

Ageasfinlux S.A.

Annual accounts
for the year ended
December 31, 2015
(with the report of the Réviseur
d'Entreprises agréé thereon)

6, Rue Eugène Ruppert

L-2453 Luxembourg

R.C.S.: Luxembourg B 86.976

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, 2015

Dear Shareholders,

We are pleased to provide you with the report on the activities of the Company for the financial year as of December 31, 2015 and to submit the annual accounts for the financial year ended on December 31, 2015 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 2015 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 17,539,682.56.

3. Results for the financial year

Compared to the previous financial year, the result of the Company has increased by EUR 11,556,217.59 (profit of EUR 17,872,950.19 in 2015 against a profit of EUR 6,316,732.60 in 2014). This increase is mainly due to a partial reversal of value adjustment of EUR 17,539,682.56 booked on the ageas SA/NV shares, whereas the partial reversal amounted to EUR 5,972,222.00 in 2014.

Tax on profit of EUR 2,005.00 was composed of Luxembourg corporate income tax and municipal business tax. The Company had carried forward losses to compensate the taxable result of 2015.

Other external charges totalling EUR 84,735.40 are detailed as follows:

- Bank charges	1,087.16
- Audit fees	20,197.02
- Tax advisory fees	4,350.00
- Accounting, domiciliation, directorship and management fees	41,565.71
- Paying agent fees	8,488.66
- Luxembourg Chamber of Commerce and CSSF subscription fees	1,850.00
- Publication costs	1,625.22
- Other fees	<u>5,571.63</u>
Total	84,735.40

Other operating expenses amounting to EUR 1,920.20 relate mainly to non-deductible VAT and to tax fines.

4. Balance sheet

The equity value amounts to EUR 115,512,558.57. 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.

As at December 31, 2015, the Company held 3,968,254 ageas SA/NV shares valued at EUR 111,666,667.56 compared to a net book value of EUR 94,126,985.00 at year-end 2014.

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 2015 amounted to EUR 28.14, the value adjustment was reversed for an amount of EUR 17,539,682.56 moving the value of the share portfolio to EUR 111,666,667.56. The purchase price of the shares amounted to EUR 1,030,515,881.00, so the value adjustment amounts to EUR 918,849,213.44 at year end 2015.

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 favour of the FRESH holders.

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 6,193,350.22 are detailed as follows:

- interest accrued on the loan granted to Ageas Insurance International N.V. for EUR 2,385,000.00;
- cash at bank for EUR 3,605,259.52;
- other debtors for a total amount of EUR 203,090.70 composed of advances for corporate income tax and net wealth tax and VAT receivable.

The total liabilities amount to EUR 1,367,863,013.78. Said figure mainly results from Capital and reserves for EUR 115,512,558.57 and the FRESH issued by the Company for EUR 1,250,000,000.00. The balance is composed of interest accrued on FRESH for EUR 2,321,472.60, other creditors for EUR 10.00, VAT payable for EUR 3,455.20 and trade creditors of EUR 25,517.41.

5. Allocation of the result

The financial year 2015 ends with a profit of EUR 17,872,950.19. The Board of Directors proposes to allocate the result as follows:

<i>profit as of December 31, 2015</i>	<i>EUR</i>	<i>17,872,950.19</i>
<i>loss brought forward</i>	<i>EUR</i>	<i>(932,963,272.88)</i>
<i>total loss</i>	<i>EUR</i>	<i>(915,090,322.69)</i>
<i>to carry forward</i>	<i>EUR</i>	<i>(915,090,322.69)</i>

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 realised.

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 93% of Assets held at year end 2015; 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 BBB (Stable) by Standard & Poor's and Unsolicited Baa3 (Negative) by Moody's as at December 31, 2015.

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 its website and which should be followed within all its subsidiaries. Therefore and considering the organisation 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 Managers 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 authorisation 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, 2015 the Board of Directors, elected by the Shareholders at a general meeting, was composed as follows:

- Mr. Roeland de Graaf, born in Hilversum (Netherlands) on December 23, 1985, residing professionally at L-2453 Luxembourg, 6 rue Eugène Ruppert, was nominated director on April 23, 2014. Mr. Roeland de Graaf is also Relationship Manager Corporate at Intertrust (Luxembourg) S.à r.l.;
- 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 Group;
- Mr. Carel Oosterloo, born in Deventer (the Netherlands) on December 18, 1957, residing professionally at NL-3584 BA Utrecht (the Netherlands), Archimedeslaan 6, was nominated director on February 16, 2009. Mr. Carel Oosterloo is also Finance Director for the Portuguese activity of Ageas Group;
- Mrs Virginie Deconinck, born in Rocourt (Belgium) on October 11, 1976, residing professionally at L-2453 Luxembourg, 6 rue Eugène Ruppert, was nominated director on April 29, 2015. Mrs Virginie Deconinck is also Manager Legal & Corporate Services at Intertrust (Luxembourg) S.à r.l.;
- Mr. Julien Nazeyrollas, born in Nancy (France), on December 19, 1978, residing professionally at L-2453 Luxembourg, 6 rue Eugène Ruppert, was nominated director on April 29, 2015. Mr. Julien Nazeyrollas is also Senior Manager Finance at Intertrust (Luxembourg) S.à r.l..

The Directors are nominated until the Annual General Meeting of 2020. Mr. Carel Oosterloo resigned as director and will be replaced at the Annual General Meeting in 2016 by Mr. Christophe Boizard, born in Cognac (France) on 14 June 1959, residing professionally at 1000 Brussels (Belgium), Rue du Marquis 1.

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.

8. Subsequent events

Since January 1, 2016, no significant commitment has been entered into by the Company.

The Board at this stage does not expect that the Company will issue new securities; its organisation 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.

[signature page follows]


Place: Luxembourg

Date: 12.04.2016

On behalf of the Board of Directors



Roeland de Graaf


Johan Brugman

Virginie Deconinck



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To the Shareholders of
Ageasfinlux S.A.
6, Rue Eugène Ruppert
L-2453 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

We have audited the accompanying annual accounts of Ageasfinlux S.A., which comprise the balance sheet as at December 31, 2015 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Ageasfinlux S.A. as at December 31, 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Luxembourg, April 19, 2016

KPMG Luxembourg,
Société coopérative
Cabinet de révision agréé



M. Eichmüller de Souza

Annual Accounts Helpdesk :**Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu**

RCSL Nr. :

Matricule :

2002,2208,420**BALANCE SHEET****Financial year from** ₀₁ 01/01/2015 **to** ₀₂ 31/12/2015 (in ₀₃ EUR)**Ageasfinlux S.A.****6 rue Eugène Ruppert****L-2453 Luxembourg****ASSETS**

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 <u>0.00</u>	102 <u>0.00</u>
I. Subscribed capital not called	1103 _____	103 <u>0.00</u>	104 <u>0.00</u>
II. Subscribed capital called but unpaid	1105 _____	105 <u>0.00</u>	106 <u>0.00</u>
B. Formation expenses	1107 _____	107 <u>0.00</u>	108 <u>0.00</u>
C. Fixed assets	1109 _____	109 <u>1,361,666,667.56</u>	110 <u>1,344,126,985.00</u>
I. Intangible fixed assets	1111 _____	111 <u>0.00</u>	112 <u>0.00</u>
1. Research and development costs	1113 _____	113 <u>0.00</u>	114 <u>0.00</u>
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 <u>0.00</u>	116 <u>0.00</u>
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 <u>0.00</u>	118 <u>0.00</u>
b) created by the undertaking itself	1119 _____	119 <u>0.00</u>	120 <u>0.00</u>
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 <u>0.00</u>	122 <u>0.00</u>
4. Payments on account and intangible fixed assets under development	1123 _____	123 <u>0.00</u>	124 <u>0.00</u>
II. Tangible fixed assets	1125 _____	125 <u>0.00</u>	126 <u>0.00</u>
1. Land and buildings	1127 _____	127 <u>0.00</u>	128 <u>0.00</u>
2. Plant and machinery	1129 _____	129 <u>0.00</u>	130 <u>0.00</u>

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	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 fixed assets under development	1133	0.00	0.00
III. Financial fixed assets	1135	1,361,666,667.56	1,344,126,985.00
1. Shares in affiliated undertakings	1137	0.00	0.00
2. Amounts owed by affiliated undertakings	1139 3	1,250,000,000.00	1,250,000,000.00
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141	0.00	0.00
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143	0.00	0.00
5. Securities and other financial instruments held as fixed assets	1145 4	111,666,667.56	94,126,985.00
6. Loans and claims held as fixed assets	1147	0.00	0.00
7. Own shares or own corporate units	1149	0.00	0.00
D. Current assets	1151	6,193,350.22	6,233,829.03
I. Inventories	1153	0.00	0.00
1. Raw materials and consumables	1155	0.00	0.00
2. Work and contracts in progress	1157	0.00	0.00
3. Finished goods and merchandise	1159	0.00	0.00
4. Payments on account	1161	0.00	0.00
II. Debtors	1163	2,588,090.70	2,936,784.32
1. Trade receivables	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 7	2,385,000.00	2,761,301.37
a) becoming due and payable within one year	1173	2,385,000.00	2,761,301.37
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

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	Reference(s)	Current year	Previous year
4. Other receivables	1183	203,090.70	175,482.95
a) becoming due and payable within one year	1185	203,090.70	175,482.95
b) becoming due and payable after more than one year	1187	0.00	0.00
III. Transferable securities and other financial instruments	1189	0.00	0.00
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by of participating interests	1191	0.00	0.00
2. Own shares or own corporate units	1193	0.00	0.00
3. Other transferable securities and other financial instruments	1195	0.00	0.00
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197	3,605,259.52	3,297,044.71
E. Prepayments	1199	2,996.00	2,924.66
TOTAL (ASSETS)	201	1,367,863,013.78	1,350,363,738.69

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Matricule :

2002,2208,420

LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 5	301 115,512,558.57	302 97,639,608.38
I. Subscribed capital	1303 5.1	303 127,794,757.12	304 127,794,757.12
II. Share premium and similar premiums	1305 5.2	305 1.26	306 1.26
III. Revaluation reserves	1307 0.00	307 0.00	308 0.00
IV. Reserves	1309 5.3	309 902,808,122.88	310 902,808,122.88
1. Legal reserve	1311 0.00	311 0.00	312 0.00
2. Reserve for own shares or own corporate units	1313 0.00	313 0.00	314 0.00
3. Reserves provided for by the articles of association	1315 0.00	315 0.00	316 0.00
4. Other reserves	1317 5.3	317 902,808,122.88	318 902,808,122.88
V. Profit or loss brought forward	1319 5.3	319 -932,963,272.88	320 -939,280,005.48
VI. Profit or loss for the financial year	1321 5.3	321 17,872,950.19	322 6,316,732.60
VII. Interim dividends	1323 0.00	323 0.00	324 0.00
VIII. Capital investment subsidies	1325 0.00	325 0.00	326 0.00
IX. Temporarily not taxable capital gains	1327 0.00	327 0.00	328 0.00
B. Subordinated debts			
	1329 1,252,321,472.60	329 1,252,321,472.60	330 1,252,695,376.71
1. Convertible loans	1413 1,252,321,472.60	413 1,252,321,472.60	414 1,252,695,376.71
a) becoming due and payable within one year	1415 6	415 2,321,472.60	416 2,695,376.71
b) becoming due and payable after more than one year	1417 4	417 1,250,000,000.00	418 1,250,000,000.00
2. Non convertible loans	1419 0.00	419 0.00	420 0.00
a) becoming due and payable within one year	1421 0.00	421 0.00	422 0.00
b) becoming due and payable after more than one year	1423 0.00	423 0.00	424 0.00
C. Provisions			
	1331 0.00	331 0.00	332 0.00
1. Provisions for pensions and similar obligations	1333 0.00	333 0.00	334 0.00
2. Provisions for taxation	1335 0.00	335 0.00	336 0.00
3. Other provisions	1337 0.00	337 0.00	338 0.00
D. Non subordinated debts			
	1339 28,982.61	339 28,982.61	340 28,753.60
1. Debenture loans	1341 0.00	341 0.00	342 0.00
a) Convertible loans	1343 0.00	343 0.00	344 0.00
i) becoming due and payable within one year	1345 0.00	345 0.00	346 0.00
ii) becoming due and payable after more than one year	1347 0.00	347 0.00	348 0.00

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	Reference(s)		Current year		Previous year
b) Non convertible loans	1349	349	0.00	350	0.00
i) becoming due and payable within one year	1351	351	0.00	352	0.00
ii) becoming due and payable after more than one year	1353	353	0.00	354	0.00
2. Amounts owed to credit institutions	1355	355	0.00	356	0.00
a) becoming due and payable within one year	1357	357	0.00	358	0.00
b) becoming due and payable after more than one year	1359	359	0.00	360	0.00
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361	361	0.00	362	0.00
a) becoming due and payable within one year	1363	363	0.00	364	0.00
b) becoming due and payable after more than one year	1365	365	0.00	366	0.00
4. Trade creditors	1367	367	25,517.41	368	23,607.60
a) becoming due and payable within one year	1369	369	25,517.41	370	23,607.60
b) becoming due and payable after more than one year	1371	371	0.00	372	0.00
5. Bills of exchange payable	1373	373	0.00	374	0.00
a) becoming due and payable within one year	1375	375	0.00	376	0.00
b) becoming due and payable after more than one year	1377	377	0.00	378	0.00
6. Amounts owed to affiliated undertakings	1379	379	0.00	380	0.00
a) becoming due and payable within one year	1381	381	0.00	382	0.00
b) becoming due and payable after more than one year	1383	383	0.00	384	0.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	0.00	386	0.00
a) becoming due and payable within one year	1387	387	0.00	388	0.00
b) becoming due and payable after more than one year	1389	389	0.00	390	0.00
8. Tax and social security debts	1391	391	3,455.20	392	5,136.00
a) Tax debts	1393	393	3,455.20	394	5,136.00
b) Social security debts	1395	395	0.00	396	0.00

RCSL Nr. :

Matricule :

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	Reference(s)	Current year	Previous year
9. Other creditors	1397 _____	397 10.00	398 10.00
a) becoming due and payable within one year	1399 _____	399 10.00	400 10.00
b) becoming due and payable after more than one year	1401 _____	401 0.00	402 0.00
E. Deferred income	1403 _____	403 0.00	404 0.00
TOTAL (LIABILITIES)		405 1,367,863,013.78	406 1,350,363,738.69

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RCSL Nr. :

Matricule :

2002,2208,420

PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/01/2015 to ⁰² 31/12/2015 (in ⁰³ EUR)

Ageasfinlux S.A.

6 rue Eugène Ruppert

L-2453 Luxembourg

A. CHARGES

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials	1601	0.00	0.00
2. Other external charges	9 1603	84,735.40	78,319.59
3. Staff costs	1605	0.00	0.00
a) Salaries and wages	1607	0.00	0.00
b) Social security on salaries and wages	1609	0.00	0.00
c) Supplementary pension costs	1611	0.00	0.00
d) Other social costs	1613	0.00	0.00
4. Value adjustments	1615	0.00	0.00
a) on formation expenses and on tangible and intangible fixed assets	1617	0.00	0.00
b) on current assets	1619	0.00	0.00
5. Other operating charges	1621	1,920.20	4,384.72
6. Value adjustments and fair value adjustments on financial fixed assets	1623	0.00	0.00
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625	0.00	0.00
8. Interest and other financial charges	1627	16,903,795.92	19,900,806.73
a) concerning affiliated undertakings	1629	0.00	0.00
b) other interest and similar financial charges	6 1631	16,903,795.92	19,900,806.73

RCSL Nr. :

Matricule :

2002,2208,420

	Reference(s)	Current year	Previous year
9. Share of losses of undertakings accounted for under the equity method			
	1649 _____	649 <u>0.00</u>	650 <u>0.00</u>
10. Extraordinary charges			
	1633 _____	633 <u>0.00</u>	634 <u>0.00</u>
11. Income tax			
	1635 _____	635 <u>2,005.00</u>	636 <u>3,209.74</u>
12. Other taxes not included in the previous caption			
	1637 _____	637 <u>17,560.00</u>	638 <u>13,555.00</u>
13. Profit for the financial year			
	1639 _____	639 <u>17,872,950.19</u>	640 <u>6,316,732.60</u>
TOTAL CHARGES			
		641 <u>34,882,966.71</u>	642 <u>26,317,008.38</u>

RCSL Nr. :

Matricule : 2002,2208,420

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____ 0.00	702 _____ 0.00
2. Change in inventories of finished goods and of work and contracts in progress	1703 _____	703 _____ 0.00	704 _____ 0.00
3. Fixed assets under development	1705 _____	705 _____ 0.00	706 _____ 0.00
4. Reversal of value adjustments	1707 _____	707 _____ 0.00	708 _____ 0.00
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____ 0.00	710 _____ 0.00
b) on current assets	1711 _____	711 _____ 0.00	712 _____ 0.00
5. Other operating income	1713 _____	713 _____ 0.00	714 _____ 1,571.77
6. Income from financial fixed assets	1715 _____	715 _____ 17,341,301.37	716 _____ 20,338,287.67
a) derived from affiliated undertakings	1717 7 _____	717 _____ 17,341,301.37	718 _____ 20,338,287.67
b) other income from participating interests	1719 _____	719 _____ 0.00	720 _____ 0.00
7. Income from financial current assets	1721 _____	721 _____ 0.00	722 _____ 0.00
a) derived from affiliated undertakings	1723 _____	723 _____ 0.00	724 _____ 0.00
b) other income from financial current assets	1725 _____	725 _____ 0.00	726 _____ 0.00
8. Other interest and other financial income	1727 _____	727 _____ 17,541,665.34	728 _____ 5,977,148.94
a) derived from affiliated undertakings	1729 _____	729 _____ 0.00	730 _____ 0.00
b) other interest and similar financial income	1731 8 _____	731 _____ 17,541,665.34	732 _____ 5,977,148.94
9. Share of profits of undertakings accounted for under the equity method	1745 _____	745 _____ 0.00	746 _____ 0.00
10. Extraordinary income	1733 _____	733 _____ 0.00	734 _____ 0.00
13. Loss for the financial year	1735 _____	735 _____ 0.00	736 _____ 0.00
TOTAL INCOME		737 _____ 34,882,966.71	738 _____ 26,317,008.38

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2015

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 1 and ends on December 31.

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.

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 the above-mentioned address 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.

Where necessary, certain prior year figures have been reclassified to conform with the current financial year’s presentation for comparative purposes. Amounts included within “Extraordinary charges” have been reclassified to “Other operating charges”.

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.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2015
(continued)

2.2 Financial fixed 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 Creditors

Creditors are valued at the higher of nominal or repayment value.

2.5 Interest income and expenses

Interest income and expenses are recorded on an accrual basis.

3 Amounts owed by 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.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2015
(continued)

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 4).

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.

4 Securities held as fixed assets and subordinated convertible bonds

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

	2015	2014
Purchase price	1,030,515,881.00	1,030,515,881.00
Value adjustment at the beginning of the year	(936,388,896.00)	(942,361,118.00)
Reversals	17,539,682.56	5,972,222.00
Value adjustment at the end of the year	<u>(918,849,213.44)</u>	<u>(936,388,896.00)</u>
Net book value at the end of the year	<u>111,666,667.56</u>	<u>94,126,985.00</u>
Market value at the end of the year	<u>169,841,271.20</u>	<u>117,063,493.00</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, 2015 amount to EUR 16,903,795.89 (2014: EUR 19,900,800.00). 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.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2015
(continued)

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.

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 2015 amounted to EUR 28.14, the value adjustment was reversed for an amount of EUR 17,539,682.56 (2014: EUR 5,972,222.00) moving the value of the share portfolio to EUR 111,666,667.56 (2014: EUR 94,126,985.00).

5 Capital and reserves

Changes in capital and reserves during the year ended December 31, 2015 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, 2014	127,794,757.12	1.26	902,808,122.88	(939,280,005.48)	6,316,732.60	97,639,608.38
Allocation of the result for the year 2014	-	-	-	6,316,732.60	(6,316,732.60)	-
Result for the year 2015	-	-	-	-	17,872,950.19	17,872,950.19
Capital and reserves as at December 31, 2015	<u>127,794,757.12</u>	<u>1.26</u>	<u>902,808,122.88</u>	<u>(932,963,272.88)</u>	<u>17,872,950.19</u>	<u>115,512,558.57</u>

The allocation of the result for 2014 was approved by the Annual General Meeting of Shareholders held on April 29, 2015.

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, 2015
(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.

Other reserves

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

6 Other interest and similar financial charges

The other interest and charges amounting to EUR 16,903,795.92 (2014: EUR 19,900,806.73) are mainly composed of interest expenses on the convertible bonds issued for an amount of EUR 16,903,795.89 (2014: EUR 19,900,800.00), of which EUR 2,321,472.60 (2014: EUR 2,695,376.71) are accrued at year-end.

The remaining balance of EUR 0.03 (2014: EUR 6.73) is composed of debit interest on bank accounts.

7 Income from financial fixed assets

Interest income on amounts derived from affiliated undertakings amount to EUR 17,341,301.37 (2014: EUR 20,338,287.67), of which EUR 2,385,000.00 (2014: EUR 2,761,301.37) are accrued at year-end.

8 Other interest and similar financial income

Other interest and similar financial income are composed mainly of a partial reversal of the value adjustment on securities held as fixed assets (refer to Note 4) for EUR 17,539,682.56 (2014: EUR 5,972,222.00).

The remaining balance of EUR 1,982.78 (2014: EUR 4,926.94) is composed of credit interest on bank accounts.

Ageasfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2015
(continued)

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

Fees billed (excluding VAT) to the Company by KPMG Luxembourg, Société coopérative and other member firms of the KPMG network during the financial year are as follows:

	2015	2014
	EUR	EUR
Audit fees	<u>20,197.02</u>	<u>19,766.36</u>
	<u>20,197.02</u>	<u>19,766.36</u>

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