

Fortfinlux S.A.

**Annual accounts
for the year ended
December 31, 2009
(with the report of the Réviseur
d'Entreprises agréé thereon)**

**65, Bd. Grande-Duchesse Charlotte
L-1331 Luxembourg
R.C.S.: Luxembourg B 86. 976.**

Fortfinlux S.A.

Balance sheet
as at December 31, 2009
(expressed in EUR)

R.C.S. Luxembourg B no 86 976

	Notes	2009 EUR	2008 EUR
ASSETS			
Fixed assets			
Financial Assets			
Loans to affiliated undertakings	3	1,250,000,000	1,250,000,000
Securities held as fixed assets	4	79,365,080	79,365,080
		<u>1,329,365,080</u>	<u>1,329,365,080</u>
Current assets			
Debtors			
Amounts owed by affiliated undertakings becoming due and payable within one year	7	3,815,170	12,573,250
Cash at bank		2,294,170	440,654
		<u>6,109,340</u>	<u>13,013,904</u>
Prepayments and accrued income		4,550	4,586
		<u><u>1,335,478,970</u></u>	<u><u>1,342,383,570</u></u>
LIABILITIES			
Capital and reserves	5		
Subscribed capital	5.1	127,794,758	127,794,758
Reserves	5.2		
Other reserves		902,808,123	902,808,123
Loss brought forward		(950,088,274)	(5,633,228)
Profit/(loss) for the financial year		964,074	(944,455,046)
		<u>81,478,681</u>	<u>80,514,607</u>
Provisions for liabilities and charges			
Provisions for taxation	9	215,962	556,580
Creditors			
Convertible Bonds			
becoming due and payable after more than one year	4	1,250,000,000	1,250,000,000
Other creditors			
becoming due and payable within one year	6	3,784,327	11,312,383
		<u>1,253,784,327</u>	<u>1,261,312,383</u>
		<u><u>1,335,478,970</u></u>	<u><u>1,342,383,570</u></u>

The accompanying notes form an integral part of these annual accounts.

Fortfinlux S.A.

**Profit and loss account
as at December 31, 2009
(expressed in EUR)**

	Notes	2009 EUR	2008 EUR
CHARGES			
Other external charges	8	84,041	67,486
Value adjustments in respect of financial assets and of transferable securities held as current assets	4	-	951,150,801
Interest payable and similar charges			
Other interest payable and charges	6	37,558,682	75,872,669
Tax on profit	9	104,717	109,930
Other taxes not shown under the above items		-	62
Profit for the financial year		964,074	-
		<u>38,711,514</u>	<u>1,027,200,948</u>
INCOME			
Other interest receivable and similar income			
Other interest receivable and similar income	7	38,711,514	82,745,902
Loss for the financial year		-	944,455,046
		<u>38,711,514</u>	<u>1,027,200,948</u>

The accompanying notes form an integral part of these annual accounts.

Fortfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2009

1 General

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

The Company has its register address at 65, Bd Grande-Duchesse Charlotte, L-1331 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 is ended 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's accounts are included within the consolidated accounts of the Fortis Consortium, composed of Fortis SA/NV, with registered office at Rue Royale 20, B-1000 Brussels, and Fortis N.V., with registered office at Archimedeslaan 6, NL-3584 BA Utrecht. The consolidated accounts are available at each of the above-mentioned addresses.

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 year's presentation for comparative purposes.

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 ruling at the transaction date. Realised results and unrealised losses are taken to the profit and loss account.

Other current assets and liabilities expressed in foreign currencies are translated into EUR at the rates of exchange in effect at the balance sheet date.

2.2 Financial assets

Financial assets are stated at historical cost less any durable losses. Dividends are recognised when paid. The Company is not entitled to a dividend on the securities held as fixed assets.

Fortfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2009
(continued)

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 Loans to affiliated undertakings

Loans to affiliated undertakings are analysed as follows:

Issue date	Name of the Company	Nominal EUR	Interest rate	Duration
May 7, 2002	AG Insurance N.V. (formerly Fortis Insurance N.V.)	1,250,000,000	Euribor – 3 months + margin of 1.91%	No maturity date

Fortfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2009
(continued)

4 Securities held as fixed assets and convertible bonds becoming due and payable after more than one year

Securities held as fixed assets are analysed as follows:

	2009 EUR	2008 EUR
Purchase price	1,030,515,881	1,030,575,881
Value adjustment at the beginning of the year	(951,150,801)	-
Additions	-	(951,150,801)
Value adjustment at the end of the year	(951,150,801)	(951,150,801)
Net booked value at the end of the year	<u>79,365,080</u>	<u>79,365,080</u>
Market value at the end of the year	<u>104,087,302</u>	<u>36,865,080</u>

Fortfinlux S.A. has issued an "Undated Floating Rate Equity-linked Subordinated Hybrid" (FRESH) on May 7, 2002 for a total amount of EUR 1,250,000,000. 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, 2009 amount to EUR 37,557,920 (2008: EUR 75,743,655).

Each of the FRESH capital securities shall be exchangeable at any time only against one Fortis share at an initial exchange price equal to EUR 31.5 per Fortis share, in aggregate 39,682,540 shares. Fortfinlux S.A. holds, in current investments, 39,682,540 shares purchased at EUR 25.969 per share and for a total of EUR 1,030,515,881. These shares are pledged in favor of the FRESH investors. During 2008, this current investment was impaired by an amount of EUR 951,150,801 to reach a residual value of EUR 2.

All FRESH capital securities outstanding shall automatically be exchanged for Fortis shares at the Exchange Price if, at any time after the seventh anniversary of the issue date, the volume weighted average price of a Fortis share equals or exceeds EUR 47.25 for 20 consecutive stock exchange business days.

These Fortis shares serve no other purpose than forming adequate collateral for the conversion rights, which can be exercised under the FRESH securities and are for that purpose pledged in favor of the notes holders. Consequently, the Board of Directors has decided that a depreciation amounting in total to EUR 951,150,801 was required at year-end date to bring the value to EUR 2. - per share which corresponds to the share price evolution at the beginning of 2010.

Fortfinlux S.A.

**Notes to the annual accounts
for the year ended December 31, 2009
(continued)**

5 Capital and reserves

Changes in capital and reserves during the year ended December 31, 2009 are as follows:

	Subscribed capital EUR	Other reserves EUR	Result brought forward EUR	Result for the year EUR
Capital and reserves as at December 31, 2008	127,794,758	902,808,123	(5,633,228)	(944,455,046)
Allocation of the result for the year 2008	-	-	(944,455,046)	944,455,046
Result for the year 2009	-	-	-	964,074
Capital and reserves as at December 31, 2009	<u>127,794,758</u>	<u>902,808,123</u>	<u>(950,088,274)</u>	<u>964,074</u>

The allocation of the result for 2008 was approved by the Annual General Meeting of Shareholders held on June 30, 2009.

5.1 Subscribed capital

The subscribed and fully paid capital of EUR 127,794,758 consists of 103,060,288 shares with a par value of EUR 1.24 each.

5.2 Reserves

Legal reserves

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 payable and charges

Interest expense on convertible bonds issued amount to EUR 37,557,920 (2008: EUR 75,743,655), of which EUR 3,749,932 (2008: EUR 11,294,911) are accrued at year-end.

Fortfinlux S.A.

Notes to the annual accounts
for the year ended December 31, 2009
(continued)

7 Other interest receivable and income

Interest income on loans granted to affiliated undertakings amount to EUR 38,696,639 (2008: EUR 82,743,682), of which EUR 3,813,459 (2008: EUR 12,346,824) are accrued at year-end.

8 Fees billed by KPMG Audit S.à.r.l., Luxembourg and other member firms of the KPMG network

Fees billed (excluding VAT) to the Company by KPMG Audit S.à.r.l. Luxembourg and other members firms of the KPMG network during the financial year are as follows:

PricewaterhouseCoopers (PWC) audit fees have been disclosed as they were the previous auditor of the Company.

	2009 EUR
Audit fees PWC	21,600
Audit fees KPMG	<u>12,500</u>
	<u>34,100</u>

Such fees are presented under other external charges in the profit or loss account

9 Taxation

The Company is subject to tax regulations applicable in Luxembourg.



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To the Shareholders of
Fortfinlux S.A.
65 Boulevard Grande-Duchesse Charlotte
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated June 30, 2009, we have audited the accompanying annual accounts of Fortfinlux S.A. ("the Company"), which comprise the balance sheet as at December 31, 2009 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 Fortfinlux S.A. as of December 31, 2009, 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, June 2, 2010

KPMG Audit S.à r.l.
Cabinet de révision agréé



S. Chambourdon

On May 27, 2009, the Ageas Board confirmed its intention to resume the payment of a dividend for the 2009 financial year. The intended dividend was confirmed to be equal to or in excess of the Threshold Dividend Yield as required under the terms of the FRESH and implied a dividend yield of at least 0.5% in accordance with the terms of the FRESH.

As a result of this public announcement to resume payment of dividends on the Fortis Shares, the mandatory usage of the Alternative Coupon Satisfaction Method to satisfy coupons to be paid on the FRESH was no longer applicable. Consequently the FRESH coupon due on 7 August 2009 was paid in cash, contrary to the announcement made on March 15, 2009, as well as all quarterly payments that followed to date.

Since the beginning of 2009, the Company and its ultimate parent companies Ageas S.A./N.V. and Ageas N.V. are involved in legal proceedings initiated by some investors in respect of the FRESH securities. Proceedings have advanced to the point that written conclusions have been exchanged and two rounds of oral pleadings have taken place. This has not led to a change in the legal assessment of the case. After consultation with its legal advisors, the Board remains confident that the legal position of the company and its parent companies is sound and is not likely to be successfully challenged in court. Management therefore considers that there is no reason to set up any provisions.

The Board notes that due to a name change of the Fortis Group into Ageas, a proposal will be submitted to the Shareholders meeting to change the name of Fortifinlux S.A. into Ageasfinlux S.A.

The Company did not acquire any of its own shares during the period under review.

The Company has no activity relating to the Research and Development as at December 31, 2009.

The Company has no branch as at December 31, 2009.

The activities undertaken by the Company are in line with the corporate objects.

As of September 15, 2009, the Board received the resignation letter from Mr. Patrick DEPOVERE in respect to his mandate as Director (Chairman) of the Company. Per Article 6 of the Company's by-laws ("In the event of a vacancy in the office of a director because of death, retirement or otherwise, this vacancy may be filled out on a temporary basis until the next meeting of shareholders, in compliance with the applicable legal provisions."), the Board decided to co-opt Mr. Bruno COLMANT as Director, this decision will be published with the "Registre de Commerce et des Sociétés de Luxembourg" within ten days of this Meeting, followed by the ratification at the next general shareholders meeting on June 30, 2010.

Finally, the Board of Directors appoints, on June 2, Mr. Johan BRUGMAN as Chairman of the Board of Director.

The Board of Directors examined the annual accounts, as at December 31, 2009, of the Company on June 2, 2010 and authorized their publication.

Moreover, the Board of Directors decides to propose to the Shareholders' General Meeting the following allocation:

Profit as of December 31, 2009	EUR	964,074
<u>Loss carried forward</u>	EUR	<u>(950,088,274)</u>
<u>Available result</u>	EUR	<u>(949,124,200)</u>
To carry forward	EUR	(949,124,200)

The Board of Directors of the Company declares that, to its knowledge, the annual accounts at December 31, 2009 of the Company are established in accordance with the body of applicable accounting standards; give a faithful and honest image of the assets and liabilities, financial position and profits or losses of The Company. The management report presents the evolution accurately, the results and the situation of the Company and a description of the principal risks and uncertainties with which they are confronted

We kindly invite you to approve the attached financial accounts at December 31, 2009, and to simultaneously render full discharge to the board members with reference to the performance of their duties during the financial period under review.