with a stable outlook.

On 7 December 2018, Fitch assigned the Issuer an Insurer Financial Strength Rating of "A+" with a stable outlook. Furthermore, Fitch affirmed the Issuer's Long-Term Issuer Default Rating of "A" with a stable outlook.

The Notes are expected to be rated "BBB+" by S&P and "BBB+" by Fitch.

S&P and Fitch are established in the European Union and are included on the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 on Credit Rating Agencies, as amended by Regulation (EU) No. 513/2011 (the "**CRA Regulation**"). This list is available on the ESMA website (see https://www.esma.europa.eu/supervision/credit-rating-agencies/risk). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

4 Strategy

As a listed company, the primary objective of the Issuer is to create sustainable economic value for its shareholders. It can achieve this only if it serves the interests of all its stakeholders. The most important thing is that the Group meets – or rather exceeds – the expectations of its customers. In doing so, it will benefit all those who profit from the success of the company, including its employees, intermediaries, suppliers and the communities that it is a part of.

To stay ahead and remain relevant to its stakeholders, the Group needs to continuously evolve and reinvent itself to retain its competitive edge. Its new three-year strategic plan, Connect21, builds on the previous strategic plans, taking into account some of the key evolutions foreseen by the Issuer in the insurance sector as far as 2030.

Connect21 incorporates seven strategic choices:

- a great customer experience: the Group's ambition starts with a strong commitment towards its customers, by offering a great customer experience across the entire customer journey. The Group is convinced that all stakeholders will benefit from putting this choice first;
- to prevent, prepare, protect and assist: by moving beyond the traditional insurance activities (prepare and protect), the Group intends to also become a relevant player in the domain of services linked to the wellbeing of customers (prevent and assist);
- by leveraging technology: technology will be front and centre to the way the Issuer responds to evolving trends and customer needs;

- with partners and through alliances: the Group will evolve with its existing partners and with new less traditional partners, to respond to the new needs and priorities;
- creating smart synergies: the Group will strengthen its proven role as a synergy manager to facilitate innovation and the sharing of knowledge and skills across the Group, with a focus on technological developments;
- empowering local autonomy: being local allows the Issuer to be close to the customer and to society. The Group continues to believe in a strong decentralised business model that will become even more relevant in the future, offering competitive advantage; and
- focussing on Europe and Asia: the Group will maintain a good diversification between its presence in Europe and Asia, allowing it to be where the growth is (Asia) by relying on gained competencies and stable home markets (Europe).

These strategic choices are expected to support the future achievements of the Group.

Besides the three-year strategic plan, Connect21 also sets out what the Group wants to be in the long term, for why it exists and how it will deliver on its promises, translated into a new strapline and clearly identifying five key stakeholders and four values:

- Group wide strapline: supporter of your life;
- five key stakeholders: customers, employees, partners, investors and society; and
- four Group wide values: care, dare, deliver and share.

5 Principal activities[3]

The main business activities of the Group can be divided into three categories: insurance, reinsurance and real estate.

Insurance

The Group operates in both the life insurance business and the non-life insurance business.

The life insurance business includes insurance contracts covering risks related to the life and death of individuals. Life business also includes investment contracts with and without discretionary participation features.

The non-life business comprises four lines of business:

- accident and health insurance;
- car and motor insurance;
- fire insurance; and
- other damage to property, covering the risk of property losses or claims liabilities.

[3] Source: management estimates computed by the Issuer.

The focus of the Group's insurance activities lies on the European and Asian market and it operates both through majority shareholdings as well as joint ventures. To enter the Asian market, joint ventures have been set up with local third parties in order to get access to the existing broad client base of local players, where the Group is regarded as an experienced insurance market player.

Reinsurance

Since 2015, the Group has its own (internal) reinsurance company Intreas N.V. ("**Intreas**"), which is located in the Netherlands. Intreas underwrites mainly reinsurance treaties to a maximum of 50 per cent. in the local reinsurance programmes of the Group's operating group entities. Through participation in the local programmes on the terms and conditions agreed by the operating group entities with their external reinsurers, the arm's length nature of the transactions is ensured. Intreas acquires a global retrocession programme in the external reinsurance market.

Furthermore, in June 2018, the Issuer received the approval from the NBB to organise and operate reinsurance operations. The development of these activities is intended to increase the fungibility of capital within the Group, giving the Issuer greater flexibility and agility to execute its strategy.

Real estate

AG Insurance SA/NV ("**AG Insurance**"), the subsidiary of the Issuer, owns 100 per cent. of the shares in the AG Real Estate group. With a diversified portfolio, AG Real Estate is the largest real estate group in Belgium. Its portfolio contains direct and indirect real estate holdings, primarily, but not exclusively, in Europe (mainly Luxembourg, France, Germany and the Netherlands), as well as investments across all asset classes (mixed use projects, offices, residential, retail and schools).

Its core activities include real estate development, asset management, property management, real estate financing and public car park management.

6 Principal markets[4]

The Issuer mainly engages in four distinct regions: Belgium (through its subsidiary AG Insurance), the United Kingdom, Continental Europe and Asia. The services in these regions are served through a combination of wholly-owned subsidiaries and partnerships with strong financial institutions and key distributors.

Belgium

AG Insurance is the principal operating company of the Group and the market leader in the Belgian insurance market, with a 25.3 per cent. market share in life insurance (in terms of gross written premiums) and a 15.7 per cent. market share in non-life insurance (in terms of gross written premiums) at the end of December 2017[5].

AG Insurance is a composite insurer offering a broad range of products that cover the needs of both individuals and companies. It distributes its products through independent insurance brokers, the retail banking branches

[4] Source: management estimates computed by the Issuer.

[5] Source: market data available in Assuralia's study "*Key figures and main results of Belgian insurance in 2017*", October 2018, available in French and Dutch on http://www.assuralia.be. Assuralia is the professional organisation of insurance companies in Belgium.

of BNP Paribas Fortis SA/NV (Belgium's largest bank) as well as branches of the Belgian post (*bpost banque SA*/*bpost bank NV*), and directly in a "business to business" context.

Through AG Insurance's subsidiary AG Real Estate SA/NV, the Group furthermore manages a diversified portfolio of real estate assets.

United Kingdom

Ageas UK offers non-life insurance products through a range of channels, including brokers, high-profile affinity partners and directly to the customer through its own brands. Through Tesco Underwriting, a joint venture set up with Tesco Bank, Ageas UK also provides motor and home insurance to over one million of Tesco Bank's customers.

Ageas UK offers a complete range of branded and white-labelled insurance propositions in personal lines and small commercial insurance packages and has expertise in niche and scheme business to support customers with non-standard insurance requirements. In addition, through its owned brand RIAS and through its long-term partnership with Age UK, Ageas UK offers a range of specialised products tailored to the needs of customers aged 40+.

Continental Europe

Pursuant to the sale of its stake in the Italian and Luxembourgish joint venture to BNP Paribas Cardif, Ageas Continental Europe is now active in three markets in continental Europe: France, Turkey and Portugal. Through a number of wholly owned subsidiaries and a joint venture, the Group offers a broad range of insurance products and services spanning both life and non-life. Customers can access products through a variety of different distribution channels, ranging from bank branches, brokers and agents, and mobile solutions are being developed in all markets to meet the expectations of customers.

The largest single business within this region, Portugal, is also home to Médis, a clear market leader in the local health insurance market and the recognised customer reference point for healthcare. Ageas Seguros, a new name to the Portuguese insurance market in 2017, is already a well-recognised insurance brand with customers. The Group is furthermore active in Portugal through a partnership with Banco Comercial Português and through a stake in Millenniumbcp, a joint venture set up together with Banco Comercial Português.

Asia

The Group operates in nine countries in Asia, including China, Malaysia, Thailand, India, the Philippines and Vietnam, through well-established joint venture partnerships with highly respected local partners and financial institutions. Many of these partnerships date back more than a decade, providing important access to customers and knowledge of the local market. Together, the Group and its partners serve around 26 million customers across the region supported by a regional office in Hong Kong. In support of its partners' own expansion plans, the Group also provides insurance services in Laos, Cambodia and Singapore.

Across the region, a range of life and non-life insurance products are offered through different channels of choice, including agents, brokers, bank branches and digital solutions.

In the main markets in which the Group is present in Asia, it enjoys a strong market position and excellent market recognition.

7 Risk management

The Issuer has put in place a risk management framework to ensure that all risks within the Group are understood and effectively managed. For more information, please also refer to note 5 (*Risk Management*) of the 2018 annual report of the Issuer.

As a multinational insurance provider, the Group creates value through the acceptance, warehousing and transformation of risks that can be properly managed either at the individual or at the overall portfolio level. The Group's insurance operations provide both life and non-life insurances, and as such face a number of risks that, whether internal or external, may affect the Group's operations, its earnings, its share price, the value of its investments or the sale of certain products and services. Besides insurance operations, the general account mainly comprises activities not related to the core insurance business, such as the management of the Fortis legacies, Group risk & finance and other holding activities.

The Group's overall risk strategy consists of:

- maximising shareholder value within the constraints of the Group's risk appetite framework (including franchise quality, i.e., the quality of intangible assets (such as brand, human capital, corporate culture and knowledge) embedded in the Group and contributing to future growth), while taking into account the protection of policyholders. The Group's risk taking is both controlled and directed towards businesses that provide attractive risk-adjusted returns;
- avoiding undesired concentrations of exposure to either an individual risk or collective risk. This is achieved by having consistent limit systems in place and policies for all risk categories both at the Group and business levels;
- taking risks that the Group understands and that it can value and manage appropriately (either at the individual or overall portfolio level). The Group does not take risks of which the consequences and potential losses are unclear or unlimited;
- integrating risk management into strategic (i.e., annual strategic planning) and decision making processes;
- using models as an intrinsic part of gathering information, determining forecasts and projections based on specific events and parameters. Models are complemented by expert judgement, which are jointly fundamental in the business and risk strategies; and
- creating an open environment conductive to effective communications about risks and risk management throughout the Group.

A key component of the Group's risk management and control framework is defining and implementing a risk appetite and ensuring that the risk profile is kept within it. The risk appetite framework of the Group provides the formal boundaries for risk taking. This includes the following:

- risk capacity: this relates to the maximum amount of risk that the Group can bear, taking into account the capital and solvency base, without entering into a full business recovery situation;
- risk appetite: this represents the maximum amount of risk which the Board of Directors of the Issuer is willing to take or accept in order to achieve the Group's strategic and business objectives, including the preservation of the long-term strength of the Group and the trust of all key shareholders and stakeholders. Appetite is translated by risk tolerances and limits (i.e., how much risk can be allowed at a given time); and
- risk profile: this relates to the management's assessment of the Group's current risk position, considering the current risk consumption.

The embedding of the risk strategy takes place in the performance management cycle, articulated around the annual strategic planning and Own Risk and Solvency Assessment process, supported by relevant modelling approaches.

Solvency II requires insurance and reinsurance undertakings to establish and implement a risk management system which overall comprises the following elements: Risk Strategy & Objectives, Risk Governance Framework, Risk Policy Framework and Risk Reporting Framework.

To this end, the Group has established and implemented an Enterprise Risk Management ("**ERM**") framework, which encompasses key components that act as a supporting foundation of the risk management system. The Group's ERM can be defined as the process of systematically and comprehensively identifying critical risks, assessing their impact and implementing integrated strategies to provide reasonable assurance regarding the achievement of the Group's objectives. The Group's ERM framework sets the below high level objectives:

- it defines a risk appetite to ensure that the risk of insolvency is constantly managed within acceptable levels, and that the risk profile is kept within set limits;
- it influences a strong culture of risk awareness whereby managers carry out their duty to understand and be aware of the risks to their business, manage them adequately and report them transparently;
- it ensures identification and validation, assessment and prioritisation, recording, monitoring and management of risks which affect, or can affect, the achievement of strategic and business objectives;
- it supports the decision making process by ensuring that consistent, reliable and timely risk information is available to decision makers; and
- it embeds strategic risk management into the overall decision-making process.

8 Insurance supervision and regulation

Introduction

Since the implementation on 1 April 2011 of the "Twin Peaks Act", the powers relating to prudential supervision have been transferred from the Banking, Finance and Insurance Commission (the "**CBFA**") to the National Bank of Belgium (the "**NBB**"). The remaining supervisory powers previously exercised by the CBFA are now exercised by the FSMA. This autonomous public agency is in charge of supervision with regard to conduct of business rules and financial services providers (intermediaries).

EU directives have had and will continue to have a significant impact on the regulation of the insurance business in the European Union, as such directives are implemented through legislation adopted within each Member State, including Belgium. The general objective of these EU directives is to promote the realisation of a unified internal market and to improve standards of prudential supervision and market efficiency through harmonisation of core regulatory standards and mutual recognition among EU Member States of regulatory supervision, and in particular, licensing.

The prudential supervision of insurance and re-insurance companies is the responsibility of the NBB. The Issuer is monitored by the NBB as an insurance company. In addition, the Issuer is also monitored by the NBB in its capacity as an insurance holding.

As a re-insurance company, the Issuer is supervised by the NBB in relation to its capital, liquidity and solvency requirements, internal governance and organisation and fit and proper assessment of management and shareholders.

Insurance supervision and regulation in Belgium

The insurance regime in Belgium is governed by the law of 13 March 2016 on the legal status and supervision of insurance and reinsurance undertakings, as amended (the "**Insurance Supervision Law**") and the law of 4 April 2014 on insurances, as amended (the "**Insurance Law**").

The Insurance Supervision Law, among other things, implements the Solvency II Directive. It sets forth the conditions under which insurance and re-insurance companies may operate in Belgium and defines the regulatory and supervisory powers of the NBB.

The Insurance Law, among other things, implements European legislation such as the consumer related aspects provided in Solvency II. It sets forth the conditions under which insurance and re-insurance companies may operate on the Belgian insurance market and defines the regulatory and supervisory powers of the FSMA.

Supervision of insurance companies

All Belgian insurance and reinsurance companies must obtain a licence from the NBB before they may commence operations. In order to obtain a licence and maintain it, each insurance company must fulfil numerous conditions, including certain minimum capital requirements. This requires the calculation of best estimate cash flows, raised with a risk margin, which together with the risk margin forms the technical provisions. In addition, a Solvency Capital Requirement ("**SCR**") and a Minimal Capital Requirement ("**MCR**") should be calculated and respected. The SCR is the capital an insurer needs to limit the default risk to less than 0.5 per cent. in the next twelve months.

In addition, any shareholders' holding (either directly or indirectly, acting alone or in concert with third parties) a substantial stake in the company (in general, this means 10 per cent. or more of the capital or the voting rights) must be of ''fit and proper'' character to ensure proper and prudent management of the insurance company. Moreover, any shareholder wishing to increase such substantial stake to a 20 per cent., 33 per cent. or 50 per cent. capital or voting interest or to any stake that allows him to exercise control over the company, must disclose this to the NBB. If the NBB considers that the influence of such a shareholder in an insurance company jeopardises its sound and prudent management, it may suspend the voting rights attached to this participation. Furthermore, a shareholder who wishes to sell his participation or a part thereof, which sale would result in his shareholding dropping below any of the above-mentioned thresholds, must notify the NBB thereof one month in advance. The Belgian insurance company itself is obliged to notify the NBB of any such transfer when it becomes aware of it.

The Insurance Supervision Law requires insurance companies to provide detailed periodic financial information to the NBB and to the public (on an annual basis through the Solvency and Financial Conditions Reporting ("**SFCR**") and on a quarterly basis through the Regular Supervisory Reporting). The NBB also supervises the enforcement of laws and regulations with respect to the accounting principles applicable to insurance companies.

Pursuant to the Insurance Supervision Law, the NBB may, in order to exercise its prudential supervision, require that all information with respect to the financial position and the transactions of an insurance company be provided to it, either by the insurance company itself or by its affiliated companies. The NBB may supplement these communications by on-site inspections. The NBB also exercises its comprehensive supervision of insurance companies through statutory auditors who collaborate with the NBB in its prudential supervision. An insurance company selects its statutory auditors from among the list of auditors or audit firms accredited by the NBB.

If an insurance company does not provide for the required capital requirements, the NBB may restrict or prohibit the company's free use of its assets. If an insurance company no longer meets the SCR, the NBB must require that a recovery plan be prepared. If an insurance undertaking no longer meets the MCR, its licence should be withdrawn. In general, if the NBB finds that an insurance company is not operating in accordance with the provisions of the Insurance Supervision Law, that its management policy or its financial position is likely to prevent it from honouring its commitments or that its administrative and accounting procedures or internal control systems present deficiencies, it will set a deadline by which the situation must be rectified. If the situation has not been rectified by the deadline, the NBB has the power to appoint a special commissioner to

replace management, to prohibit or limit certain activities, to dispose of all or part of its activities, and to order the replacement of the Board of Directors and management, failing which it will itself appoint a provisional manager.

Insurance governance

The Insurance Supervision Law puts a lot of emphasis on the solid and efficient organisation of insurance companies and introduces to that effect *inter alios* a dual governance structure at management level, specialised advisory committees within the Board of Directors (audit committee, risk committee and remuneration committee), independent control functions, and sound remuneration policies.

Belgian law and regulatory practices make a fundamental distinction between the management of insurance activities, which is the competence of the executive committee, and the supervision of management and the definition of the insurance company's general policy, which is entrusted to the Board of Directors. In order to ensure that such a distinction is maintained, Belgian regulatory practices require an insurance company and its principal shareholders to underwrite "internal governance rules" to ensure the autonomy of the insurance function and the proper governance of the insurance company. The rules also require the principal shareholders of an insurance company to contribute to the institution's autonomy and stability.

Pursuant to the Insurance Supervision Law, the members of the executive committee and of the Board of Directors need to permanently have the required professional reliability and appropriate experience. The same goes for the responsible persons of the independent control functions. The NBB's circular of 5 July 2016 regarding prudential expectations with respect to corporate governance contains recommendations to assure the autonomy of the insurance function, the organisation of the independent control functions, the fit and proper standards and the proper governance of the insurance company.

Solvency II

Solvency II is the EU-wide regime for the prudential regulation of insurance and reinsurance undertakings. Originally adopted by the European Parliament and Council in 2009, Solvency II became effective on 1 January 2016. Solvency II is a framework directive; most of the details of the rules are set out in the Solvency II Regulations. EIOPA has issued supervisory standards, recommendations and guidelines intended to enhance convergent and effective application of Solvency II and to facilitate cooperation between national supervisors. EIOPA guidance is not binding on supervisory authorities, although there is a 'comply or explain' requirement in relation to the guidance. The NBB has confirmed that it intends to comply with the EIOPA guidelines.

One of the key aims of Solvency II is to introduce a harmonised prudential framework for insurers promoting transparency, comparability and competitiveness amongst European insurers.

Solvency II has three pillars that have impacted how the Issuer manages risk and how it reports to regulators, policyholders and shareholders:

- Pillar I relates to the quantitative requirements and introduces a risk based methodology to calculating the Issuer's SCR, MCR and corresponding coverage ratios. Insurers are required to calculate the level of capital required based on their unique risk profile;
- Pillar II incorporates qualitative governance requirements, including the way the risk management function operates within the business and how key systems and controls are documented and reviewed; and
- Pillar III relates to enhanced and standardised disclosure requirements, including increased transparency of the risk strategy and risk appetite of the business.

Solvency II classifies different forms of capital into three 'tiers' which distinguish between forms of capital based on its ability to absorb losses. Tier 1 capital, such as common equity and retained earnings, is the highest quality of capital and must be able to absorb losses on a day-to-day, 'going-concern' basis. Tier 1 capital may be restricted (i.e., subject to certain restrictions in terms of capital benefit) or unrestricted. Tier 2 capital is of a lower quality and is available to absorb losses on insolvency. Tier 3 capital is the lowest quality of capital permitted and has only limited loss-absorbing capacity.

In the coming years, Solvency II will continue to develop and form the way the Issuer manages risk and capital. In 2017, the Issuer has, for the first time, prepared and published its SFCR, which provides a standardised disclosure of performance, risk management and capital position.

9 Key financial figures and Solvency II position

Gross inflows for the year ended 31 December 2018 amounted to EUR 14.5 billion, 0.9 per cent. higher than for the year ended 31 December 2017. Total inflows in Asia reached EUR 5.4 billion, up 4.9 per cent. Inflows in Continental Europe amounted to EUR 2.8 billion, down 9.0 per cent., resulting from the sale of activities in Luxembourg in December 2018 and from lower unit-linked inflows, especially in Portugal. In Belgium, inflows increased by 7.9 per cent. to EUR 4.6 billion. Inflows in the United Kingdom amounted to EUR 1.6 billion, down 10.5 per cent. as a result of the exit of the business operations in the United Kingdom from underperforming business and their approach to pricing and underwriting discipline, while operating in a soft motor market.

Life inflows amounted to EUR 10.3 billion for the year ended 31 December 2018, compared to EUR 10.0 billion for the year ended 31 December 2017. Non-life gross written premiums decreased at EUR 4.2 billion as at 31 December 2018, compared to EUR 4.4 billion as at 31 December 2017.

The Group net result attributable to shareholders amounted to EUR 809 million for the year ended 31 December 2018, compared to EUR 623 million for the year ended 31 December 2017.

The total combined ratio[6] for the year ended 31 December 2018 was 94.3 per cent., compared to 95.2 per cent. for the year ended 31 December 2017, despite the adverse weather in Belgium, Portugal and the United Kingdom. In Belgium, the combined ratio for the year ended 31 December 2018 was 93.4 per cent., compared to 91.0 per cent for the previous year, as a result of the strong operating performance across all business lines. In the United Kingdom, the combined ratio for the year ended 31 December 2018 was 96.8 per cent., compared to 103.2 per cent. for the previous year, driven by the strategy in the United Kingdom to simplify the business, combined with a continued strong performance in motor insurance. The combined ratio in Continental Europe stood at 92.4 per cent. for the year ended 31 December 2018, compared to 90.4 per cent. for the previous year, despite Portugal being hit by storm Leslie in the fourth quarter of 2018. In Asia, the combined ratio stood at 90.7 per cent. for the year ended 31 December 2018, compared to 87.4 per cent. for the previous year.

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[6] The combined ratio is a measure of an insurer's total expenses as a percentage of net earned premiums. This is the sum of the claims ratio (the cost of claims, net of reinsurance, as a percentage of net earned premiums) and the expense ratio (the expenses as a percentage of net earned premiums; included in expenses are internal costs of claims handling and commissions, net of reinsurance).

The combined ratio measures the underwriting profitability in non-life. A ratio of less than 100% indicates that the underwriting result is profitable, whilst a ratio of more than 100% indicates an underwriting loss.

The total combined ratio for the reinsurance activities for the year ended 31 December 2018 was 82.6 per cent., compared to 75.7 per cent. for the year ended 31 December 2017. This increase of the combined ratio is explained by unfavourable claims developments partly offset by lower expenses.

The total operating margin[7] in guaranteed products for the year ended 31 December 2018 decreased to 88 basis points (from 93 basis points for the year ended 31 December 2017), remaining within the target range. In Belgium, the operating margin in guaranteed products for the year ended 31 December 2018 remained stable at 85 basis points (the same level as for the year ended 31 December 2017). In Continental Europe, the operating margin in guaranteed products for the year ended 31 December 2018 was 108 basis points, compared to 139 basis points for the year ended 31 December 2017.

The total unit-linked operating margin remained fairly stable at 25 basis points for the year ended 31 December 2018 (compared to 27 basis points for the year ended 31 December 2017), with an increase to 40 basis points in Belgium (from 34 basis points for the year ended 31 December 2017) and a decrease to 9 basis points in Continental Europe (from 21 basis points for the year ended 31 December 2017), on the back of higher and lower sales respectively.

The financial debt leverage on net tangible equity[8] as at 31 December 2018 was equal to 20.2 per cent. This decreased to 16.7 per cent. after the call by AG Insurance SA/NV of its USD 550 million 6.75 per cent. fixed rate reset perpetual subordinated notes. In this respect, please also refer to section 10 "*Recent developments*".

The total shareholders' equity decreased from EUR 9.6 billion as at 31 December 2017 to EUR 9.4 billion as at 31 December 2018 due to, among other, the impact of the expiration of the put option granted to BNP Paribas Fortis SA/NV. The shareholders' equity per share increased from EUR 48.3 to EUR 48.4 as a result of the reduced number of shares following the share buy-back programme.

The Own Funds of the Group as calculated for regulatory purposes (Pillar I) amounted to EUR 8.1 billion as at 31 December 2018, EUR 4.3 billion above SCR. This leads to a strong Solvency II Pillar I ratio of 216.2 per cent. and improving from 190.6 per cent. as at 31 December 2017. The increase was mainly driven by the expiration of the put option, the divestment of activities in Luxembourg and the increased fungibility of Own Funds related to the license obtained to operate reinsurance activities.

The table below sets out the Solvency ratios of the regions which are within the consolidated Solvency II scope of the Group as at 31 December 2018 and 31 December 2017:

Solvency Ratio per region – Pillar I	**year-end 2018**	**year-end 2017**
Belgium		
Total Eligible Solvency II Own Funds to meet the SCR (in millions of EUR)	6,279.0	6,635.8
SCR (in millions of EUR)	2,822.7	3,018.9
SCR Coverage Ratio	**222.5 per cent.**	**219.8 per cent.**

[7] For life activities, the operating margin relates to the annualised operating result of the period divided by the average net life insurance liabilities. For non-life activities, the operating margin relates to the operating result divided by the net earned premium.

[8] The financial debt leverage on net tangible equity is calculated as the sum of subordinated debt and senior debt divided by the sum of net tangible equity, subordinated debt and senior debt.

United Kingdom		
Total Eligible Solvency II Own Funds to meet the SCR (in millions of EUR)	857.3	767.6
SCR (in millions of EUR)	506.3	537.0
SCR Coverage Ratio	**169.3 per cent.**	**142.9 per cent.**
Continental Europe		
Total Eligible Solvency II Own Funds to meet the SCR (in millions of EUR)	1,392.7	1,713.2
SCR (in millions of EUR)	483.1	571.4
SCR Coverage Ratio	**288.3 per cent.**	**299.8 per cent.**
Reinsurance		
Total Eligible Solvency II Own Funds to meet the SCR (in millions of EUR)	111.1	116.6
SCR (in millions of EUR)	58.2	50.6
SCR Coverage Ratio	**190.7 per cent.**	**230.3 per cent.**
Insurance total		
Total Eligible Solvency II Own Funds to meet the SCR (in millions of EUR)	7,502.5	7,653.5
SCR (in millions of EUR)	3,649.7	3,988.1
SCR Coverage Ratio	**205.6 per cent.**	**191.9 per cent.**

The regulatory capacity to recognise subordinated liabilities as part of Own Funds of the Group amounted to EUR 0.8 billion as at 31 December 2018. This increased to EUR 1.2 billion after the call by AG Insurance SA/NV of its USD 550 million 6.75 per cent. fixed rate reset perpetual subordinated notes. In this respect, please also refer to section 10 "*Recent developments*".

The table below provides the Group Consolidated Solvency II Pillar I ratios.

Group Consolidated Solvency ratios – Pillar I	**year-end 2018**	**year-end 2017**
Total Eligible Solvency II Own Funds to meet the Group SCR (in millions of EUR)	8,059.0	7,744.1
Group Required Capital under Pillar I (SCR) (in millions of EUR)	3,728.1	4,062.4
Group SCR Coverage Ratio	**216.2 per cent.**	**190.6 per cent.**
Total Eligible Solvency II Own Funds to meet the minimum consolidated Group SCR (in millions of EUR)	7,366.1	7,019.1
Minimum consolidated Group SCR (in millions of EUR)	1,713.8	1,876.4
Minimum consolidated Group SCR Coverage Ratio	**429.8 per cent.**	**374.1 per cent.**

The tables below outline the detail of the Group SCR as well as the Group Consolidated Own Funds as per year-end 2018 and year-end 2017.

Group Consolidated SCR – Pillar I (in millions of EUR)	**year-end 2018**	**year-end 2017**
Market Risk	4,420.6	4,835.0
Counterparty Default Risk	351.4	333.3
Life Underwriting Risk	633.5	669.7
Health Underwriting Risk	347.8	382.3
Non-life Underwriting Risk	718.4	697.3
Diversification between above mentioned risks	(1,395.0)	(1,428.1)
Non Diversifiable Risks	507.4	658.8
Loss-Absorption through Technical Provisions	(1,001.5)	(1,188.7)
Loss-Absorption through Deferred Taxes	(854.4)	(897.7)
Group Required Capital under Partial Internal Model (SCR)	**3,728.1**	**4,062.4**
Impact of Non-life Internal Model on Non-life Underwriting Risk	364.2	359.3
Impact of Non-life Internal Model on Diversification between risks	(198.4)	(209.3)
Impact of Non-life Internal Model on Loss-Absorption through Deferred Taxes	7.1	8.3
Group Required Capital under the SII Standard Formula	**3,901.0**	**4,220.7**

Group Consolidated Own Funds – Pillar I (in millions of EUR)	**year-end 2018**	**year-end 2017**
Unrestricted Tier 1 Own Funds	5,618.9	5,315.1
Restricted Tier 1 Own Funds	1,404.7	1,328.8
Tier 1 Own Funds	7,023.6	6,643.8
Tier 2 Own Funds	952.0	999.9
Tier 3 Own Funds	83.5	100.4
Total Group Consolidated Own Funds	**8,059.0**	**7,744.1**

The table below provides the sensitivities of the Group Solvency Position according to Pillar I as per year-end 2018.

Group consolidated Solvency sensitivities – Pillar I as per year-end 2018	**Solvency Capital Requirement (in millions of EUR)**	**Own Funds (in millions of EUR)**	**Solvency Ratio**
Base Case	**3,728.1**	**8,059.0**	**216.2 per cent.**
Interest Rates Down -50bps	3,801.3	7,984.6	210.0 per cent.

Interest Rates Up +50bps	3,647.5	8,092.4	221.9 per cent.
UFR Down -15bps	3,730.2	8,049.0	215.8 per cent.
UFR Down -45bps	3,739.5	8,003.8	214.0 per cent.
Equity Down -25 per cent.	3,671.3	7,762.1	211.4 per cent.
Property Down -10 per cent.	3,758.6	7,801.3	207.6 per cent.
Spread Up Corporate and Government Bonds +50bps	3,928.2	7,445.7	189.5 per cent.
Spread Up Corporate Bonds +50bps	3,618.5	8,048.1	222.4 per cent.
Spread Up Government Bonds +50bps	4,101.4	7,439.9	181.4 per cent.

The following table highlights the Solvency II Pillar I ratio of the Issuer on a solo basis as per year-end 2018. No prior-year comparable is available as the Issuer was required to report its solo solvency levels to the regulator for the first time at the third quarter of 2018, following the transformation to an operating insurance company after obtaining a reinsurance licence in June 2018.

Issuer solo Solvency ratios – Pillar I	**as per year-end 2018**
Total Eligible Solvency II Own Funds to meet the Solvency Capital Requirement (SCR) (in millions of EUR)	5,458.9
SCR (in millions of EUR)	1,359.6
SCR Coverage Ratio	**401.5 per cent.**
Total Eligible Solvency II Own Funds to meet the Minimum Capital Requirement (MCR) (in millions of EUR)	5,458.9
MCR (in millions of EUR)	339.9
MCR Coverage Ratio	**1,606.1 per cent.**

The table below provides the sensitivities of the solo Solvency Position of the Issuer according to Pillar I as per year-end 2018.

Solvency – Pillar I – Issuer solo **as per year-end 2018**	**Solvency Capital Requirement (in millions of EUR)**	**Own Funds (in millions of EUR)**	**Solvency Ratio**
Base Case	**1,359.6**	**5,458.9**	**401.5 per cent.**
Interest Rates Down -50bps	1,334.8	5,377.4	402.9 per cent.
Interest Rates Up +50bps	1,365.5	5,499.6	402.7 per cent.
UFR Down -15bps	1,354.0	5,440.6	401.8 per cent.
UFR Down -45bps	1,345.6	5,402.3	401.5 per cent.
Equity Down -25 per cent.	1,295.6	5,135.7	396.4 per cent.
Property Down -10 per cent.	1,293.9	5,166.9	399.3 per cent.

Spread Up Corporate and Government Bonds +50bps	1,212.7	4,797.0	395.6 per cent.
Spread Up Corporate Bonds +50bps	1,358.1	5,523.2	406.7 per cent.
Spread Up Government Bonds +50bps	1,202.5	4,750.4	395.1 per cent.

10 Recent developments

On 15 February 2019, AG Insurance, a subsidiary of the Issuer, announced its intention to exercise its call option in relation to its USD 550 million 6.75 per cent. fixed rate reset perpetual subordinated notes which had been issued on 21 March 2013. The outstanding notes have been redeemed on their first call date, being 21 March 2019.

On 22 February 2019, the Issuer completed the acquisition of a 40 per cent. stake in the Indian non-life insurer Royal Sundaram General Insurance Co. Limited (RSGI).

11 Material contracts

As at the date of this Prospectus, there are no material contracts that are not entered into in the ordinary course of the Issuer's business which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the securities being issued under this Prospectus.

12 Management of the Issuer

General

The Issuer has a Board of Directors with a number of advisory committees. The Issuer has furthermore set up an Executive Committee as referred to in Article 524bis of the Belgian Companies Code. Finally, next to the Executive Committee, a Management Committee, which has an advisory role to the Executive Committee, has been set up.

Each of the subsidiaries of the Issuer has its own corporate governance structure, the characteristics of which take into account the needs of the Group, subject to the legal and regulatory requirements of the country in which these companies are incorporated.

Board of Directors

Competences

The Board of Directors determines the general policy of the Issuer and the Group and provides them with strategic direction. In this respect, the Board of Directors is the ultimate decision-making body of the Issuer, without prejudice to the competences of the shareholders' meeting as provided for by the Belgian Companies Code. The Board of Directors also monitors and supervises the Executive Committee, as well as the exercise by the latter of its powers and competences as delegated to it in accordance with the Insurance Supervision Law and the articles of association of the Issuer. The Board of Directors determines and organises the conditions of such supervision and ensures that, in all respects, the Executive Committee acts in full accordance with the Issuer's general policy. Moreover, the Board of Directors exercises all the competences that it retains in accordance with the aforementioned legal provision.

Composition

The Board of Directors may comprise up to fourteen members, but the actual number may vary according to the needs of the Issuer. It has a majority of non-executive and independent board members. Any board member who is a member of the Executive Committee is an executive board member.

The following individuals, all of whom have their business address at Rue du Marquis 1, box 7, B-1000 Brussels, Belgium, are members of the Board of Directors of the Issuer as at the date of this Prospectus:

Name	Position	Expiry date of the mandate	Principal activities outside of the Issuer
Jozef De Mey	Chairman / Non-executive director	General shareholders' meeting of 2019	Non-executive Member of the Board of Directors of Ageas (UK) Ltd, Ageas Insurance Ltd, Ageas Services (UK) Ltd Non-executive Member of the Board of Muang Thai Group Holding Company, Ltd. Non-executive Member of the Board of Muang Thai Life Assurance Public Company, Ltd. Chairman of the Board of Directors of Credimo N.V. Non-executive Member of the Board of Directors of Credimo Holding N.V. Chairman of the Board of Managers of DTH Partners LLC Member of the Board of Directors of De Eik NV Member of the Board of Directors of Ghent Festival of Flanders
Bart De Smet	CEO	General shareholders' meeting of 2021	Member of the Board of Directors of Ageas Insurance International N.V. Vice-Chairman of the Board of Directors of AG Insurance SA/NV Vice-Chairman of the Board of Directors of Maybank Ageas Berhad Holding Vice-Chairman of the Board of Directors of Taiping Life Member of the Board of Directors of Muang Thai Holding Member of the Belgian Corporate Governance Committee Chairman of LEAD-IN - Inspiring leaders, Leading insights Member of the Board of Directors of VOKA VZW Member of the Board of Directors of Partners in Insurance N.V. Member of the Board of Directors of De Warande

			Vice-Chairman of the VCKK (Vlaams-Chinese Kamer van Koophandel)
			Member of the Board of Directors of Het Depot vzw
			Member of the Investment and Treasury Committee of the KULeuven
Christophe Boizard	CFO	General shareholders' meeting of 2019	Member of the Board of Directors of Ageas Insurance International N.V.
			Member of the Board of Directors of AG Real Estate
			Member of the Board of Directors of Royal Park Investments
			Member of the Supervisory Board of Taiping Life Insurance Co LTD
			Member of the Supervisory Board of Intreas N.V.
			Chairman of the Board of Directors of Ageas France
			Member of the Board of Directors of Ageas Finance N.V.
			Chairman of Sopelec
			Member of the Supervisory Board of Energie d'Ici
Antonio Cano	COO	General shareholders' meeting of 2020	Member of the Board of Directors of Ageas Insurance International N.V.
			Member of the Board of Directors of Finteas NV
			Member of the Board of Directors of AG Insurance SA/NV
			Member of the Board of Directors of AG Real Estate
			Member of the Board of Directors of Interparking
			Member of the Board of Directors of Credimo SA/NV
			Member of the Board of Directors of Ageas Insurance Ltd and Ageas Retail Ltd
			Member of the Board of Directors of Ageas (UK) Limited
			Member of the Board of Directors of Ageas Services (UK) Limited
			Vice-Chairman of the Board of Directors of MBCPA
			Vice-Chairman of the Board of Directors of Ocidental Vida
			Vice-Chairman of the Board of Directors of Ocidental Pensoes
			Chairman of the Board of Directors of Ocidental Seguros (CH)

			Chairman of the Board of Directors of Ageas Portugal
			Chairman of the Board of Directors of Ageas Portugal Seguros de Vida
			Chairman of the Board of Directors of Medis (CH)
			Chairman of the Board of Directors of Ageas Portugal Holdings SGPS, S.A. (incl. subs) (CH)
			Member of the Board of Directors of Muang Thai Holding Co Ltd
			Member of the Board of Directors of Muang Thai Life Insurance
			Member of the Board of Directors of Microstart
			Member of the Board of Directors of ICT apricorn Fund
Filip Coremans	CRO	General shareholders' meeting of 2019	Member of the Board of Directors of Ageas Insurance International N.V.
			Vice-chairman of the Board of Directors of Ageas Portugal Holdings SGPS S.A., of Ageas Portugal - Companhia de Seguros de Vida S.A., of Ageas Portugal - Companhia de Seguros S.A., of Médis Companhia de Seguros de Saude S.A. and of Ocidental Seguros - Companhia Portuguesa de Seguros S.A.
			Chairman of the Board of Directors of MilleniumBCPA Ageas Grupo Segurador SGPS S.A., Ocidental Vida, Companhia Portuguesa de Seguros de Vida, S.A. and of Ocidental Pensoes - Companhia Portuguesa de Seguros S.A.
			Chairman of the Board of Directors of IDBI Federal Life Insurance
			Vice-Chairman of the Board of Aksigorta A.S.
			Chairman of the Board of Directors of Ageas B.V.
			Member of the Board of Directors of Stichting FORsettlement
Guy de Selliers de Moranville	Vice-chairman / Non-executive director (independent)	General shareholders' meeting of 2019	Chairman of the Board of Directors of AG Insurance
			Member of the Board of Directors of Ivanhoe
			Member of the Board of Directors of Solvac
			Member of the Board of Directors and Chairman of the Corporate Governance Committee of I-Pulse Inc.
			Chairman of the Board of Trustees of Drive Forward Foundation

			President and Co-Founder of HCF International Advisers Limited Member of the Board of Directors of Cranemere Group Ltd. Chairman of the Board of Trustees of the Renewable Energy Foundation
Richard Jackson	Non-executive director (independent)	General shareholders' meeting of 2020	Non-executive Member of the Board of Directors and Member of the Audit Committee of Medis (Companhia Portuguesa de Seguros de Saude S.A) and of Ocidental (Companhia Portuguesa de Seguros S.A) Non-executive Member of the Board of Directors of Ageas Portugal Holding SGPS S.A., Ageas Portugal (Companhia de Seguros de Vida S.A) and of Ageas Portugal (Companhia de Seguros S.A.) Member of the Board of Directors, Chairman of the Audit Committee and Chairman of the Compensation and Nomination Committee at Oracle Financial Services Software Senior Advisor Ping An Insurance Group Company of China Ltd., China Member of the Board of Directors of Novoview Ltd. (UK) Member of the Board of Directors, Member of the Audit Committee and Member of the Personnel Committee and of the Strategy and Corporate Relations Committee of the Great Britain China Centre
Jane Murphy	Non-executive director (independent)	General shareholders' meeting of 2020	Non-executive Member of the Board of Directors of Ageas France Non-executive Member of the Board of Directors of Elia System Operator SA Member of the Corporate Governance Committee and Non-executive Member of the Board of Directors of Elia Asset SA Member of the Board of Directors and Vice-President of the Canada-Belgium-Luxembourg Chamber of Commerce Member of the Board of Directors of Puilaetco Dewaay Member of the Audit Committee, of the Remuneration and Nomination Committee and of the Audit, Risk, Compliance and Legal Committee of Puilaetco Dewaay Non-executive Member and Chairwoman of the Board of Directors of European Data Protection Office (EDPO)

Katleen Vandeweyer	Non-executive director (independent)	General shareholders' meeting of 2021	Independent Director of IBA Executive Finance of Proximus Executive Member of the Board of Directors of Scarlet
Lionel Perl	Non-executive director (independent)	General shareholders' meeting of 2019	Non-executive Member of the Board of Directors of Ageas (UK) Ltd, Ageas Retail Limited, Ageas Services (UK) Ltd
Lucrezia Reichlin	Non-executive director (independent)	General shareholders' meeting of 2020	Non-executive Member of the Board of Directors of Ageas Insurance International N.V. Non-executive Member of the Board of Directors of Unicredit Banking Group Non-executive Member of the Board of Directors of Eurobank Ergasias S.A. Professor of Economics of the London Business School Chairman and Co-founder of Now-Casting Economics limited Non-executive Member of the Board of Directors of Messaggerie Italiane Group Co-editor of the International Journal of Central Banking Trustee of the Centre of European Policy Research Member of the Board of Directors of the Italian Institute of technology (IIT) Member of the Board of Directors of the International Center for Monetary and Banking Studies (ICMB) Member Executive and Supervisory Committee of the Center for Economic Research & Graduate Education Economics Member of the Advisory Board of the Spaengler IQAM Research Centre
Jan Zegering Hadders	Non-executive director (independent)	General shareholders' meeting of 2019	Non-executive Member of the Board of Directors of AG Insurance Chairman Stichting Beheer Derdengelden Ai2 Member of the Advisory Board Kruseman Aretz Zorgvilla's Member of the Supervisory Board of Drents Museum
Yvonne Lang Ketterer	Non-executive	General shareholders' meeting of 2020	Chairwoman of Spitexverband of the Canton of Zurich Member of the Board of Directors of La Coopérative de Mobilière

	director (independent)		
Sonali Chandmal	Non-executive director (independent)	General shareholders' meeting of 2022	Member of the Audit Committee and Non-executive Member of the Board of Directors of Medicover AB Vice-Chairman of the Board of Trustees, and Member of the Finance Committee of the International School of Brussels Member of the Board of Directors at the Harvard Club of Belgium

Curriculum vitae

Mr Jozef De Mey (Chairman) was born in 1943 and is a Belgian national. He holds a degree in Mathematics from the University of Gent and graduated as Actuary at the University of Louvain. He started his career in 1967 at the Insurance Control Authorities of the Ministry of Economic Affairs. From 1969 until 1971 he worked at Kredietbank Belgium. In 1971, he joined John Hancock, a financial services provider, where he held various positions until he joined Fortis in 1990. At Fortis, Mr De Mey served as general manager of Fortis International, CEO of Fortis AG, and was appointed member of the Executive Committee in September 2000, where he was responsible for the Belgian and international insurance activities. In 2007, he was appointed Chief Investment Officer within the Executive Committee. Mr De Mey retired from Fortis in December 2007. He continued to hold a number of non-executive Board memberships in Fortis operating companies. In February 2009, he became non-executive Chairman of the Board of Directors of the Issuer.

Mr Bart De Smet (CEO) was born in 1957 and is a Belgian national. He earned a degree in mathematical sciences from the Catholic University of Louvain (KULeuven), but also has diplomas in Actuarial Sciences (KULeuven) and Managerial Sciences (KULeuven). He began his career with Argenta in 1982. From 1985 to 1993, he served as Executive Vice President of the Life division at the Belgian subsidiary of the Swiss insurance company Nationale Suisse. In 1994, he joined ING Insurance Belgium, where he was a member of the Executive Committee, responsible for individual and group life insurance, health insurance & banking activities. Mr De Smet moved to Fortis in 1998, where he was a member of the management committee of Fortis AG and responsible for Fortis Employee Benefits. In 2005, he took charge of the Broker Channel at Fortis Insurance Belgium, assuming the position of CEO of Fortis Insurance Belgium in 2007. In June 2009 he became CEO of the Issuer.

Mr Christophe Boizard (CFO) graduated from Ecole Centrale Paris in 1981. He also holds a Master of Sciences degree from Stanford University (United States) and graduated from Centre des Hautes Études d'Assurances. He has extensive experience in the financial world and the insurance sector. He worked seventeen years for AXA group as Director of the Finance and Control Department at AXA Courtage and AXA France and as Chief Financial Officer at AXA Assicurazioni, initially for Italy but later including the Mediterranean Basin. In 2006, he was appointed Financial Director of PARIS RE and afterwards he joined the Executive Committee of Partner Re Global. Since 2011, Mr Boizard is Chief Financial Officer at the Issuer, and member of the Group's Executive Committee. He is in charge of the Performance Management, Investor Relations, Accounting & Controlling, Treasury, ALM & Capital Management departments.

Mr Antonio Cano (COO) is an economist and holds a postgraduate degree Registered Controller. He started his career in the insurance sector in 1989 at AMEV Netherlands. In 1993 he joined Fortis Insurance International. In 1994 he moved to Caifor, the Spanish bancassurance joint-venture between Fortis and "La Caixa", where he was initially responsible for ALM and ultimately was deputy Managing Director. In 2001, he became head of Risk and Business Planning at AG Insurance and since 2006 has been Managing Director Bank channel and Life Insurance Development. In September 2009, Mr Cano was nominated Chief Executive Officer

of AG Insurance and member of the Management Committee of the Issuer. He held this position up until 1 October 2015 when he became Chief Operating Officer of the Issuer.

Mr Filip Coremans (CRO) holds a Master of Business Administration Degree in International Business Finance, a Master's degree in Actuarial Sciences and a Bachelor Degree in Applied Economics, all from Catholic University of Leuven, Belgium. He has been active in the Insurance industry for over 25 years, his entire professional career. He joined ING Insurance Belgium in 1990 where he became Deputy Director overseeing the Save and Investment product lines in both Insurance and Banking. In 1998 he was appointed as Corporate Controller at KBC Insurance Belgium and joined the Issuer at the end of 2002. At the Issuer, Mr Coremans held various senior management positions in the Asian entities. He was Executive Director and CFO of the operations in Malaysia until 2007, was the CFO of IDBI Federal Life insurance company in India until 2009, and was then appointed Regional CFO/CRO of Ageas Asia overseeing the finance, investment, risk and actuarial areas in the Asia region. He has served as Non-Executive Director on the Boards of the operations in China, India, Hong Kong and Thailand. On 1 July 2014, Mr Coremans joined the Group's Executive Committee as Chief Risk Officer, with responsibility for Compliance, Legal, Risk, Human Resources, IT and Office Support.

Mr Guy de Selliers de Moranville (Vice-chairman) was born in 1952 and is a Belgian national. He is a civil engineer and holds a Licence in Economics from the Louvain University in Belgium. He started his career in 1977 at the World Bank, where he was responsible for Metals and Mining projects. From 1982 until 1990 he was Senior Vice President International Investment Banking at Lehman Brothers. From 1990 until 1997 he was Vice Chairman of the Credit Committee and member of the European Bank for Reconstruction and Development's (EBRD) Executive Committee. After this, Mr de Selliers de Moranville was Chief Executive of MC-BBL Eastern Holdings, a Board member and Executive Chairman for Eastern Europe at Robert Fleming and Co. Ltd., Advisor to the European Commission and Co-Chairman of a task force mandated to develop a strategy to facilitate the implementation of energy projects of strategic interest in the context of the EU/Russia Energy Dialogue. Since 2003, Mr de Selliers de Moranville is Executive Chairman of Hatch Corporate Finance, founded in partnership with the Hatch Group.

Mr Richard Jackson (Non-executive director) is a Fellow of the Chartered Insurance Institute, and majored in Mathematics, Economics and Statistics at Dorking County Grammar School, UK. Mr Jackson joined Ping An in 2005 where he successively served as Chief Financial Business Officer Ping An Insurance (Group) Co. of China Ltd. from November 2005 to May 2010, Executive Director of Ping An Bank Co., Ltd., from June 2010 to September 2012 and as President and CEO of Ping An Bank Co., Ltd., from October 2010 to September 2012. From 1985 to 2005, Mr Jackson served various positions in Citibank, including Head of International Business for Citigroup Insurance International and Financial Institutions Head for Asia. From 1974 to 1985, Mr Jackson served as Deputy Manager for Hong Kong and Regional Marketing Manager for Asia in Commercial Union Assurance Corporation.

Ms Jane Murphy (Non-executive director) holds Masters in Law degrees from the ULB University of Brussels and from Laval University in Canada, as well as a Masters (LL.M) in European and International Law, obtained from the VUB University of Brussels. After having practised as a lawyer in Canada, Ms Murphy worked as a commercial officer at the Canadian Embassy in Brussels and thereafter as a financial and business consultant in Belgian firms. She is a member of the Brussels Bar and has been practising as a lawyer in Belgium since 2003. She is specialised in corporate law and advises both Belgian and international clients. Since 2010, Ms Murphy is an independent non-executive director and member of the Corporate Governance Committee at Elia, the transmission system operator in Belgium and Germany listed on the BEL20 index.

Following her degree in Applied Economics from the University of Leuven, **Ms Katleen Vandeweyer (Non-executive director)** entered at Arthur Andersen (now Deloitte) where she specialised in the healthcare and technology sectors for companies like Alcatel or Tenneco. In 2003, she was appointed CFO of Belgium and

The Netherlands for Banksys. End of last year, Ms Vandeweyer has also been appointed to CFO of the Global Merchant Service business line next to her CFO Belgian/Dutch function. She now reports to Worldline Group CEO and the Worldline Group CFO. Next to her executive role, Ms Vandeweyer has been sitting on the Board of IBA Worldwide for four years where she chairs the Audit Committee. More recently, she has joined the Board of bpost bank where she was a member of the Risk Committee and chairs the Remuneration Committee. For that purpose, she has been assessed 'fit and proper' by the ECB and the FSMA. Ms Vandeweyer combines strong financial technical skills with a good strategic view on the impact of digital on the financial services industry as well as a relevant experience at Executive Committee and Board level. She has managed many different projects at both operational and strategic levels. It also included M&A transactions as well as the take-over of Banksys/BCC by Atos Origin (now Worldline).

Mr Lionel Perl (Non-executive director) was born in 1948 and is a Belgian national. He holds a master degree in Applied Economics from the Solvay Business School and a degree in computer management from the Ecole d'Ergologie, both from the Université Libre of Brussels in Belgium. Mr Perl started his career in 1971 at the former Banque Lambert and worked as investment banker in several institutions and positions until becoming in 1988 member of the Executive Committee of Banque Degroof. Later on, Mr Perl developed a solid industrial and commercial expertise. Over the last fifteen years, he participated in the development of Fenway Group, a Private Equity house active in several countries and industrial activities, where he was Managing Director.

Ms Lucrezia Reichlin (Non-executive director) holds a Laurea in Economics, University of Modena in Italy and a Ph.D. in economics from New York University. Ms Reichlin is Professor of Economics at the London Business School and Department Chair, Non-executive Director of UniCredit Banking Group, Research Director at the Centre for Economic Policy Research and columnist for Il Corriere Della Sera, a major Italian newspaper. She is a co-founder of Now-Casting Economics ltd. Between March 2005 and September 2008 she served as Director General of Research at the European Central Bank.

Mr Jan Zegering Hadders (Non-executive director) was born in 1946 and is a Dutch national. He gained a master degree in business economics in Groningen followed by a postgraduate in business administration in Rotterdam. Next to that, he followed an advanced executive education program at Wharton Business School. Mr Zegering Hadders started his career at AMRO Bank in 1972, where he held various positions in strategy, planning & control and marketing. In 1986 he joined Postbank as general manager wholesale banking, a role he continued after the merger with NMB in the new combination NMB Postbank. After the merger of NMB Postbank with Nationale Nederlanden, ING Group was created where Mr Zegering Hadders served in different positions. He was general manager organisation, general manager corporate communications & Strategy, member of the Board of Directors of ING Netherlands/CEO WUH (Mortgage and Securities Bank) and from 2004 until 2008 he was chairman of the Board of Directors of ING Netherlands/Head wholesale banking clients at ING Group.

Ms Yvonne Lang Ketterer (Non-executive director) holds a Master of Economics Degree from the University of Zurich, Switzerland. She brings very relevant insurance experience to the table through her work at Zurich Insurance in Switzerland. Her most recent position within Zurich was CEO of all Life activities in Switzerland and member of the Executive Committee for Switzerland. In this role she had direct responsibility for 400 employees and had oversight of more than 1000 employees in the shared services functions (Distribution, Claims and Support). Prior to this, she gained experience both in the life, non-life, retail, corporate insurance business and across various sales channels (brokers, agencies, banks and direct). Her experience is mainly in Switzerland, but she also had exposure to Hong Kong, Japan and Dubai where she had regulatory, compliance, control and audit responsibility through her function as CEO and Member of the Board of Directors for Zurich Life Insurance Company Ltd. for more than five years. Furthermore, as a member of the Global Life Management team she was exposed to additional other geographical markets and products. She was recently appointed a board director at Artisana a minority shareholder in Helsana, the biggest Health Insurer in

Switzerland focused on the professional health promotion of employees within SME's. And also in the health sector, Ms Lang Ketterer is President of Spitexverband, a non-profit organisation focused on the provision of external hospital care in Wadenswil.

Ms Sonali Chandmal (Non-executive director) is currently a partner at "A Lamot Incobel & Co" an advisory firm sourcing, structuring and funding private equity opportunities and funds in real estate and infrastructure in Europe, India and America. From 1997 to 2017, Ms Chandmal worked at Bain & Company, a leading global strategy and management consulting firm, where she exercised respectively the functions of Management Consultant, Global Knowledge Team Leader and Senior Manager of Next-Generation Products. She worked at their San Francisco, London and Brussels offices. Prior to that, she worked in San Francisco for Robertson Stephens & Company, an investment bank specializing in high technology IPOs and mergers & acquisitions. In 2017, Ms Chandmal joined the Board of Directors of Medicover AB, a leading Swedish healthcare services & diagnostics provider active primarily in Central & Eastern Europe, Germany and India (annual turnover of approximately EUR 700 million), which did an IPO in 2017 on the Stockholm Nasdaq stock exchange. She is also on Medicover's Audit Committee. From 2013, Ms Chandmal is the Vice-Chair of Board of Trustees at the International School of Brussels (ISB) which has approximately 1500 students and an annual turnover of around EUR 50 million. She is also a member of the Executive Committee and Finance Committee at ISB. Since 2018, Ms Chandmal has joined the Board of Directors of the Harvard Club of Belgium. Ms Chandmal holds a BA in Economics from the University of California at Berkeley, and a Master of Business Administration at the Harvard University Graduate School of Business Administration.

Advisory committees of the Board of Directors

General

The Board of Directors of the Issuer has established a number of advisory committees which are responsible for assisting the Board of Directors and for making recommendations in specific fields, in accordance with Articles 526bis and 526quater of the Belgian Companies Code and Article 10, d) of the articles of association of the Issuer. These are the remuneration committee, the corporate governance committee, the audit committee and the risk and capital committee.

Pursuant to the articles of association, the remuneration committee and the risk committee exclusively consist of non-executive members of the Board of Directors and at least one of them is independent. The audit committee exclusively consists of non-executive members of the Board of Directors and the majority of its members are independent.

The Board of Directors may set up any other committee as it deems useful, of which it determines the composition, the competences and the powers, as well as applicable modalities and conditions, without prejudice to any legal provision from which cannot be derogated and, in particular, the competences that the law does not authorise to delegate to a corporate body other than the one to which it reserves such competences. It may, within the same limits, delegate to any person of its choice the powers it determines and of which it determines the conditions of exercise.

Remuneration committee

The role of the remuneration committee is to assist the Board of Directors in all matters relating to the remuneration of the board members, including the Executive Committee members, the Management Committee members and the transversal control functions. To ensure coherence throughout the Group, the remuneration committee makes recommendations to the Board of Directors on the implementation of the Group remuneration principles in the Group management structures.

The following individuals, all of whom have their business address at Rue du Marquis 1, box 7, B-1000 Brussels, Belgium, are members of the remuneration committee as at the date of this Prospectus:

- Ms Jane Murphy;
- Ms Katleen Vandeweyer; and
- Mr Lionel Perl.

Corporate governance committee

The role of the corporate governance committee is to make recommendations to the Board of Directors on (i) all matters relating to the appointment of the members of the Board of Directors, of the Executive managers and of the transversal control functions, (ii) developing a proactive and transparent dialogue with the shareholders, (iii) ensuring that corporate governance practices are fully compliant with relevant laws and regulations and reflect the importance attached by the Board of Directors to the proper fulfilment of their fiduciary tasks, (iv) the effectiveness of the corporate governance structure, (v) all legal aspects of the legacy issues related to the former Fortis and (vi) any legal issue referred to the corporate governance committee by the chairman and/or the CEO in view of its strategic relevance.

The following individuals, all of whom have their business address at Rue du Marquis 1, box 7, B-1000 Brussels, Belgium, are members of the corporate governance committee as at the date of this Prospectus:

- Mr Jozef De Mey;
- Mr Guy de Selliers de Moranville;
- Mr Lionel Perl; and
- Mr Jan Zegering Hadders.

Audit committee

The role of the audit committee is to assist the Board of Directors in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense at the Issuer, including internal control over financial reporting.

The following individuals, all of whom have their business address at Rue du Marquis 1, box 7, B-1000 Brussels, Belgium, are members of the audit committee as at the date of this Prospectus:

- Mr Richard Jackson;
- Ms Jane Murphy; and
- Mr Jan Zegering Hadders.

Risk and capital committee

The role of the risk and capital committee is to assist the Board of Directors to understand and make recommendations on all matters relating to risk and capital and, in particular, on (i) the definition, supervision and monitoring of the risk profile of the Issuer, compared to the target level of risk appetite as determined from time to time by the Board of Directors, (ii) the adequacy of its capital allocation and (iii) all financial aspects of the legacy issues related to the former Fortis.

The following individuals, all of whom have their business address at Rue du Marquis 1, box 7, B-1000 Brussels, Belgium, are members of the risk and capital committee as at the date of this Prospectus:

- Mr Guy de Selliers de Moranville;

- Ms Lucrezia Reichlin; and
- Ms Yvonne Lang Ketterer.

Executive Committee and Chief Executive Officer

Executive Committee

The Board of Directors has assigned to the Executive Committee all of its management competences and powers, except for those which are specifically reserved to the Board of Directors. In particular, the Executive Committee is responsible for the following activities and reporting on these to the Board of Directors:

- developing proposals to the Board of Directors related to the business strategy and business development of Ageas. This responsibility includes:
    - analysing strategies, business plans and multi-year budgets submitted by the business units (Belgium, UK, Continental Europe and Asia) and related to the general account, with a view to making a Group plan and budget for proposal to, discussion with, and approval by, the Board of Directors;
    - making recommendations to the Board of Directors, for approval by the latter, with respect to the possible entering into, revision or termination of alliances, spin-offs or mergers, business, acquisitions and divestitures, involving the undertaking by the Issuer or involving an amount exceeding EUR 25 million;
- developing proposals for Group-wide policies to be submitted to the Board of Directors for approval. In this context, the Executive Committee develops policy proposals on:
    - financial management, e.g. funding strategy, dividend policy, solvency matters;
    - risk management, e.g. risk appetite;
    - business conduct, e.g. policies on private investments, business conduct etc.;
    - any other matter on which the Board of Directors or the Executive Committee considers that the Board should set a Group policy;
- within the strategic guidelines and policy frameworks set by the Board of Directors, ensuring the leadership of the Group and its general management. As such, the Executive Committee:
    - develops and implements further policies and guidelines on all areas which the Executive Committee deems of relevance to the whole or part(s) of the Group;
    - approves or decides the entering into, revision or termination of alliances, spin-offs or mergers, investments, acquisitions and divestitures, as the case may be upon prior approval by the Board;
    - on a day-to-day basis, steers the operations with a view to ensuring optimal sharing of best practices and experiences (operational, product development, sales, marketing, etc.), capturing synergies where relevant, and streamlining overall structures and costs and maintaining lean operations so as to develop a low-cost, high-quality insurance operation;
    - monitors the performance of the Group as a whole and of its business units in particular, against strategic goals, plans and budgets as approved by the Board of Directors;
    - monitors key findings reported through the risk management function and committees, and follows up on their recommendations;

  - ensures the timely preparation and disclosure of the Group's financial statements, as well as other financial and non-financial group-wide external reports and investor information;
  - implements adequate systems of internal control within the Group within the guidelines approved by the Board of Directors and monitors their effectiveness;
  - oversees relevant support functions and their reporting on matters such as HR, legal, compliance, tax etc.;
- organising the internal control measures and risk management. As such the Executive Committee ensures that:
  - internal control objectives are determined on an annual basis;
  - an appropriate risk management system is put in place including the overall risk governance structure and risk reporting;
  - reliable financial reports, including an effective budget and closing process, are prepared on a timely basis;
  - appropriate internal audit and compliance functions are in place;
- ensuring proper communications with all relevant external stakeholders. As such, the Executive Committee:
  - keeps a close eye on and engages directly as necessary in the activities of the communications & investor relations departments;
  - prepares for the general meetings (without prejudice to the Board of Directors' right to convene the general meeting and to approve the special Board of Directors' reports to be submitted to the general meeting);
  - oversees and ensures relations with relevant supervisors, each within their own area of competence, and engages directly with them as and when necessary; and
- ensures proper monitoring and managing of the legacy issues.

The Executive Committee consists of the CEO and other members of the Board of Directors designated by the Board of Directors. The Board of Directors appoints the members of the Executive Committee, other than the CEO, based on a proposal made by the CEO in consultation with the chairman, and supported by the corporate governance committee.

The following individuals, all of whom have their business address at Rue du Marquis 1, box 7, B-1000 Brussels, Belgium, are members of the Executive Committee as at the date of this Prospectus:

- Mr Bart De Smet (CEO);
- Mr Christophe Boizard (CFO);
- Mr Antonio Cano (COO); and
- Mr Filip Coremans (CRO).

Chief Executive Officer (CEO)

The CEO chairs the Executive Committee and the Management Committee and is the spokesperson of the Executive Committee as well of the other executive managers on the Board of Directors concerning matters assigned to the Executive Committee and/or the other executive managers.

He/she submits to the Board of Directors (or board committees) proposals by the Executive Committee and reports on a regular basis to the Board of Directors on the executive managers' activities.

The CEO, as top executive of the Group, is also the main spokesperson for the Group to the outside world. He/she communicates clearly and exemplifies the Group's values, thus "setting the tone at the top" and inspiring the performance of the Group's management and staff.

Finally, the CEO ensures the day-to-day management of the Issuer and the exercise of other powers and duties entrusted to him/her by the Board of Directors in specific other matters.

Corporate governance

As well as complying with any legislation and regulation applicable to it, the Board of Directors of the Issuer is committed to high standards of corporate governance. In particular, aside from any possible derogation as permitted and duly justified in accordance with the Belgian Companies Code, the Issuer applies the 2009 Belgian Code on Corporate Governance.

In this respect, the Board of Directors has produced a corporate governance charter, which is available on the website of the Issuer (www.ageas.com).

Conflicts of interests

A general policy on conflicts of interests applies within the Issuer and prohibits any conflict of interests of a financial nature that may affect a director's personal judgment or professional tasks to the detriment of the Group.

The Issuer is not aware of any potential conflicts of interests between any duties the directors have with respect to the Issuer and the private interests and/or other duties of the directors, nor between any duties the members of the Executive Management have with respect to the Issuer and the private interests and/or other duties of the members of the Executive Management.

13 Legal and arbitration proceedings

This section sets out governmental, legal and arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) during the last twelve months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer or the Group.

Settlement relating to the former Fortis group

As a result of the events and developments surrounding the former Fortis group between May 2007 and October 2008 (e.g. acquisition of parts of ABN AMRO and capital increase in September/October 2007, announcement of the solvency plan in June 2008, divestment of banking activities and Dutch insurance activities in September/October 2008), the Issuer is or may still become involved in a series of legal proceedings and in a criminal procedure pending in Belgium.

The Issuer denies and will continue to challenge all allegations of wrongdoing. If these proceedings were to be successful, this could have substantial consequences for the Issuer's financial position. Such consequences remain unquantifiable at this stage.

On 14 March 2016, the Issuer entered into a settlement agreement with several claimant organisations that represent a series of shareholders in collective claims before the Belgian and Dutch courts to settle all civil proceedings relating to the former Fortis group for events in 2007 and 2008 for an amount of EUR 1.2 billion (the "**Settlement**"). In addition, the Issuer announced on 14 March 2016 that it also reached an agreement with the D&O insurers, the directors and officers involved in litigation and BNP Paribas Fortis SA/NV to settle for an amount of EUR 290 million.

On 23 May 2016, the parties to the Settlement, i.e., the Issuer, Deminor, Stichting FortisEffect, Stichting Investor Claims Against Fortis ("**SICAF**"), VEB and Stichting FORsettlement requested the Amsterdam Court of Appeal (the "**Court**") to declare the settlement binding for all eligible Fortis shareholders who will not opt out before the expiry of a given period, in accordance with the Dutch Act on Collective Settlement of Mass Claims (*Wet Collectieve Afwikkeling Massaschade*). In the meantime, the Issuer also reached an agreement with Mr Arnauts and Mr Lenssens, two attorneys based in Brussels who launched legal action against the Issuer on behalf of a number of claimants, and in 2017 with the Luxembourg based company Archand S.à r.l. and affiliated persons, to support the Settlement.

On 16 June 2017, the Court took the interim decision not to declare the Settlement binding in its initial format. The petitioners were offered the opportunity to submit a supplemented and amended agreement to the Court. In October 2017, the Issuer decided to make a final additional effort of EUR 100 million and on 12 December 2017 the parties submitted an amended and restated settlement agreement to the Court. Consumentenclaim, an opponent of the Settlement in its initial 2016 format, agreed to support the 2017 settlement. Following questions asked by the Court during a hearing on 27 March 2018, the parties submitted on 13 April 2018 clarifications regarding the settlement amount of EUR 1.3 billion contained in a second amended and restated settlement agreement dated 13 April 2018.

On 13 July 2018, the Court declared the Settlement binding on Eligible Shareholders (i.e., persons who held Fortis shares at any time between close of business on 28 February 2007 and close of business on 14 October 2008). In declaring the Settlement binding, the Court believed the compensation offered under the Settlement is reasonable and that the claimant organisations Deminor, SICAF and FortisEffect are sufficiently representative of the interests of the beneficiaries of the Settlement. This means that Eligible Shareholders are entitled to compensation for the events of 2007-2008, subject to a full release of liability with respect to these events and in accordance with the (other) terms of the settlement agreement. It further means that Eligible Shareholders who did not timely opt out (i.e., at the latest on 31 December 2018), regardless of whether or not they timely filed a claim form, are, by operation of law, deemed to have granted such release of liability and to have waived any rights in connection with the events.

The claims filing period started on 27 July 2018 and will end on 28 July 2019.

The Settlement is final as (i) the Court declared the Settlement binding on 13 July 2018 and (ii) the Issuer waived its termination right on 21 December 2018.

As at 31 December 2018, a provision of EUR 812.4 million had been recognised for the Settlement, including a provision of EUR 57.7 million related to the tail risk, and an aggregate amount of EUR 404 million had already been paid out to claimants under the Settlement in 2018.

Now that the Settlement has become final, the parties who supported the Settlement committed to terminate their legal proceedings. The Settlement received the support of the majority of the parties involved in the proceedings against the Issuer and various proceedings (such as litigation by Stichting FortisEffect, SICAF, VEB, Stichting Fortisclaim (ConsumentenClaim) as well as various smaller proceedings) have effectively been terminated as at the date of this Prospectus.

The parties who timely submitted an opt-out notice may resume their legal proceedings in the Netherlands (which had been suspended by operation of law since the filing of the petition to the Court to declare the Settlement binding) or, as the case may be, resume or continue their legal proceedings in Belgium.

Proceedings still mentioned below (which (i) aim at the payment of compensatory damages based on alleged miscommunication and/or market abuse committed by Fortis during the period between May 2007 and October 2008 and/or (ii) are (in)directly related to the transactions in September/October 2008) are either expected to be terminated in the course of 2019 (as the parties involved supported the Settlement) or are being pursued by parties who submitted an opt-out notice.

Although the vast majority of the civil proceedings covered by the Settlement have effectively been terminated or are expected to be terminated in the course of 2019 as the Settlement received the support of the majority of the parties involved in the legal proceedings, some civil proceedings may be continued by claimants who have timely opted out of the Settlement. If any of these proceedings were to lead to negative consequences for the Issuer or were to result in awarding monetary damages to plaintiffs claiming losses incurred as a result of the Fortis 2007-2008 events, this could have negative consequences for the Issuer. The Settlement has substantially decreased the scope of the possible consequences of the events of 2007-2008. However, while the Issuer does not expect said consequences to have a significant impact on the financial position or results of the Issuer, such consequences cannot be precisely estimated at this stage.

In the Netherlands

In proceedings initiated by a series of individuals represented by Mr Bos, the Utrecht Court decided on 15 February 2012 that Fortis and two co-defendants (the former CEO and the former financial executive) disclosed misleading information during the period from 22 May through 26 June 2008. The Utrecht Court further ruled that separate proceedings were necessary to decide whether the plaintiffs had suffered damages, and if so, the amount of such damages. In the same proceedings, certain former Fortis directors and top executives requested the Utrecht Court to acknowledge the alleged obligation of the Issuer to hold them harmless for the damages resulting from or relating to the legal proceedings initiated against them and resulting from their mandates within the Fortis group. An appeal against the Utrecht Court judgement was filed with the Arnhem Appeal Court. In appeal, Mr Bos claims damages for alleged miscommunication about (i) Fortis' subprime exposure in 2007/2008, (ii) Fortis' solvency in January – June 2008, (iii) the remedies required by the European Commission in the context of the ABN AMRO take-over and (iv) Fortis' liquidity and solvency position on 26 September 2008. The parties involved submitted an opt-out notice in the Settlement.

Since 1 August 2014, Mr Meijer initiated five separate proceedings, each one on behalf of an individual claimant, before the Utrecht Court, claiming compensation for the loss due to alleged miscommunication by Fortis in the period September 2007 to September 2008. These proceedings have been or are expected to be terminated in the course of 2019.

On 23 September 2014, a former Fortis shareholder initiated proceedings against the Issuer before the Utrecht Court, claiming damages because of miscommunication by Fortis between 29 September 2008 and 1 October 2008 as stated in the 29 July 2014 FortisEffect decision. The party involved submitted an opt-out notice in the Settlement.

In Belgium

On 28 January 2009, a series of shareholders represented by Mr Modrikamen brought an action before the Brussels Commercial Court initially requesting the annulment of the sale of ASR to the Dutch State and the sale of Fortis Bank to SFPI (and subsequently to BNP Paribas), or alternatively damages. On 8 December 2009, the Brussels Commercial Court *inter alia* decided that it was not competent to judge on actions against the Dutch defendants. On 17 January 2013, the Brussels Court of Appeal confirmed this judgment in this respect.

In July 2014, Mr Modrikamen filed an appeal before the Supreme Court on this issue. On 23 October 2015, the Supreme Court rejected this appeal. To date the proceedings before the commercial court continue regarding the sale of Fortis Bank and aim at the payment of a compensation by BNP Paribas to the Issuer, as well as by the Issuer to the claimants. In an interim judgment of 4 November 2014, the court declared ill-founded claims of about 50 per cent. of the original claimants. On 29 April 2016, the Brussels Commercial Court decided to suspend the proceedings awaiting the outcome of the criminal procedure.

On 13 January 2010, a series of shareholders associated with Deminor International (currently named DRS Belgium) brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of/or misleading information by Fortis during the period from March 2007 to October 2008. On 28 April 2014, the court declared in an interim judgment about 25 per cent. of the claimants not admissible. The proceedings were suspended by agreement of the parties pending the Settlement proceedings. It is anticipated that a large number of claimants have filed or will file a claim form in the Settlement, but no final determination has occurred yet.

On 29 April 2013, a series of shareholders represented by Mr Arnauts brought an action before the Brussels Commercial Court, seeking damages based on alleged incomplete or misleading information by Fortis in 2007 and 2008; this action is suspended awaiting the outcome of the criminal proceedings. Mr Arnauts supported the Settlement and it is anticipated that a large number of claimants have filed or will file a claim form in the Settlement, but no final determination has occurred yet.

On 25 June 2013, a similar action before the same court was initiated by two shareholders; those claimants ask for their case to be joined to the Deminor case. In the meantime, claimants agreed that their case be postponed *sine die*. The claimants have filed a claim form in the Settlement and this procedure is expected to be terminated in the course of 2019.

On 19 September 2013, certain (former) Fortis shareholders represented by Mr Lenssens initiated a similar action before the Brussels Civil Court; this action is suspended awaiting the outcome of the criminal proceedings. Mr Lenssens supported the Settlement and it is anticipated that a large number of claimants have filed or will file a claim form in the Settlement, but no final determination has occurred yet.

On 12 September 2012, Patripart, a (former) Fortis shareholder, and its parent company Patrinvest brought an action before the Brussels Commercial Court seeking damages based on alleged lack of or misleading information in the context of the 2007 rights issue. On 1 February 2016, the Commercial Court fully rejected the claim. On 16 March 2016, Patrinvest filed an appeal before the Brussels Appeal Court where the case is currently pending. Patrinvest filed an opt out notice in the Settlement.

Criminal procedure in Belgium

In Belgium, since October 2008 a criminal procedure is ongoing in relation to events mentioned above. In February 2013, the public prosecutor filed his written indictment with charges of (i) false annual accounts 2007 due to overestimation of subprime assets, (ii) enticement to subscribe the 2007 rights issue with incorrect information and (iii) publication of incorrect or incomplete information on subprime on various occasions between August 2007 and April 2008, for which charges he requested the *Chambre du conseil/Raadkamer* that certain individuals be referred for trial before the criminal court. As several interested parties requested and obtained additional investigative measures, the hearing before the *Chambre du conseil/Raadkamer* was postponed *sine die*. The public prosecutor never requested the referral of the Issuer to the criminal court and stated on 20 December 2018 to no longer request the referral of the individuals to the criminal court. However, the *Chambre du conseil/Raadkamer* has not yet taken a decision in this respect.

Legal proceedings initiated by Mandatory Convertible Securities (MCS) holders

The Mandatory Convertible Securities (MCS) issued in 2007 by Fortis Bank Nederland (Holding) N.V. (now ABN AMRO Bank N.V.), together with Fortis Bank SA/NV (now BNP Paribas Fortis SA/NV), Fortis SA/NV and Fortis N.V. (both now the Issuer), were mandatorily converted on 7 December 2010 into 106,723,569 shares of the Issuer. Prior to 7 December 2010, certain MCS holders unilaterally decided at a general MCS holders' meeting to postpone the maturity date of the MCS until 7 December 2030. However, at the request of the Issuer, the President of the Brussels Commercial Court suspended the effects of this decision. Following 7 December 2010, the same MCS holders contested the validity of the conversion of the MCS and requested its annulment or, alternatively, damages for an amount of EUR 1.75 billion. On 23 March 2012, the Brussels Commercial Court ruled in favour of the Issuer, dismissing all claims of the former MCS holders. Hence, the conversion of the MCS into shares issued by the Issuer on 7 December 2010 remains legally valid and no compensation is due. Certain former MCS holders appealed against this judgment, claiming damages for a provisional amount of EUR 350 million and the appointment of an expert. On 1 February 2019, the Brussels Court of Appeal ruled in favour of the Issuer, dismissing all claims initiated by former MCS holders.

Hold harmless undertaking

In 2008, Fortis granted certain former executives and directors, at the time of their departure, a contractual hold harmless protection covering legal expenses and, in certain cases, also the financial consequences of any judicial decisions, in the event that legal proceedings were brought against them on the basis of their mandates exercised within the Fortis group. The Issuer contests the validity of the contractual hold harmless commitments to the extent they relate to the financial consequences of any judicial decisions.

Furthermore, and as standard market practice in this kind of operations, the Issuer entered into agreements with certain financial institutions facilitating the placing of Fortis shares in the context of the capital increases of 2007 and 2008. These agreements contain indemnification clauses that imply hold harmless obligations for the Issuer subject to certain terms and conditions. Some of these financial institutions are involved in certain legal proceedings mentioned in this chapter.

In the context of a settlement with the underwriters of D&O liability insurance and public offering of securities insurance policies relating to the events and developments surrounding the former Fortis group in 2007 – 2008, the Issuer granted a hold harmless undertaking in favour of the insurers for the aggregate amount of coverage under the policies concerned. In addition, the Issuer granted certain indemnity and hold harmless undertakings in favour of certain former Fortis executives and directors and of BNP Paribas Fortis relating to future defence costs, as well as in favour of the directors of the two Dutch foundations created in the context of the Settlement.

USE OF PROCEEDS

The proceeds from the Notes are expected to be used by the Issuer for general corporate purposes and to optimise the capital structure and strengthen the regulatory solvency of the Group and its operating subsidiaries.

TAXATION

Belgium

The following overview describes the principal Belgian tax considerations of acquiring, holding, redeeming and/or selling the Notes. This information is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to acquire, hold, redeem and/or dispose of the Notes, whether in Belgium or elsewhere. This overview does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, or collective investment undertaking others than Organisations for Financing Pensions. In some cases, different rules can be applicable. Furthermore, this description is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document and remains subject to any future amendments, which may or may not have retroactive effect. Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in, or ownership and disposition of, the Notes, taking into account their own particular circumstances and the influence of each regional, local or national law.

Investors should note that the Belgian state adopted tax reform legislation on 25 December 2017 and on 30 July 2018. The impact of said tax reform has been integrated in this general description.

Belgian withholding tax

All interest payments in respect of the Notes by or on behalf of the Issuer are in principle subject to Belgian withholding tax, currently at a rate of 30 per cent. on the gross amount of the interest, subject to such relief as may be available under applicable domestic law or applicable tax treaties.

In this regard, interest includes (i) periodic interest income, (ii) any amounts paid by or on behalf of the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer) and (iii) in case of a disposal of the Notes between two interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the holding period.

However, the holding of the Notes in the NBB Securities Settlement System permits investors to collect payments of interest and principal on their Notes by or on behalf of the Issuer without deduction or withholding of Belgian withholding tax if and as long as at the moment of payment or attribution of interest the Notes are held by certain investors (the "**Eligible Investors**", see below) in an exempt securities account (an "**X-account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the NBB Securities Settlement System. Certain banks, stockbrokers, Euroclear, Clearstream, SIX SIS and Monte Titoli are directly or indirectly Participants for this purpose.

Participants to the NBB Securities Settlement System must keep the Notes which they hold on behalf of Eligible Investors on an X-account. Holding the Notes through the NBB Securities Settlement System enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Eligible Investors are those entities referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier/koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*), which includes, *inter alia*:

(i) Belgian resident companies referred to in Article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*code des impôts sur les revenus 1992/wetboek van inkomstenbelastingen 1992*) ("**BITC**");

(ii) without prejudice to Article 262, 1° and 5° of the BITC, the institutions, associations or companies referred to in Article 2, §3 of the law of 9 July 1975 with respect to the supervision of insurance companies other than those referred to in (i) and (iii);

(iii) semi-governmental institutions (*organismes parastatals/parastatale instellingen*) for social security or institutions equated therewith referred to in Article 105, 2° of the Royal Decree of 27 August 1993 implementing the BITC ("**RD/BITC**");

(iv) non-resident investors referred to in Article 105, 5° of the RD/BITC who do not hold the Notes in connection with a professional activity conducted in Belgium;

(v) investment funds referred to in Article 115 of the RD/BITC;

(vi) investors referred to in Article 227, 2° of the BITC, subject to non-resident income tax (*impôt des non-résidents/belasting van niet inwoners*) in accordance with Article 233 of the BITC and which have used the income generating capital for the exercise of their professional activities in Belgium;

(vii) the Belgian State, in respect of investments which are exempt from withholding tax in accordance with Article 265 of the BITC;

(viii) collective investment funds governed by foreign law (such as *fonds de placement/beleggingsfondsen*) that are an undivided estate managed by a management company for the account of the participants, provided the funds units are not publicly issued in Belgium and are not traded in Belgium; and

(ix) Belgian resident companies not referred to under (i), whose activity exclusively or principally consists of granting credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident individuals and Belgian non-profit organisations, other than those mentioned under (ii) and (iii) above.

Upon opening an X-account for the holding of Notes, an Eligible Investor will be required to certify its eligible status on a standard form approved by the Belgian Minister of Finance and send it to the Participant to the NBB Securities Settlement System where this account is kept. This statement needs not be periodically reissued (although Eligible Investors must inform the Participants of any changes to the information contained in their certification of their eligible status). Participants to the NBB Securities Settlement System are however required to annually make declarations to the NBB as to the eligible status of each investor for whom they hold Notes in an X-account during the preceding calendar year.

An X-account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Notes that the Intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided that each Beneficial Owner is an Eligible Investor. In such case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Notes held in central securities depositaries as defined in Article 2, 1st paragraph, (1) of the Regulation (EU) N° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ("**CSD**"), acting as Participants to the NBB Securities Settlement System (each, a "**NBB-CSD**"), provided that the relevant NBB-CSD's only hold X-accounts and that they are able to identify the Holders for whom they hold Notes in such X-accounts. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-CSD's as Participants include the commitment that all their clients, holder of an account, are Eligible Investors.

Hence, these identification requirements do not apply to Notes held in Euroclear, Clearstream, SIX SIS and Monte Titoli, or any other NBB-CSD, provided that (i) they only hold X-accounts, (ii) they are able to identify the holders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by them include the contractual undertaking that their clients and account owners are all Eligible Investors.

Belgian income tax and capital gains

Belgian resident individuals

The Notes may only be held by Eligible Investors. Consequently, the Notes may not be held by Belgian resident individuals as they do not qualify as Eligible Investors.

Belgian resident companies

Interest attributed or paid on the Notes to Belgian corporate investors which are Belgian residents for tax purposes, i.e., which are subject to Belgian corporate income tax (*impôt des sociétés/vennootschapsbelasting*) and capital gains realised upon the sale of Notes will be subject to Belgian corporate income tax at a rate of in principle 29.58 per cent. (including the 2 per cent. crisis surcharge). Furthermore, small and medium sized enterprises (as defined by Article 15, §§1-6 of the Belgian Companies Code) are taxable subject to certain conditions at a reduced corporate income tax rate of 20.4 per cent. (including the 2 per cent. crisis surcharge) for the first €100,000 of their taxable base. As of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020, the ordinary corporate income tax rate will be 25 per cent., and the reduced corporate income tax rate 20 per cent.

The withholding tax retained by or on behalf of the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable. Capital losses realised upon the sale of the Notes are in principle tax deductible.

Other tax rules apply to investment companies within the meaning of Article 185*bis* BITC.

Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e., which are subject to Belgian legal entities tax (*impôts des personnes morales/rechtspersonenbelasting*) and which qualify as Eligible Investors and which consequently have received gross interest income, are required (if such entities cannot invoke a final withholding tax exemption) to declare and pay the 30 per cent. withholding tax themselves to the Belgian tax authorities (which withholding tax then generally also constitutes the final taxation in the hands of the relevant investors).

Capital gains realised on the sale of Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined above in the Section "*Belgian withholding tax*"). Capital losses are in principle not tax deductible.

Belgian non-residents

Holders who are non-residents of Belgium for Belgian tax purposes and are not holding the Notes through a Belgian establishment and do not invest the Notes in the conduct of their Belgian professional activity will not incur or become liable for any Belgian tax on income or capital gains solely by virtue of the acquisition, ownership or disposal of Notes, provided that they qualify as Eligible Investors and that they hold their Notes in an X-account.

Tax on stock exchange transactions

No tax on stock exchange transactions (*taxe sur les operations de bourse/taks op beursverrichtingen*) will be due on the issuance of the Notes (primary market transaction).

The purchase and the sale and any other acquisition or transfer for consideration of existing Notes (secondary market transactions) that is either entered into or carried out in Belgium through a professional intermediary is subject to the tax on stock exchange transactions at a rate of 0.12 per cent. of the purchase price, capped at €1,300 per transaction and per party. The tax is due separately by each party to any such transaction, i.e., both by the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

The tax on the stock exchange transactions also applies to secondary market transactions of which the order is, directly or indirectly, given to a professional intermediary established outside of Belgium by (i) an individual with habitual residence in Belgium or (ii) a legal entity on behalf of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). In such case, the tax on stock exchange transactions is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions due has already been paid by the professional intermediary established outside of Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities ("**Stock Exchange Tax Representative**"). Such Stock Exchange Tax Representative will then be jointly liable towards the Belgian Treasury for the tax on stock exchange transactions due and to comply with reporting obligations and the obligations relating to the order statement in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the statutory debtor of the tax on stock exchange transactions.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided that they are acting for their own account: (i) professional intermediaries described in Article 2, 9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services; (ii) insurance companies described in Article 2, §1 of the Belgian Law of 9 July 1975 on the supervision of insurance companies; (iii) pension institutions referred to in Article 2, 1° of the Belgian Law of 27 October 2006 concerning the supervision of pension institutions; (iv) collective investment institutions; (v) regulated real estate companies; and (vi) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

As stated in the section "*Risk Factors*" (in particular see "*Financial Transaction Tax ("FTT")*"), on 14 February 2013 the EU Commission published a proposal for a Directive on the FTT. The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt. Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution and at least one party is established in a FTT participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT Commission proposal currently provides that once the FTT enters into effect, the participating Member States shall not maintain or introduce any taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into effect. The FTT Commission proposal is still subject to negotiation between the Participating Member States and may, therefore, be further amended at any time.

Annual tax on securities accounts

The law of 7 February 2018 (which was published in the Belgian State Gazette on 9 March 2018) introduced a tax on securities accounts (*taxe sur les comptes-titres/taks op de effectenrekeningen*). Pursuant to this law, Belgian resident and non-resident individuals are taxed at a rate of 0.15 per cent. on their share in the average value of qualifying financial instruments (such as shares, bonds, certain other type of debt instruments, units of undertakings for collective investment and warrants) held on one or more securities accounts with one or more financial intermediaries during a reference period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year (the "**Tax on Securities Accounts**").

No Tax on Securities Accounts is due provided the holder's share in the average value of the qualifying financial instruments on those accounts amounts to less than €500,000. If, however, the holder's share in the average value of the qualifying financial instruments on those accounts amounts to €500,000 or more, the Tax on Securities Accounts is due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and hence, not only on the part which exceeds the €500,000 threshold).

Qualifying financial instruments held by non-resident individuals only fall within the scope of the Tax on Securities Accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or a stockbroking firm as defined by Article 1, §2 and §3 of the Law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms and (ii) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are pursuant to national law admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder's share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to €500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value of each of these accounts does not amount to €500,000 or more but of which the holder's share in the total average value of these accounts exceeds €500,000). Otherwise, the Tax on Securities Accounts would have to be declared and would be due by the holder itself.

Non-resident individuals have to report in their annual Belgian non-resident income tax return their various securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered as a holder within the meaning of the Tax on Securities Accounts.

Prospective Investors are strongly advised to seek their own professional advice in relation to the Tax on Securities Accounts.

Luxembourg – withholding tax

The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the securities withheld at source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest,

principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This overview is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

All payments of interest and principal made by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

(i) the application of the amended Luxembourg law of 23 December 2005 which has introduced a 20 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on interest or similar income paid or ascribed by a paying agent established in Luxembourg to the immediate benefit of Luxembourg tax resident individuals;

(ii) in addition, pursuant to the amended law of 23 December 2005, Luxembourg resident individuals who are the immediate beneficial owners of interest or similar income paid or ascribed by a paying agent established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, can opt to self-declare and pay a 20 per cent. tax on such income. This 20 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg law of 23 December 2005, as amended is assumed by the Luxembourg paying agent within the meaning of this law and not by the Issuer.

United States – FATCA Withholding

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance to, intergovernmental agreements ("**IGAs**") with the United States to implement FATCA, that modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are not clear at this time. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated on or about the date of this Prospectus, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, NATIXIS and Société Générale (the "**Joint Bookrunners**") have jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions set out therein, to subscribe to (or procure the subscription of) the Notes at 99.206 per cent. of their principal amount (the "**Issue Price**") less certain agreed fees and commissions. The Subscription Agreement will entitle the Joint Bookrunners to terminate it in certain circumstances prior to payment being made to the Issuer.

General

Neither the Issuer nor the Joint Bookrunners has made any representation that any action will be taken in any jurisdiction by the Issuer or the Joint Bookrunners, or anyone on their behalf, that would permit a public offering of the Notes, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required.

The Joint Bookrunners have agreed that they will comply to the best of their knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which they acquire, offer, sell or deliver Notes or have in their possession or distribute this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at their own expense.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Bookrunner has represented and agreed that:

(i) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue

or sale of any Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Notes to any retail investor in the EEA. For these purposes, the expression "retail investor" means a person who is one (or both) of:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; and/or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Belgium

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Notes to consumers (*consommateurs/consumenten*) within the meaning of the Belgian Economic Law Code (*Code de droit économique/ Wetboek van economisch recht*) (i.e., any natural person acting for purposes which are outside his/her trade, business or profession).

Eligible investors

The Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB Securities Settlement System.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been duly authorised by resolutions of the Issuer's Board of Directors dated 26 March 2019 and of the Issuer's Executive Committee dated 19 March 2019.

Listing of Notes on the official list and admission to trading of Notes on the regulated market of the Luxembourg Stock Exchange

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II, appearing on the list of regulated markets issued by the European Commission. The total expenses related to the admission to trading of Notes are estimated at €15,200.

Clearing Systems

The Notes have been accepted for clearance through the NBB Securities Settlement System, which has links to Euroclear, Clearstream, SIX SIS and Monte Titoli. The International Securities Identification Number (ISIN) is BE0002644251 and the Common Code is 198006521. The address of the NBB is Boulevard de Berlaimont 14, B-1000 Brussels, Belgium.

Documents Available

So long as any Notes are outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Agent:

(i) the articles of association (*statuts/statuten*) of the Issuer;

(ii) this Prospectus, together with any supplement thereto;

(iii) the Agency Agreement; and

(iv) the consolidated annual financial statements of the Issuer prepared in accordance with IFRS, for the financial years ended 31 December 2017 and 31 December 2018 and the related auditors' reports thereon.

In addition, the documents referred to in (ii) and (iv) will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Significant or Material Change

Except as disclosed in the Prospectus, there has been:

(i) no significant change in the financial or trading position of the Group since 31 December 2018; and

(ii) no material adverse change in the prospects of the Issuer since 31 December 2018.

Litigation

Except as disclosed on pages 113 to 117 in this Prospectus, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) during the last twelve months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer or the Group.

Material contracts

There are no material contracts for the Issuer that are not entered into in the ordinary course of the Issuer's business which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders.

Statutory Auditor

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren (*réviseur agréé/erkende revisor*), represented by Mr Olivier Macq and Mr Frans Simonetti, with offices at Luchthaven Brussel Nationaal 1K, B-1930 Zaventem, Belgium, has audited the consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017 in accordance with the International Standards of Auditing and the audit resulted in an unqualified opinion with two emphasis of matter paragraphs. KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren is a member of the *Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren*.

PwC Réviseurs d'entreprises / PwC Bedrijfsrevisoren (*réviseur agréé/erkende revisor*), represented by Mr Yves Vandenplas, with offices at Woluwedal 18, B-1932 Zaventem, Belgium, has audited the consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018 in accordance with the International Standards of Auditing and the audit resulted in an unqualified opinion with an emphasis of matter paragraph. PwC Réviseurs d'entreprises / PwC Bedrijfsrevisoren is a member of the *Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren*.

Transactions with the Issuer

So far as the Issuer is aware, there is no natural or legal person involved in the issue of Notes and having an interest that is material to the issue of the Notes, other than certain of the Joint Bookrunners, the Agent and their affiliates who have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Bookrunners, the Agent and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates (including the Notes). Certain of the Joint Bookrunners, the Agent or their affiliates that have a lending relationship with the Issuer or its affiliates routinely hedge, and certain other of those Joint Bookrunners, the Agent or their affiliates may hedge, their credit exposure to the Issuer and/or affiliates consistent with their customary risk management policies. Typically, such Joint Bookrunner, Agent and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Notes). Any such short positions could adversely affect future trading prices of the Notes. The Joint Bookrunners, the Agent and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Yield

The yield of the Notes to the First Call Date will be 3.344 per cent. *per annum*. The yield is calculated as at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

THE ISSUER

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AUDITORS

For the financial year ended 31 December 2017

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B-1930 Zaventem
Belgium

For the financial year ended 31 December 2018

PwC Réviseurs d'entreprises / PwC Bedrijfsrevisoren
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Belgium