

Ageasfinlux S.A.
société anonyme
registered office: 6, Rue Eugène Ruppert
L-2453 Luxembourg R.C.S. Luxembourg B 86 976
(hereinafter referred to as the «Company»)

MANAGEMENT REPORT FOR THE FINANCIAL YEAR AS OF DECEMBER 31, 2017

Dear Shareholders,

We are pleased to provide you with the report on the activities of the Company for the financial year 2017 and to submit the annual accounts for the financial year ended on December 31, 2017 for approval, as well as the accompanying audit report issued by KPMG Luxembourg, Société coopérative, Réviseur d'Entreprises agréé.

1. Preparation of the annual accounts

The annual accounts are prepared by Intertrust (Luxembourg) S.à r.l., with which the Company concluded domiciliation and management & administration agreements, in accordance with legal and regulatory requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg.

2. Development of the Company's business

The Company continues to perform its activities that link with the securities that were issued in 2002, and the on-lending of the proceeds in the form of the convertible loan to Ageas Insurance International N.V. The FRESH-securities that the Company issued will mandatorily convert into Ageas SA/NV shares if the Ageas share price equals or exceeds EUR 472.50 for 20 consecutive stock exchange business days. After the events in September/October 2008 that led to the breakup of Fortis and given Ageas' current share price level, this conversion is not expected to take place in the coming decade. This also explains that the FRESH-securities effectively trade as if it were perpetual instruments.

There were no specific events in 2017 that affected the business performance of the Company, other than a continued structural improvement of the Ageas share price that led to a partial reversal of a value adjustment on Securities held for an amount of EUR 22,837,297.80.

3. Results for the financial year

Compared to the previous financial year, the result of the Company has increased by EUR 19,853,645.40 (profit of EUR 21,853,336.51 in 2017 against a profit of EUR 1,999,691.11 in 2016). This increase is mainly due to a partial reversal of value adjustment of EUR 22,837,297.80 booked on the Ageas SA/NV shares, whereas the partial reversal amounted to EUR 1,666,666.68 in 2016.

Tax of EUR 1,326,757.00 was composed of Luxembourg net wealth tax and a provision for CIT for the years 2013 to 2017.

Other external charges totaling EUR 93,693.76 are detailed as follows:

- Bank charges	8,602.58
- Audit fees	28,904.12
- Accounting, domiciliation, directorship and management fees	42,916.96
- Paying agent fees	8,560.00
- Luxembourg Chamber of Commerce and CSSF subscription fees	1,850.00
- Publication costs	1,404.00
- Other fees	1,456.10
Total	93,693.76

Other operating expenses amounting to EUR 6,405.20 relate to non-deductible VAT.

4. Balance sheet

4.1 Equity

The equity value amounts to EUR 139,365,586.19. The share capital of the Company totals EUR 127,794,757.12 represented by 103,060,288 registered shares with a nominal value of EUR 1.24 held by Ageas Insurance International N.V. The latter acquired one share of the Company from FGF Lux S.A. on December 12, 2011, date on which Ageas Insurance International N.V. became the sole shareholder of the Company.

4.2 Investments

As at December 31, 2017, the Company held 3,968,254 Ageas SA/NV shares valued at EUR 136,170,632.04 compared to a net book value of EUR 113,333,334.24 at year-end 2016.

The Board of Directors has decided to recognize a loss as durable if the value is longer than one year below the carrying-value; a loss is reversed when the market value is for more than one year above the carrying value. Since the lowest price in 2017 amounted to EUR 34.31, the value adjustment was reversed for an amount of EUR 22,837,297.80 moving the value of the share portfolio to EUR 136,170,632.04. The purchase price of the shares amounted to EUR 1,030,515,881.00, so the value adjustment amounts to EUR 894,345,248.96 at year end 2017.

These Ageas SA/NV shares serve no other purpose than forming adequate collateral for the conversion rights, which can be exercised under the FRESH and are for that purpose pledged in favor of the FRESH holders.

4.3 Tax

Based on its initial tax clearance letters dated May 8 and October 17, 2002 (the "Initial Ruling"), the Company agreed with the Luxembourg tax authorities that it would realise a net margin of 3.5bps on its financing activities, in particular the granting of intra-group loans financed by the issuance of the FRESH securities in an amount of EUR 1.25 billion. Based on the agreement in the Initial Ruling, the Company did not report and (immediately) make use of the losses booked, stemming from a depreciation on the Ageas shares it held.

Given that, on January 28, 2011, the Luxembourg tax authorities changed their approach to the remuneration of intra-group financial services, the Company had to revisit its transfer pricing policy. The Company therefore agreed with the Luxembourg tax authorities in a letter dated September 19, 2013 (the "APA") to no longer apply a net margin of 3.5bps, but to instead apply a gross margin of 8bps (determined on the basis of a formal transfer pricing study prepared by an independent expert). On the same day, the Company also agreed with the inspector in charge of its file at the time that the tax losses, that had arisen further to the depreciation of the Ageas shares, could be deducted from the gross taxable margin, hence (subject to the so-called recapture rule) reducing its taxable basis to an insignificant amount, as explained in an information letter filed with the Luxembourg tax authorities on September 19, 2013.

On April 12, 2018, the Luxembourg tax authorities issued a letter indicating that, on the basis of detailed assessment on the Company's tax situation based on §100a of the Luxembourg general tax law, they had the intention to issue assessments for tax years 2013 and 2014, disregarding the tax losses carried forward which arose in tax years prior to 2013 (i.e., in tax years where the company was subject to a net margin tax base). On May 2, 2018, the Company filed a letter with the authorities marking its disagreement with this position. Unfortunately, the authorities indicated that they would proceed with the tax assessment as contemplated and claim Luxembourg income tax at the rate of 29.22% on a taxable basis of EUR 871,222.62 for 2013 and EUR 924,680.41 for 2014, resulting in an unexpected tax charge at the level of the Company for tax years 2013 and 2014 in an aggregate amount of approx. EUR 523,886.00.

Based on this letter, the Management of the Company assessed that it is probable that the tax authorities may apply similar treatment in relation to income taxes for 2015-2017. Hence, the tax authorities may claim Luxembourg income tax at the rate of 29.22% on a taxable basis on EUR 915,624.60 for 2015, EUR 915,635.67 for 2016 and at a rate of 27.08% on a taxable basis of EUR 911,694.51 for 2017 resulting in an estimated tax charge at the level of the Company for tax years 2015 to 2017 in an aggregate amount of EUR 781,981.00.

4.4 Creditors

The Company granted a loan of EUR 1,250,000,000.00 to Ageas Insurance International N.V. bearing interest at a rate of Euribor 3 months + 1.385%.

The current assets of the Company amounting to EUR 6,467,806.11 are detailed as follows:

- interest accrued on the loan granted to Ageas Insurance International N.V. for



- EUR 1,989,041.10;
- cash at bank for EUR 4,161,017.31;
- other debtors for a total amount of EUR 317,747.70 composed of advances for corporate income tax and net wealth tax and VAT receivable.

The total capital, reserves and liabilities amount to EUR 1,392,641,434.15. Said figure mainly results from capital and reserves for EUR 139,365,586.19 and the FRESH issued by the Company for EUR 1,250,000,000.00. Other balances include interest accrued on FRESH for EUR 1,923,116.44, trade creditors amount of EUR 23,054.12, tax provisions in amount of EUR 1,305,867.00, other creditors for EUR 10.00 and VAT payable for EUR 2,910.40.

5. Allocation of the result

The financial year 2017 ends with a profit of EUR 21,853,336.51. The Board of Directors proposes to allocate the result as follows:

profit as of December 31,2017	EUR	21,853,336.51
<u>loss brought forward</u>	<u>EUR</u>	<u>(913,090,631.58)</u>
<u>total loss</u>	<u>EUR</u>	<u>(891,237,295.07)</u>
to carry forward	EUR	(891,237,295.07)

The Board of Directors has decided to take the own funds when verifying the criteria of article 100 of the Luxembourg Commercial Law. Taking this into account the Board states that the capital and reserves of the Company exceed 50% of the subscribed capital.

6. Risk Management

Exposure to various risks arises in the normal course of business of the Company. The objective and policy of the Board of Directors is to minimize these risks to the extent possible. It wishes to report as follows about risks to which the Company could be exposed:

Operational risk

The risk of loss resulting from inadequate or failed internal processes or system, human error, external events or change in the competitive environment that damages the franchise or operating economics of the business is low: the activity of the Company is limited to managing the interest flows stemming from the loan and securities outstanding, whereby the board members are directly involved in any cash transaction realized.

Legal risk

In case of any potential risk (e.g. claim received from a note holder or an investor), the Company requests advice from the legal department of Ageas Group and advice from an external advisor if required by one member of the Board of Directors.

Furthermore, the Company follows the compliance rules defined by its Ageas Group in terms of reputational

risk and compliance with laws and regulations applicable to the Company.

Tax risk

In case of any potential tax risk, the Company requests advice from the tax advisors of its Ageas Group and advice from an external advisor if required by one member of the Board of Directors.

Credit Risk

The Directors monitor exposure to credit risk on an ongoing basis. As only one loan is granted to Ageas Insurance International N.V., by definition a significant concentration of credit risk exists. Credit evaluations are performed regularly.

The loan including accrued interest granted to Ageas Insurance International N.V. represents about 90% of Assets held at year end 2017; Ageas Insurance International N.V. is rated A (Stable) by Fitch Ratings, while ageas SA/NV (the direct owner of Ageas Insurance International N.V.) is rated A (Stable) by Fitch Ratings and BBB (Stable) by Standard & Poor's.

The Directors have reviewed the debt servicing capacity of the Company and concluded that it completely relies on the debt servicing capacity of Ageas Insurance International N.V., to which it granted a loan. Ageas Insurance International N.V. was involved in some legal proceedings that link with the sale of its Dutch Insurance activity to the Dutch State, linked to the September/October 2008 events that lead to the break-up of Fortis. Based on the evolution of these legal proceedings, the Board concluded that the debt servicing capacity is in good shape. In case the solvency of Ageas Insurance International N.V. would deteriorate materially, it could imply that the coupon payment on the Company's issued securities may not take place under all conditions. Please also note the analysis stated under liquidity risk.

Interest rate risk

The Directors have reviewed the interest rate risk of the Company, taking into account its current liabilities (primarily the FRESH issued in 2002) and current assets (primarily the on-loan to Ageas Insurance International N.V.) In terms of interest rate profile these assets and liabilities are both floating rate based, so the Company is currently not exposed to interest rate risk.

Liquidity risk

The Directors have reviewed the liquidity risks of the Company, given its current liabilities (FRESH) and assets (on-loan to Ageas Insurance International N.V.). The Directors concluded that in principle the coupons received on its assets more than cover the coupons that the Company owes on its liabilities, and are also sufficient to cover other expected running costs. Furthermore, the expected cash inflows on the on-loans take place on the same date as expected outflows on the issued securities.

In case Ageas Insurance International N.V. is not able to service its debt for whatever reason, the Company can elect to move to a so-called Alternative Coupon Settlement Method, to serve the coupons due on its liabilities. Such method implies that Ageas Group will deliver such a number of shares to FRESH bondholders, that it fulfils its coupon obligations. Ageas Group is obliged to issue sufficient shares to fully support the coupon payment. In the unlikely event that the numbers of shares that Ageas Shareholders authorized to Ageas Group with a view to fully satisfy the coupon obligation, such situation leads to a postponement event according to the terms and conditions of the FRESH. In such case no cash will leave the Company. The Directors therefore concluded that in all foreseen circumstances no liquidity risk exists.

7. Corporate Governance

Ageas Group has adopted its own corporate governance charter, which is available on <https://www.ageas.com/about/governance> and which should be followed within all its subsidiaries. Therefore and considering the organization and the structure, the Company has established the following committees:

- The Annual General Meeting of Shareholders;
- The Board of Directors;

The annual general meeting of Shareholders

Any regularly constituted meeting of Shareholders of the Company represents the entire body of Shareholders

Subject to all other powers reserved to the Board of Directors by law or the Articles of Incorporation, the meeting of Shareholders has the broadest powers to carry out or ratify acts relating to the operations of the Company.

The Board of Directors

The Company shall be managed by a Board of Directors, composed of not less than three members who need not to be Shareholders (the "Board of Directors"). The members of the Board of Directors will be elected by the general meeting of Shareholders, who will determine their number, for a period not exceeding six years, and, if their resignation would cause the number of remaining members to fall below three, they will hold office until their successors are elected. They are re-eligible and they may be removed at any time, with or without cause, by a resolution adopted by the general meeting of Shareholders. In the event of a vacancy on the Board of Directors, the remaining directors may elect by co-optation a director to fill such vacancy until the next general meeting of Shareholders, which shall ratify such co-optation or elect a new member of the Board of Directors instead. The Shareholders shall neither participate in nor interfere in the management of the Company.

The Board of Directors is vested with the broadest powers to perform all acts necessary or useful for accomplishing the Company's object. All powers not expressly reserved by the Articles of Association or by the Laws to the general meeting of Shareholders or the statutory auditor(s) are in the competence of the Board of Directors.

The Board of Directors may delegate the daily management of the Company and the representation of the Company within such daily management to one or more persons or committees of its choice. The delegation of the daily management of the Company to members of the Board of Directors is subject to the previous authorization by the general meeting of Shareholders. The Board of Directors may also delegate other special powers or proxies or entrust determined permanent or temporary functions to persons or committees of its choice.

The Company will be bound towards third parties by the joint signature of any two members of the Board of Directors. The Company will further be bound towards third parties by the joint signatures or single signature of any persons to whom the daily management of the Company has been delegated, within such daily management, or by the joint signatures or single signature of any persons to whom special signatory power has been delegated by the Board of Directors, within the limits of such special power. Payment orders require the formal authorization by at least two members of the Board of Directors.

On December 31, 2017 the Board of Directors, elected by the Shareholders at a general meeting, was composed as follows:

- Mr. Johan Brugman, born in Arnhem (the Netherlands) on November 4, 1959, residing professionally at NL-3584 BA Utrecht (the Netherlands), Archimedeslaan 6, was nominated director on February 16, 2009. Mr. Johan Brugman is also Group Director Treasury, ALM and Capital Management at Ageas ;
- Mr. Christophe Boizard, born in Cognac (France) on 14 June 1959, residing professionally at B-1000 Brussels, 1 Rue du Marquis was nominated director on May 9, 2016. Mr. Christophe Boizard is also Chief Financial Officer and board member of Ageas SA/NV.
- Mr. Sébastien Andre, born in Metz (France) on October 29, 1974, residing professionally at L-2453 Luxembourg, 6, rue Eugène Ruppert, was nominated director on November 14, 2016. Mr. Sébastien Andre was also Business Unit Manager at Intertrust (Luxembourg) S.à r.l., but left Intertrust in the course of 2018 and therefore also resigned as a director of the Company on February 19, 2018. On the same date he was replaced by Laurence Biver.
- Mr. Matthieu Wolwertz, company director, born in Uccle (Belgium), on December 20, 1979, residing professionally at L-2453 Luxembourg, 6, rue Eugène Ruppert, was nominated director on May 29, 2017. Mr. Matthieu Wolwertz was also Senior Relationship Manager, Accounting at Intertrust (Luxembourg) S.à r.l., but left Intertrust in the course of 2018 and was replaced by Emiel Kruizinga on February 19, 2018.
- Mr. Antoine Guyot, company director, born in Boulogne-sur-Mer (France), on April 02, 1974, residing professionally at L-2453 Luxembourg, 6, rue Eugène Ruppert, was nominated director on October 13, 2017. Mr. Antoine Guyot is also Manager Accounting Services at Intertrust (Luxembourg) S.à r.l.

The Audit Committee

Amongst the board members the shareholders meeting appointed two non-executive members, respectively Sébastien Andre and Antoine Guyot (chairman), to reside in the audit committee of the Company. In his role as an audit committee member Sébastien Andre was replaced by Laurence Biver on February 19, 2018. The Audit Committee maintains the relationship with the statutory auditor and is responsible for the following matters:

- selects the statutory auditor;
- monitors the audit performance, the auditor's independence and informs the board of the outcome of the audit;
- monitors the financial reporting process of the entity and submits recommendations or proposals to ensure its integrity;
- monitors the effectiveness of the internal quality control and risk management systems of the entity.

8. Financial reporting process

The financial information is prepared on a quarterly basis by Intertrust (Luxembourg) S.à.r.l., with which the Company concluded domiciliation and management & administration agreements.

The financial information prepared by Intertrust (Luxembourg) S.à r.l. is duly reviewed by the Board of Directors.

Payments and transactions cannot be performed without the formal authorization of the Board of Directors.

The Company does not own its own shares and has no branch.

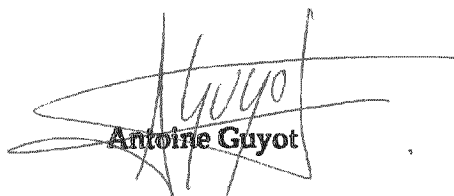
9. Subsequent events

Except the tax matter explained in article 4.3 of this management report, no other subsequent events occurred since January 1, 2018.

The Board at this stage does not expect that the Company will issue new securities; its organization and governance is geared to serve the coupon on the existing FRESH-securities for the expected long term up to the date that the instrument converts.

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Laurence Beyer


Antoine Guyot



Ageasfinlux S.A.

Annual accounts
for the year ended
December 31, 2017
(with the report of the Réviseur
d'Entreprises agréé thereon)

6, Rue Eugène Ruppert
L-2453 Luxembourg
R.C.S.: Luxembourg B 86.976

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RCSL Nr. : B86976

Matricule : 2002,2208,420

BALANCE SHEET

Financial year from 01/01/2017 to 31/12/2017 (in 03 EUR)

Ageasfinlux S.A.

6 rue Eugène Ruppert

L-2453 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101	0.00	0.00
II. Subscribed capital called but unpaid	1103	0.00	0.00
	1105	0.00	0.00
B. Formation expenses	1107	0.00	0.00
C. Fixed assets			
I. Intangible assets	1109	1,386,170,632.04	1,363,333,334.24
1. Costs of development	1111	0.00	0.00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113	0.00	0.00
a) acquired for valuable consideration and need not be shown under C.I.3	1115	0.00	0.00
b) created by the undertaking itself	1117	0.00	0.00
3. Goodwill, to the extent that it was acquired for valuable consideration	1119	0.00	0.00
4. Payments on account and intangible assets under development	1121	0.00	0.00
II. Tangible assets	1123	0.00	0.00
1. Land and buildings	1125	0.00	0.00
2. Plant and machinery	1127	0.00	0.00
	1129	0.00	0.00

The notes in the annex form an integral part of the annual accounts

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Matricule: 2002,2208,420

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	0.00	0.00
4. Payments on account and tangible assets in the course of construction	1133	0.00	0.00
III. Financial assets	1135	1,386,170,632.04	1,363,333,334.24
1. Shares in affiliated undertakings	1137	0.00	0.00
2. Loans to affiliated undertakings	1139 3.1	1,250,000,000.00	1,250,000,000.00
3. Participating interests	1141	0.00	0.00
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	0.00	0.00
5. Investments held as fixed assets	1145 3.2	136,170,632.04	113,333,334.24
6. Other loans	1147	0.00	0.00
D. Current assets	1151	6,467,806.11	6,157,923.18
I. Stocks	1153	0.00	0.00
1. Raw materials and consumables	1155	0.00	0.00
2. Work in progress	1157	0.00	0.00
3. Finished goods and goods for resale	1159	0.00	0.00
4. Payments on account	1161	0.00	0.00
II. Debtors	1163 4	2,306,788.80	2,217,851.90
1. Trade debtors	1165	0.00	0.00
a) becoming due and payable within one year	1167	0.00	0.00
b) becoming due and payable after more than one year	1169	0.00	0.00
2. Amounts owed by affiliated undertakings	1171 13	1,989,041.10	2,013,661.20
a) becoming due and payable within one year	1173	1,989,041.10	2,013,661.20
b) becoming due and payable after more than one year	1175	0.00	0.00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	0.00	0.00
a) becoming due and payable within one year	1179	0.00	0.00
b) becoming due and payable after more than one year	1181	0.00	0.00
4. Other debtors	1183	317,747.70	204,190.70
a) becoming due and payable within one year	1185	317,747.70	204,190.70
b) becoming due and payable after more than one year	1187	0.00	0.00

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
III. Investments	1189	0.00	0.00
1. Shares in affiliated undertakings	1191	0.00	0.00
2. Own shares	1209	0.00	0.00
3. Other investments	1195	0.00	0.00
IV. Cash at bank and in hand	1197	4,161,017.31	3,940,071.28
E. Prepayments	1199	2,996.00	2,996.00
TOTAL (ASSETS)		1,392,641,434.15	1,369,494,253.42

The notes in the annex form an integral part of the annual accounts

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RCSL Nr.: B86976

Matricule : 2002,2208,420

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 <u>5</u>	301 <u>139,365,586.19</u>	302 <u>117,512,249.68</u>
II. Share premium account	1303 <u>5.1</u>	303 <u>127,794,757.12</u>	304 <u>127,794,757.12</u>
III. Revaluation reserve	1305 <u>5.2</u>	305 <u>1.26</u>	306 <u>1.26</u>
IV. Reserves	1307 <u>0.00</u>	307 <u>0.00</u>	308 <u>0.00</u>
1. Legal reserve	1309 <u>5.3</u>	309 <u>902,808,122.88</u>	310 <u>902,808,122.88</u>
2. Reserve for own shares	1311 <u>0.00</u>	311 <u>0.00</u>	312 <u>0.00</u>
3. Reserves provided for by the articles of association	1313 <u>0.00</u>	313 <u>0.00</u>	314 <u>0.00</u>
4. Other reserves, including the fair value reserve	1315 <u>0.00</u>	315 <u>0.00</u>	316 <u>0.00</u>
a) other available reserves	1429 <u>902,808,122.88</u>	429 <u>902,808,122.88</u>	430 <u>902,808,122.88</u>
b) other non available reserves	1431 <u>902,808,122.88</u>	431 <u>902,808,122.88</u>	432 <u>902,808,122.88</u>
V. Profit or loss brought forward	1433 <u>0.00</u>	433 <u>0.00</u>	434 <u>0.00</u>
VI. Profit or loss for the financial year	1319 <u>5</u>	319 <u>-913,090,631.58</u>	320 <u>-915,090,322.69</u>
VII. Interim dividends	1321 <u>5</u>	321 <u>21,853,336.51</u>	322 <u>1,999,691.11</u>
VIII. Capital investment subsidies	1323 <u>0.00</u>	323 <u>0.00</u>	324 <u>0.00</u>
	1325 <u>0.00</u>	325 <u>0.00</u>	326 <u>0.00</u>
B. Provisions	1331 <u>6</u>	331 <u>1,326,757.00</u>	332 <u>0.00</u>
1. Provisions for pensions and similar obligations	1333 <u>0.00</u>	333 <u>0.00</u>	334 <u>0.00</u>
2. Provisions for taxation	1335 <u>6</u>	335 <u>1,326,757.00</u>	336 <u>0.00</u>
3. Other provisions	1337 <u>0.00</u>	337 <u>0.00</u>	338 <u>0.00</u>
C. Creditors	1435 <u>7</u>	435 <u>1,251,949,090.96</u>	436 <u>1,251,982,003.74</u>
1. Debenture loans	1437 <u>7</u>	437 <u>1,251,923,116.44</u>	438 <u>1,251,947,916.67</u>
a) Convertible loans	1439 <u>7</u>	439 <u>1,251,923,116.44</u>	440 <u>1,251,947,916.67</u>
i) becoming due and payable within one year	1441 <u>15</u>	441 <u>1,923,116.44</u>	442 <u>1,947,916.67</u>
ii) becoming due and payable after more than one year	1443 <u>3.2</u>	443 <u>1,250,000,000.00</u>	444 <u>1,250,000,000.00</u>
b) Non convertible loans	1445 <u>0.00</u>	445 <u>0.00</u>	446 <u>0.00</u>
i) becoming due and payable within one year	1447 <u>0.00</u>	447 <u>0.00</u>	448 <u>0.00</u>
ii) becoming due and payable after more than one year	1449 <u>0.00</u>	449 <u>0.00</u>	450 <u>0.00</u>
2. Amounts owed to credit institutions	1355 <u>0.00</u>	355 <u>0.00</u>	356 <u>1.00</u>
a) becoming due and payable within one year	1357 <u>0.00</u>	357 <u>0.00</u>	358 <u>1.00</u>
b) becoming due and payable after more than one year	1359 <u>0.00</u>	359 <u>0.00</u>	360 <u>0.00</u>

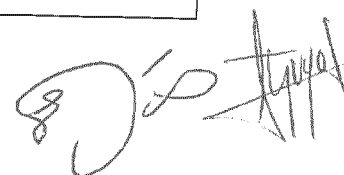
The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B86976

Matricule: 2002,2208,420

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks			
	1361	0.00	0.00
a) becoming due and payable within one year	1363	0.00	0.00
b) becoming due and payable after more than one year	1365	0.00	0.00
4. Trade creditors	1367	23,054.12	30,449.67
a) becoming due and payable within one year	1369	23,054.12	30,449.67
b) becoming due and payable after more than one year	1371	0.00	0.00
5. Bills of exchange payable	1373	0.00	0.00
a) becoming due and payable within one year	1375	0.00	0.00
b) becoming due and payable after more than one year	1377	0.00	0.00
6. Amounts owed to affiliated undertakings	1379	0.00	0.00
a) becoming due and payable within one year	1381	0.00	0.00
b) becoming due and payable after more than one year	1383	0.00	0.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	0.00	0.00
a) becoming due and payable within one year	1387	0.00	0.00
b) becoming due and payable after more than one year	1389	0.00	0.00
8. Other creditors	1451	2,920.40	3,636.40
a) Tax authorities	1393	2,910.40	3,626.40
b) Social security authorities	1395	0.00	0.00
c) Other creditors	1397	10.00	10.00
i) becoming due and payable within one year	1399	10.00	10.00
ii) becoming due and payable after more than one year	1401	0.00	0.00
D. Deferred income	1403	0.00	0.00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	1,392,641,434.15	1,369,494,253.42

The notes in the annex form an integral part of the annual accounts



Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494

Email : centralebilans@statec.etat.lu

RCSL Nr. : B86976

Matricule : 2002,2208,420

PROFIT AND LOSS ACCOUNT

Financial year from 01/01/2017 to 31/12/2017 (in EUR)

Ageasfinlux S.A.

6 rue Eugène Ruppert

L-2453 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701	701 0.00	702 0.00
2. Variation in stocks of finished goods and in work in progress	1703	703 0.00	704 0.00
3. Work performed by the undertaking for its own purposes and capitalised	1705	705 0.00	706 0.00
4. Other operating income	1713	713 5,388.27	714 0.00
5. Raw materials and consumables and other external expenses	1671 10	671 -93,693.76	672 -84,864.33
a) Raw materials and consumables	1601	601 0.00	602 0.00
b) Other external expenses	1608	608 -93,693.76	604 -84,864.33
6. Staff costs	1605	605 0.00	606 0.00
a) Wages and salaries	1607	607 0.00	608 0.00
b) Social security costs	1609	609 0.00	610 0.00
i) relating to pensions	1653	653 0.00	654 0.00
ii) other social security costs	1655	655 0.00	656 0.00
c) Other staff costs	1613	613 0.00	614 0.00
7. Value adjustments	1657	657 0.00	658 0.00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659 0.00	660 0.00
b) in respect of current assets	1661	661 0.00	662 0.00
8. Other operating expenses	1621 12	621 -6,405.20	622 -1,455.20

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B86976

Matricule : 2002,2208,420

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715 0.00	716 0.00
a) derived from affiliated undertakings	1717	717 0.00	718 0.00
b) other income from participating interests	1719	719 0.00	720 0.00
10. Income from other investments and loans forming part of the fixed assets	1721	721 13,223,356.17	722 14,397,814.20
a) derived from affiliated undertakings	1723	723 13,223,356.17	724 14,397,814.20
b) other income not included under a)	1725	725 0.00	726 0.00
11. Other interest receivable and similar income	1727	727 22,837,297.80	728 1,667,797.48
a) derived from affiliated undertakings	1729	729 0.00	730 0.00
b) other interest and similar income	1731	731 22,837,297.80	732 1,667,797.48
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663 0.00	664 0.00
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665 0.00	666 0.00
14. Interest payable and similar expenses	1627	627 -12,785,849.77	628 -13,960,371.04
a) concerning affiliated undertakings	1629	629 0.00	630 0.00
b) other interest and similar expenses	1631	631 -12,785,849.77	632 -13,960,371.04
15. Tax on profit or loss	1635	635 -1,305,867.00	636 0.00
16. Profit or loss after taxation	1657	657 21,874,226.51	658 2,018,921.11
17. Other taxes not shown under items 1 to 16	1637	637 -20,890.00	638 -19,230.00
18. Profit or loss for the financial year	1659	659 21,853,336.51	670 1,999,691.11

The notes in the annex form an integral part of the annual accounts

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017

1 General

Ageasfinlux S.A. (the "Company") is a Luxembourg company, which was incorporated on April 22, 2002 under the laws of Luxembourg as a Société Anonyme, for an unlimited period.

On July 2, 2010, the Company changed its name from Fortfinlux S.A. to Ageasfinlux S.A..

The Company has its registered address at 6, rue Eugène Ruppert, L-2453 Luxembourg and is registered at the Luxembourg Commercial Register under number R.C.S. Luxembourg n° B 86.976.

The financial year starts on January 1st and ends on December 31st.

The object of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes and other securities of any kind, the possession, the administration, the development and the management of its portfolio.

In accordance with the legal provisions in Title II of the Law of December 19, 2002, these annual accounts were presented on a non-consolidated basis which will be approved in June 2018 by the shareholders during the Annual General Meeting .

The Company is included in the consolidated accounts of Ageas SA/NV, which forms the smallest and largest body of undertakings, with registered office at Rue Royale 20, B-1000 Brussels, of which the Company forms a part as a subsidiary undertaking. The consolidated accounts are available at each of the above-mentioned addresses and as well on the website of Ageas (www.ageas.com).

2 Significant accounting policies

The annual accounts are prepared in accordance with legal and regulatory requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg. The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of December 19, 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and its results fairly.

The books and records are maintained in EUR and the annual accounts have been prepared in accordance with the valuation rules and accounting policies described below.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

2.1 Currency conversion

The subscribed capital of the Company is expressed in euro ("EUR") and these annual accounts are established in EUR.

During the year, transactions, income and expenses in currencies other than EUR were converted using the exchange rate ruling at the transaction date.

Fixed assets are converted at the historic rate. All other assets and liabilities expressed in foreign currencies are translated into EUR at the rates of exchange in effect at the balance sheet date.

Realized results and unrealized losses on unmatched foreign exchange positions are taken to the profit and loss account.

2.2 Financial assets

Financial assets are stated at historical cost less any durable losses. In case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. The value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Dividends are recognized when received.

2.3 Debtors

Debts are valued at lower of nominal value or estimated net recovery value. Appropriate value adjustments are made against specific debts where, in the opinion of the Board of Directors, these debts have a risk attached to their ultimate recoverability.

2.4 Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

2.5 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

2.5 Provisions (continued)

Current tax provisions

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years are recorded under the caption "Provisions for taxation". Advance payments are shown in the assets of the balance sheet under the "Other debtors" item.

2.6 Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account.

2.7 Interest income and expenses

Interest income and expenses are recorded on an accrual basis.

3 Fixed assets

The movements for the financial year are as follows:

	Loans to affiliated undertakings	Investments held as fixed assets	Total
	EUR	EUR	EUR
Gross book value - opening balance	1,250,000,000.00	1,030,515,881.00	2,280,515,881.00
Additions for the financial year	-	-	-
(Disposals for the financial year)	-	-	-
Transfers for the financial year	-	-	-
Gross book value - closing balance	1,250,000,000.00	1,030,515,881.00	2,280,515,881.00
(Accumulated value adjustments - opening balance)	-	(917,182,546.76)	(917,182,546.76)
(Additions for the financial year)	-	-	-
Reversals for the financial year	-	22,837,297.80	22,837,297.80
Transfers for the financial year	-	-	-
(Accumulated value adjustments - closing balance)	-	(894,345,248.96)	(894,345,248.96)
Net book value - opening balance as at 01/01/2017	1,250,000,000.00	113,333,334.24	1,363,333,334.24
Net book value - closing balance as at 31/12/2017	1,250,000,000.00	136,170,632.04	1,386,170,632.04

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

3.1 Loans to affiliated undertakings

The Company subscribed to bonds issued by Fortis Insurance N.V., which changed name into Ageas Insurance N.V. in May 2010 and merged into Ageas Insurance International N.V. in December 2010 (all these entities are affiliated undertakings); the bonds can be specified as follows:

Issue date	Name of the Company	Nominal EUR	Interest rate	Duration
May 7, 2002	Ageas Insurance International N.V.	1,250,000,000.00	Euribor 3 months +margin of 1.385%	No maturity date

The bonds are issued in denominations of EUR 250,000.00 each and are subordinated obligations of Ageas Insurance International N.V. (hereafter "AII") and rank at all times (i) junior to any indebtedness or obligation, including any preference shares, of AII other than such indebtedness or obligation in clauses (ii) and (iii) below, (ii) *pari passu* and without any preference among themselves and with any other indebtedness or obligation that, expressly or by applicable law, ranks *pari passu* with the loans and (iii) senior to (A) any indebtedness or obligation of AII that, expressly or by applicable law, is subordinated to the loans and (B) any ordinary shares of AII.

The bonds were redeemable, in a whole or in part, at any time at the option of AII, while a proportional number of bonds could convert into AII-shares upon an exchange of all or part of the FRESH securities (see Note 3.2).

Management of the Company reviewed these terms in 2013 and concluded that the conversion option represented no value (this option was far "out of the money"), while AII's early redemption option represented a risk to the Company: the Company could experience difficulty to serve the coupon on the FRESH securities if this option would be exercised, as the Company in turn has no option to call the FRESH securities, while the cash or investment of this cash would not easily provide sufficient yield to cover the liabilities in the current yield environment.

Management therefore renegotiated the terms and conditions of the bonds and reached an agreement on new terms that became effective as of December 31, 2013: the early redemption option as well as the conversion option into AII shares were removed and replaced by a mandatory proportional redemption of the bonds by AII at par upon any exchange of all or part of the FRESH securities.

The Board of Directors has reviewed the valuation of Loans to affiliated undertakings and does not consider it necessary to make any value adjustments for durable losses (2016: nil).

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

3.2 Investments held as fixed assets and subordinated convertible bonds

Investments held as fixed assets are analyzed as follows (in EUR):

	2017	2016
Purchase price	1,030,515,881.00	1,030,515,881.00
Value adjustment at the beginning of the year	(917,182,546.76)	(918,849,213.44)
Reversals	22,837,297.80	1,666,666.68
Value adjustment at the end of the year	<u>(894,345,248.96)</u>	<u>(917,182,546.76)</u>
Net book value at the end of the year	<u>136,170,632.04</u>	<u>113,333,334.24</u>
Market value at the end of the year	<u>161,567,461.61</u>	<u>149,246,032.94</u>

Ageasfinlux S.A. has issued "Undated Floating Rate Equity-linked Subordinated Hybrid" (FRESH) in denominations of EUR 250,000.00 each on May 7, 2002 for a total amount of EUR 1,250,000,000.00. The FRESH pays an interest of EURIBOR-3 months plus a margin of 1.35%. The total interest charges on FRESH as at December 31, 2017 amount to EUR 12,785,849.77 (2016: EUR 13,960,371.04). The FRESH securities are exchangeable in Ageas SA/NV shares at an Exchange Price of EUR 315.00 per share. The FRESH are listed on the Luxembourg Stock Exchange.

Following the merger and reverse stock split on Ageas SA/NV shares, which occurred on August 7, 2012, the Company holds 3,968,254 Ageas SA/NV shares. These Ageas SA/NV shares serve no other purpose than forming adequate collateral for the conversion rights, which can be exercised under the FRESH and are for that purpose pledged in favor of the FRESH holders. These shares have no voting/dividends rights as long as they are held by the Company.

All FRESH outstanding shall automatically be exchanged for Ageas SA/NV shares at the Exchange Price if, at any time after the seventh anniversary of the issue date, the weighted average price of an Ageas SA/NV share equals or exceeds EUR 472.50 for 20 consecutive stock exchange business days.

The Board of Directors has decided to recognize a loss as durable if the value is longer than one year below the carrying value; a loss is reversed when the market value is for more than one year above the carrying value. Since the lowest price in 2017 amounted to EUR 34.31, the value adjustment was reversed for an amount of EUR 22,837,297.80 (2016: EUR 1,666,666.68) moving the value of the share portfolio to EUR 136,170,632.04 (2015: EUR 113,333,334.24).

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

4 Debtors

Debtors are composed of:

	Within one year	Total	Total
		31/12/2017	31/12/2016
	EUR	EUR	EUR
Amounts owed by affiliated undertakings	1,989,041.10	1,989,041.10	2,013,661.20
Other debtors	317,747.70	317,747.70	204,190.70
Total	2,306,788.80	2,306,788.80	2,217,851.90

Amounts owed by affiliated undertakings correspond to accrued interest linked to the loan granted to Agcas Insurance International N.V. The other debtors are represented by tax advances paid for a total amount of EUR 317,747.70 (2016: EUR 204,190.70).

5 Capital and reserves

Changes in capital and reserves during the year ended December 31, 2017 are as follows (in EUR):

	Subscribed capital	Share premium and similar premiums	Other reserves	Result brought forward	Result for the year	Total
Capital and reserves as at December 31, 2016	127,794,757.12	1.26	902,808,122.88	(915,090,322.69)	1,999,691.11	117,512,249.68
Allocation of the result for the year 2016	-	-	-	1,999,691.11	(1,999,691.11)	-
Result for the year 2017	-	-	-	-	21,853,336.51	21,853,336.51
Capital and reserves as at December 31, 2017	127,794,757.12	1.26	902,808,122.88	(913,090,631.58)	21,853,336.51	139,365,586.19

The allocation of the result for 2016 was approved by the Annual General Meeting of Shareholders held on May 29, 2017.

5.1 Subscribed capital

The subscribed and fully paid capital of EUR 127,794,757.12 consists of 103,060,288 shares with a par value of EUR 1.24 each.

5.2 Share premium and similar premiums

The amount of EUR 1.26 related to the residual amount of the share premium incorporated to the capital following the Extraordinary Shareholder's meeting dated September 3, 2002.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

5.3 Reserves

Legal reserve

Luxembourg law states that a company must appropriate annually to a legal reserve at least 5% of its statutory net profits until the aggregate reserve equals 10% of the subscribed share capital. Such reserve is not available for distribution.

The Company has not allocated any legal reserve because it has to cover the losses brought forward from previous years.

Other reserves

Other reserves correspond to an unrestricted special reserve constituted by the Extraordinary Shareholder's meeting dated September 5, 2002.

6 Provisions for taxation

Provisions for taxation are composed of:

- a provision for Net Wealth tax 2017 for an amount of EUR 20,890.00 (2016: EUR 0.00)
- an extra Corporate Income Tax provision* for an amount of EUR 1,305,867.00 (2016: EUR 0.00)

*An extra Corporate Income Tax provision has been booked to cover a risk of additional taxes related to the years 2013 until 2017 (see note 16).

7 Creditors

Amounts due and payable for the amounts shown under "Creditors" are as follows:

	Within one year	After more than one year	Total	Total
			31/12/2017	31/12/2016
	EUR	EUR	EUR	EUR
Other debenture loans	1,923,116.44	1,250,000,000.00	1,251,923,116.44	1,251,947,916.67
Amounts owed to credit institutions	-	-	-	1.00
Trade creditors	23,054.12	-	23,054.12	30,449.67
Other creditors	2,920.40	-	2,920.40	3,636.40
	-	-	-	-
Total	1,949,090.96	1,250,000,000.00	1,251,949,090.96	1,251,982,003.74

The amount of EUR 1,250,000,000.00 (2016: EUR 1,250,000,000.00) is secured by collateral as indicated in the Note 3.2. The accrued interest amounts to EUR 1,923,116.44 (2016: EUR 1,947,916.67).

The other creditors corresponds to EUR 2,910.40 (2016: EUR 3,626.40) as tax to be paid.

The trade creditors are represented by EUR 23,054.12 (2016: EUR 25,061.40) to be paid for audit services.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

8 **Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of these bodies**

During the financial year, no emoluments or obligations arising or entered into in respect of retirement pensions for former members of those bodies for the financial year, were granted (2016: none).

9 **Advances and loans granted to the members of the management and supervisory bodies**

During the financial year, no loans or advances were granted to members of the Board of Directors or other administrative bodies (2016: none).

10 **Other external expenses**

Other external expenses are presented as follows:

	2017 EUR	2016 EUR
Bank fees	(8,602.58)	(2,206.97)
Audit fees	(28,904.12)	(25,637.77)
Tax advisory fees	-	(3,522.20)
Other fees	(1,456.10)	(936.68)
Domiciliary, management fees & services	(42,916.96)	(41,565.71)
Paying agent fees	(8,560.00)	(8,560.00)
Contributions to professional associations	(1,850.00)	(1,850.00)
Publication & register costs	(1,404.00)	(585.00)
Total	<u>(93,693.76)</u>	<u>(84,864.33)</u>

11 **Fees billed by KPMG Luxembourg, Société coopérative and other member firms of the KPMG network**

The amounts invoiced or accrued for services provided by KPMG Luxembourg, Société coopérative during the year were as follows (excluding VAT):

	2017 EUR	2016 EUR
Audit fees	<u>(28,904.12)</u>	<u>(25,637.77)</u>
	<u>(28,904.12)</u>	<u>(25,637.77)</u>

Such fees are presented under other external expenses in the Profit and Loss account.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

12 Other operating expenses

As at December 31, 2017, other operating charges are composed of non-deductible VAT and amount to EUR 6,405.20 (2016: EUR 1,455.20).

13 Income from other investments and loans forming part of the fixed assets

Interest from other investments and loans forming part of the fixed assets amount to EUR 13,223,356.17 (2016: EUR 14,397,814.20), of which EUR 1,989,041.10 (2016: EUR 2,013,661.20) are accrued at year-end.

14 Other interest receivable and similar income

Other interest receivable and similar financial income are composed mainly of a partial reversal of the value adjustment on investments held as fixed assets (refer to Note 3.2) for EUR 22,837,297.80 (2016: EUR 1,666,666.68).

15 Interest payable and similar expenses

The interest payable and similar expenses are composed of interest expenses on the convertible bonds issued for an amount of EUR 12,785,849.77 (2016: EUR 13,960,371.04), of which EUR 1,923,116.44 (2016: EUR 1,947,916.67) are accrued at year-end.

16 Tax expenses

The tax expenses of the Company for the financial year are detailed as follows (see also note 6):

	2017	2016
	EUR	EUR
Tax on profit for the financial year	(246,887.00)	-
Adjustment on tax expenses for the previous years	(1,058,980.00)	-
Tax on profit or loss	(1,305,867.00)	-
Other tax expenses for the financial year	(20,890.00)	(19,230.00)
Adjustment on other tax expenses for the previous year	-	-
Other taxes	(20,890.00)	(19,230.00)

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

16 Tax expenses (continued)

Based on its initial tax clearance letters dated 8 May and 17 October 2002 (the "Initial Ruling"), AgeasFinLux SA agreed with the Luxembourg tax authorities that it would realise a net margin of 3bps on its financing activities, in particular the granting of intra-group loans financed by the issuance of the FRESH securities in an amount of EUR 1.25 billion. Based on the agreement in the Initial Ruling, AgeasFinLux SA did not report and (immediately) make use of the losses booked, stemming from a depreciation on the Ageas shares it held.

Given that, on 28 January 2011, the Luxembourg tax authorities changed their approach to the remuneration of intra-group financial services, AgeasFinLux SA had to revisit its transfer pricing policy. AgeasFinLux therefore agreed with the Luxembourg tax authorities in a letter dated 19 September 2013 (the "APA") to no longer apply a net margin of 3 basis points, but to instead apply a gross margin of 8bps (determined on the basis of a formal transfer pricing study prepared by an independent expert). On the same day, AgeasFinLux SA also agreed with the inspector in charge of its file at the time that the tax losses, that had arisen further to the depreciation of the Ageas shares, could be deducted from the gross taxable margin, hence (subject to the so-called recapture rule) reducing its taxable basis to an insignificant amount, as explained in an information letter filed with the Luxembourg tax authorities on 19 September 2013.

On 12 April 2018, the Luxembourg tax authorities issued a letter indicating that, on the basis of detailed assessment on AgeasFinLux SA's tax situation based on §100a of the Luxembourg general tax law, they had the intention to issue assessments for tax years 2013 and 2014, disregarding the tax losses carried forward which arose in tax years prior to 2013 (i.e., in tax years where the company was subject to a net margin tax base). On 2 May 2018, AgeasFinLux SA filed a letter with the authorities marking its disagreement with this position. Unfortunately, the authorities indicated that they would proceed with the tax assessment as contemplated and claim Luxembourg income tax at the rate of 29.22% on a taxable basis of EUR 871,222.62 for 2013 and EUR 924,680.41 for 2014, resulting in an unexpected tax charge at the level of AgeasFinLux SA for tax years 2013 and 2014 in an aggregate amount of approx. EUR 523,886.00.

Based on this letter, the Management of the Company assessed that there is a probability that the tax authorities may apply similar treatment in relation to income taxes for 2015- 2017. Hence, the tax authorities may claim Luxembourg income tax at the rate of 29.22% on a taxable basis of EUR 915,624.60 for 2015, EUR 915,635.67 for 2016 and at a rate of 27.08% on a taxable basis of EUR 911,694.51 for 2017 resulting in an estimated tax charge at the level of AgeasFinLux SA for tax years 2015 to 2017 in an aggregate amount of approx. EUR 781,981.00.

17 Off balance sheet financial commitments

The Company has no off balance sheet commitment as at December 31, 2017.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2017
(Continued)

18 Staff

The company had no employees during the financial year (2016: none).

19 Subsequent events

No material event occurred after the balance sheet date ended December 31, 2017.

Ageasfinlux S.A.

Société anonyme

Registered office: L-2453 Luxembourg, 6, Rue Eugène Ruppert
R.C.S. Luxembourg : B 86 976
(the **Company**)

KPMG Luxembourg,
Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg
Attn: Michael Eichmüller de Souza

Luxembourg, June 18, 2018

Dear Sirs,

This representation letter is provided in connection with your audit of the annual accounts of Ageasfinlux S.A. for the year ended December 31, 2017, for the purpose of expressing an opinion as to whether these annual accounts give a true and fair view in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

We confirm that the representations we make in this letter are in accordance with the definitions set out in the Appendix to this letter.

We acknowledge our responsibilities, as set out in the terms of the audit engagement dated November 20, 2017, for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, for such internal control as we determine is necessary to enable the preparation of annual accounts that are free from material misstatement whether due to fraud or error and to provide you with access to all information of which we are aware that is relevant to the preparation of the annual accounts, additional information that you may request and unrestricted access to persons within the entity. Accordingly, we confirm that :

Annual accounts

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 20, 2017, for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.
2. Measurement methods and significant assumptions used by us in making accounting estimates are reasonable.
3. All events subsequent to the date of the annual accounts and for which Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts require adjustment or disclosure have been adjusted or disclosed.

4. There are no uncorrected misstatements, both individually and in the aggregate, to the annual accounts as a whole. A list of the corrected misstatements is attached to this representation letter.
5. We confirm that we have disclosed to you all information in relation to the tax matter explained in details in note 16 of annual accounts.
6. We have not received any advice or opinion that contradicts the Company's support for accounting for income taxes, that contradicts the annual accounts' amounts and presentations in respect of tax, or that is necessary to understand the Company's tax accrual and related matters and has not been disclosed to you.

Information Provided

7. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the annual accounts, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
8. All transactions have been recorded in the accounting records and are reflected in the annual accounts.
9. We confirm the following:
 - i) We have disclosed to you the results of our assessment of the risk that the annual accounts may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.
 - ii) We have disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that we are aware of and that affects the Company and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the annual accounts.
 - b) Allegations of fraud, or suspected fraud, affecting the Company's annual accounts communicated by employees, former employees, analysts, regulators or others.

In respect of the above, we acknowledge our responsibility for such internal control as we determine necessary for the preparation of annual accounts that are free from

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material misstatement, whether due to fraud or error. In particular, we acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

10. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the annual accounts. Further, we have disclosed to you and have appropriately accounted for and/or disclosed in the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts all known actual or possible litigation and claims whose effects should be considered when preparing the annual accounts.
11. We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

12. We have provided you with all relevant information regarding all of the key risk factors, assumptions and uncertainties of which we are aware that are relevant to the Company's ability to continue as a going concern, and these are fully disclosed in the notes to the annual accounts, in accordance with the requirements of Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. There are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

13. We confirm that:

- (a) Appropriate procedures have been implemented with relation to the prevention of money laundering and terrorism financing as stipulated in the laws, regulations and circulars applicable to the Company.
- (b) You have been informed of the identity of the Company's ultimate beneficial owner(s) and, where applicable, any changes in ultimate beneficial ownership.
- (c) You have been provided with information regarding the identity of the Company's customers as well as a list of accounts for which the identity of the customers and knowledge of their activities have still to be completed.

14. We confirm that we have disclosed to you all information in relation to the following matters:

- (a) agreements and options to buy back assets previously sold, including sales with recourse;
- (b) assets pledged as collateral;
- (c) arrangements with financial institutions involving restrictions on cash balances and lines of credit, covenant and similar arrangements;

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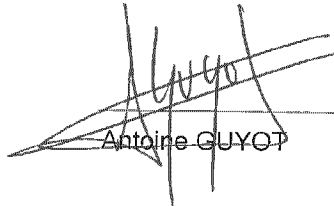
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- (d) the nature of involvement with, and transactions with, special purpose entities (SPEs) that are not consolidated, in which the Company is a sponsor or transferor.
15. The Company has complied with all aspects of contractual agreements that could have a material effect on the annual accounts in the event of non-compliance, for example debt covenants.
16. All sales transactions are final and there are no side agreements with customers or other terms that allow for the return of merchandise, except for conditions covered by usual and customary warranties.
17. There are no liens or encumbrances on the Company's assets.
18. There are no formal or informal compensating balance agreements with any of our cash and investment accounts.
19. We have no plans or intentions that may affect the carrying value or classification of assets and liabilities.
20. The Company has satisfactory title of all assets.

Yours faithfully,



Christophe Alexandre Henri
Boizard



Antoine GUYOT

optional cc: Audit Committee

Appendix to the Management Representation Letter of
Ageasfinlux S.A.

Definitions

Annual accounts

The annual accounts comprise:

- the balance sheet,
- the profit and loss account and
- the notes to the accounts;

These documents shall constitute a composite whole.

Companies have the option to incorporate other financial statements in the annual accounts in addition to the documents referred to in the first paragraph.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in annual accounts to deceive annual accounts users. [ISA 240.A2]

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization. [ISA 240.A5]

Error

An error is an unintentional misstatement in annual accounts, including the omission of an amount or a disclosure. [IFAC Glossary of Terms].

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance". [ISA 580.8]

Related party

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
- i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or

- iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi) The entity is controlled, or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related party transaction - A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. [IAS 24.9]

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Ageasfinlux S.A.
Société anonyme
Registered office: L-2453 Luxembourg, 6, Rue Eugène Ruppert
R.C.S. Luxembourg : B 86 976
(the **Company**)

**ANNUAL GENERAL MEETING OF THE SOLE SHAREHOLDER
HELD AT THE REGISTERED OFFICE ON JUNE 29, 2018**

The meeting (the **Meeting**) is opened by the Chairperson of the board of directors (the **Board of Directors**), Mr. Emiel Kruizinga (**Chairperson**).

The Chairperson appointed Miss Anastasia VASILYEVA as secretary (the **Secretary**).

The Meeting elected Mr. Antoine GUYOT as scrutineer (the **Scrutineer**).

The Chairperson stated that the formalities related to the convening of the Meeting had been carried out in compliance with the Company's articles of association (the **Articles**) and the law of 10 August 1915 on commercial companies as amended from time to time (the **Law**).

The sole shareholder present or represented and the number of shares held by them are indicated on an attendance list. The attendance list and the powers of attorney, having been signed *ne varietur* by the sole shareholder or their representatives and the officers of the Meeting, will remain attached to these minutes.

The attendance list, as attached hereto as Annexure A, showed that 103,060,288.00 shares, representing 100% of the share capital and voting rights of the Company, were present or represented at the Meeting and that all shareholders present or represented had knowledge of the agenda of the Meeting.

It was noted that no specific quorum was required for the valid deliberation or acknowledgement of the Meeting and pursuant to article 6 of the Articles, resolutions are taken by a simple majority of the votes cast by the sole shareholder.

THE AGENDA OF THE MEETING WAS THE FOLLOWING:

1. To receive, consider and approve the audited financial statements of the Company comprised of the balance sheet, the profit and loss statement and the notes for the financial year ended 31/12/2017 (together the Audited Annual Accounts);
2. To receive, consider and approve the management report for the financial year ended 31/12/2017 and the supervisory (commissaire aux comptes) auditor's report for the financial year ended 31/12/2017;
3. To consider and, if thought fit, note, confirm and approve the allocation of the result of the Company in relation to the financial year ended 31/12/2017 as recommended by the Board of Directors;
4. To consider and, if thought fit, grant discharge to the Board of Directors (including the Directors who resigned) for the exercise of their mandate for the financial year ended 31/12/2017;
5. To consider and, if thought fit, grant discharge and resignation to the current statutory auditor (réviseur d'entreprises agréé) KPMG Luxembourg for the exercise of their mandate for the financial year ended 31/12/2017;
6. To consider and, if thought fit, approve the appointment of PricewaterhouseCoopers Luxembourg (the PwC) residing at 2 rue Gerhard Mercator, 2182, Luxembourg as statutory auditor (réviseur d'entreprises agréé) and to acknowledge the execution by the Directors of the related engagement letter;
7. To note the resignation of Mr. Brugman Johan Hendrik as director and discharge.
8. To consider the appointment of Mr. Kolen Adrien Devos
9. To consider and, if thought fit, authorise any employee of Intertrust (Luxembourg) S.à r.l. to undertake the necessary action(s) required to file and register the Company's Audited Annual Accounts and the changes mentioned in the above resolutions with the Luxembourg Trade and Companies' Register.

**THE PRESENT OR REPRESENTED SHAREHOLDERS
THEN DELIBERATED AS FOLLOWS:**

- 1. To receive, consider and approve the audited financial statements of the Company comprised of the balance sheet, the profit and loss statement and the notes for the financial year ended 31/12/2017 (together the Audited Annual Accounts)**

The Audited Annual Accounts have been prepared in accordance with Luxembourg GAAP by the Company's Board of Directors with the assistance of its accountants.

The Board of Directors provided an explanation of the Company's financial situation, including the audited balance sheet and the audited profit and loss statement for the financial year ended 31/12/2017.

The Board of Directors concluded that (i) the Audited Annual Accounts, as attached hereto as Annexure C, gave a true and fair view of the financial position of the Company as of 31/12/2017 and (ii) the result of its operations for the year were in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the Audited Annual Accounts.

The Board of Directors therefore proposed that the Meeting voted in favour of the suggested resolution.

After putting the resolution to a vote, the Chairperson declared that the resolution was **APPROVED** by the sole shareholder represented.

- 2. To receive, consider and approve the management report for the financial year ended 31/12/2017 and the statutory (*réviseur d'entreprise*) auditor's report for the financial year ended 31/12/2017**

The Board of Directors proposed to the Meeting to acknowledge and approve the management report for the financial year ended 31/12/2017 (**the Management Report**) attached hereto as Annexure C and the statutory (*réviseur d'entreprise*) auditor's report for the financial year ended 31/12/2017 (**the Auditor's Report**) as attached hereto as Annexure D.

The Board of Directors further explained that the Management Report conferred a fair review of the development of the Company's business, its performance and its position, together with a description of the principal risks and uncertainties faced by the Company.

The Chairperson informed the Meeting that the Auditor's Report was issued by the statutory auditor (*réviseur d'entreprise*) of the Company and proposed that the Meeting acknowledge and approve the Auditor's Report.

After putting the resolution to a vote, the Chairperson declared that the Management Report and Auditor's Report were **ACKNOWLEDGED** and **APPROVED** by the sole shareholder represented.

3. To consider and, if thought fit, note, confirm and approve the allocation of the result of the Company in relation to the financial year ended 31/12/2017 as recommended by the Board of Directors

The Chairperson of the Meeting noted that, according to the Audited Annual Accounts, the result for the year amounted to a profit of EUR 21,853,336.51.

In light of the current financial situation of the Company, the Board of Directors **RECOMMENDED** the profit is retained to offset the losses arising from previous years.

After putting the resolution to a vote, the Chairperson declared that the resolution was **APPROVED** by the sole shareholder represented.

4. To consider and, if thought fit, grant discharge to the Board of Directors (including the Directors who resigned) for the exercise of their mandate for the financial year ended 31/12/2017

In light of the fact that the Audited Annual Accounts, the Management Report and the Auditor's Report did not indicate any issue concerning the management activities carried out by the Board of Directors, the Chairperson proposed that the Meeting vote in favour of granting full and entire discharge to the Board of Directors (including the Directors who resigned) for the exercise of their mandate for the financial year ended 31/12/2017.

After putting the resolution to a vote, the Chairperson declared that the resolution was **APPROVED** by the sole shareholder represented.

5. To consider and, if thought fit, grant discharge and resignation to the current statutory auditor (réviseur d'entreprise) KPMG Luxembourg for the exercise of their mandate for the financial year ended 31/12/2017;

The Board of Directors proposed to the shareholders that, based on the Auditors' Report provided, the statutory auditor (réviseur d'entreprise) be discharged and resigned of their audit duties.

After putting the resolution to a vote, the Chairperson declared that the resolution was **APPROVED** by the majority of the shareholders present or represented.

6. To consider and, if thought fit, approve the appointment of PricewaterhouseCoopers Luxembourg (the PwC) residing at 2 rue Gerhard Mercator, 2182, Luxembourg as a statutory (réviseur d'entreprise) auditor and to acknowledge the execution by the Directors of the related engagement letter;

Following the recommendation of the Board of Directors, the Meeting considered approving the appointment of PricewaterhouseCoopers Luxembourg (the PwC) residing at 2 rue Gerhard Mercator, 2182, Luxembourg as a statutory (réviseur d'entreprise) auditor until the next annual general meeting considering the annual accounts for the financial year ended 31/12/2018 and acknowledged the execution of the engagement letter by the Directors.

After putting the resolution to a vote, the Chairperson declared that the resolution was **NOTED, CONFIRMED** and **APPROVED** by the majority of the shareholders present or represented.

7. To note and confirm the resignation of Mr. Brugman Johan Hendrik as Director of the Company effective as of 29/06/2018

The Chairperson informed the Meeting that Mr. Brugman Johan Hendrik resigned as Director, President of the Company effective as of 29/06/2018

The Meeting **NOTED** and **CONFIRMED** the resignation of the aforementioned and noted its appreciation for the assistance and guidance provided by Mr. Brugman Johan Hendrik during his tenure as Director, President of the Company.

- 8. To consider and, if thought fit, note, confirm and approve the appointment of Mr. Kolen Adrien Devos as Director and President of the Company effective as of date of AGM until 29/06/2024. Mr. Kolen Adrien Devos is eligible for appointment and has confirmed his willingness to accept the mandate, if appointed**

The Meeting considered the profile of Mr. Kolen Adrien Devos, whom the Meeting wishes to appoint as Director and President of the Company effective as of 29/06/2018 until 29/06/2024.

A brief curriculum vitae was presented, the highlights of which were as follows:

Head of Investor Relations in Ageas since June 2010. Previously worked as Global Head of Equity, Brokerage in Fortis Bank.

After putting the resolution to a vote, the Chairperson declared that the resolution was **NOTED**, **CONFIRMED** and **APPROVED** by the majority of the shareholders present or represented and Mr. Kolen Adrien Devos born on 06/04/1975 in Delinze, Belgium with passport number 592-1765586-73, professionally resident at Meiklojjesstraat 15, 8780 Oostrozebeke, Belgium be appointed as Director of the Company effective as of 29/06/2018.

- 9. To consider and, if thought fit, authorise any employee of Intertrust (Luxembourg) S.à r.l. to undertake the necessary action(s) required to file and register the Company's Audited Annual Accounts and the changes mentioned in the above resolutions with the Luxembourg Trade and Companies' Register**

After putting the resolution to a vote, the Chairperson declared that the resolution was **NOTED**, **CONFIRMED** and **APPROVED** by the sole shareholder represented.

There being no further business to discuss, the Chairperson declared the Meeting closed.

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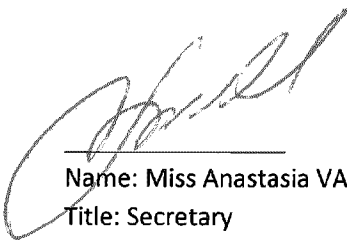
NOTE: These minutes are signed as an accurate record of the proceedings of the annual general meeting by the Chairperson, the Secretary and the Scrutineer. They may be signed as one or several counterparts which, taken together, shall constitute one single document.

Signed as follows



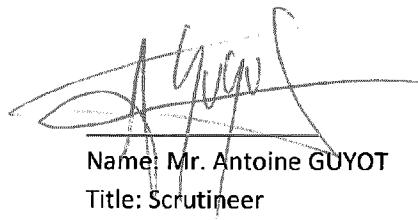
Name: Mr. Emiel Kruizinga

Title: Chairperson



Name: Miss Anastasia VASILYEVA

Title: Secretary



Name: Mr. Antoine GUYOT

Title: Scrutineer

Annexure A

Ageasfinlux S.A.

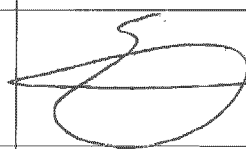
Société anonyme

Registered office: L-2453 Luxembourg, 6, Rue Eugène Ruppert

R.C.S. Luxembourg : B 86 976

(the Company)

**ATTENDANCE LIST OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD ON 29/06/2018
AT THE COMPANY'S REGISTERED OFFICE**

SHAREHOLDER NAME	PROXYHOLDERS NAME WHEN APPLICABLE	NUMBER OF SHARES	SIGNATURES
Ageas Insurance International N.V., The Netherlands	Emiel Kruizinga	103,060,288.00	
TOTAL		103,060,288.00 SHARES	

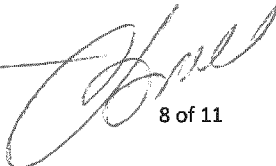
Chairperson

Mr. Emiel Kruizinga



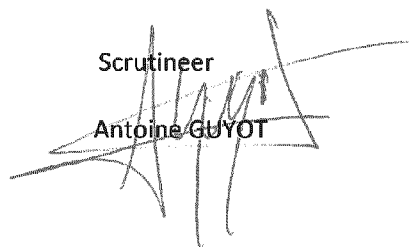
Secretary

Anastasia VASILYEVA



Scrutineer

Antoine GUYOT



Annexure B
Audited Annual Accounts for the financial year ended 31/12/2017

Annexure C
Management Report for the financial year ended 31/12/2017

Annexure D
Auditor's Report for the financial year ended 31/12/2017