

Ageasfinlux S.A.

Annual accounts
for the year ended
December 31, 2018
(with the Audit Report)

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

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494

Email : centralebilans@statec.etat.lu

RCSL Nr.: B86976

Matricule : 2002,2208,420

BALANCE SHEETFinancial year from ⁰¹ 01/01/2018 to ⁰² 31/12/2018 (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	0.00	0.00
I. Subscribed capital not called	1103	0.00	0.00
II. Subscribed capital called but unpaid	1105	0.00	0.00
B. Formation expenses	1107	0.00	0.00
C. Fixed assets	1109	1,402,658,731.38	1,386,170,632.04
I. Intangible assets	1111	0.00	0.00
1. Costs of development	1113	0.00	0.00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	0.00	0.00
a) acquired for valuable consideration and need not be shown under C.I.3	1117	0.00	0.00
b) created by the undertaking itself	1119	0.00	0.00
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	0.00	0.00
4. Payments on account and intangible assets under development	1123	0.00	0.00
II. Tangible assets	1125	0.00	0.00
1. Land and buildings	1127	0.00	0.00
2. Plant and machinery	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 2.2 ; 3	1,402,658,731.38	1,386,170,632.04
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	152,658,731.38	136,170,632.04
6. Other loans	1147	0.00	0.00
D. Current assets	1151	6,259,038.45	6,467,806.11
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 2.3 ; 4	2,368,870.57	2,306,788.80
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	2,009,760.27	1,989,041.10
a) becoming due and payable within one year	1173	2,009,760.27	1,989,041.10
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	359,110.30	317,747.70
a) becoming due and payable within one year	1185	359,110.30	317,747.70
b) becoming due and payable after more than one year	1187	0.00	0.00

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	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	3,890,167.88	4,161,017.31
E. Prepayments	1199	2,954.96	2,996.00
TOTAL (ASSETS)		1,408,920,724.79	1,392,641,434.15

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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 5	301 155,878,579.83	302 139,365,586.19
II. Share premium account	1303 5.1	303 127,794,757.12	304 127,794,757.12
III. Revaluation reserve	1305 5.2	305 1.26	306 1.26
IV. Reserves	1307	307 0.00	308 0.00
1. Legal reserve	1309	309 902,808,122.88	310 902,808,122.88
2. Reserve for own shares	1311 5.3	311 0.00	312 0.00
3. Reserves provided for by the articles of association	1313	313 0.00	314 0.00
4. Other reserves, including the fair value reserve	1315	315 0.00	316 0.00
a) other available reserves	1429 5.3	429 902,808,122.88	430 902,808,122.88
b) other non available reserves	1431	431 902,808,122.88	432 902,808,122.88
V. Profit or loss brought forward	1433	433 0.00	434 0.00
VI. Profit or loss for the financial year	1319 5	319 -891,237,295.07	320 -913,090,631.58
VII. Interim dividends	1321 5	321 16,512,993.64	322 21,853,336.51
VIII. Capital investment subsidies	1323	323 0.00	324 0.00
	1325	325 0.00	326 0.00
B. Provisions			
1. Provisions for pensions and similar obligations	1331	331 1,052,726.00	332 1,326,757.00
2. Provisions for taxation	1333	333 0.00	334 0.00
3. Other provisions	1335 2.5 ; 6	335 1,052,726.00	336 1,326,757.00
	1337	337 0.00	338 0.00
C. Creditors			
1. Debenture loans	1435 2.6 ; 7	435 1,251,989,418.96	436 1,251,949,090.96
a) Convertible loans	1437	437 1,251,943,835.62	438 1,251,923,116.44
i) becoming due and payable within one year	1439	439 1,251,943,835.62	440 1,251,923,116.44
ii) becoming due and payable after more than one year	1441	441 1,943,835.62	442 1,923,116.44
b) Non convertible loans	1443	443 1,250,000,000.00	444 1,250,000,000.00
i) becoming due and payable within one year	1445	445 0.00	446 0.00
ii) becoming due and payable after more than one year	1447	447 0.00	448 0.00
2. Amounts owed to credit institutions	1449	449 0.00	450 0.00
a) becoming due and payable within one year	1355	355 0.00	356 0.00
b) becoming due and payable after more than one year	1357	357 0.00	358 0.00
	1359	359 0.00	360 0.00

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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	42,672.94	23,054.12
a) becoming due and payable within one year	1369	42,672.94	23,054.12
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	2,910.40	2,920.40
a) Tax authorities	1393	2,910.40	2,910.40
b) Social security authorities	1395	0.00	0.00
c) Other creditors	1397	0.00	10.00
i) becoming due and payable within one year	1399	0.00	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	1,408,920,724.79	1,392,641,434.15

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Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494

Email : centralebilans@statec.etat.lu

RCSL Nr. : B86976

Matricule : 2002,2208,420

PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/01/2018 to ⁰² 31/12/2018 (in ⁰³ 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 3,846.87	714 5,388.27
5. Raw materials and consumables and other external expenses	1671 _____	671 -197,023.08	672 -93,693.76
a) Raw materials and consumables	1601 _____	601 0.00	602 0.00
b) Other external expenses	1603 10 _____	603 -197,023.08	604 -93,693.76
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 11 _____	621 -1,543.50	622 -6,405.20

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	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	0.00	0.00
a) derived from affiliated undertakings	1717	0.00	0.00
b) other income from participating interests	1719	0.00	0.00
10. Income from other investments and loans forming part of the fixed assets	1721	13,255,376.71	13,223,356.17
a) derived from affiliated undertakings	1723	13,255,376.71	13,223,356.17
b) other income not included under a)	1725	0.00	0.00
11. Other interest receivable and similar income	1727	0.00	0.00
a) derived from affiliated undertakings	1729	0.00	0.00
b) other interest and similar income	1731	0.00	0.00
12. Share of profit or loss of undertakings accounted for under the equity method	1663	0.00	0.00
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	16,488,099.34	22,837,297.80
14. Interest payable and similar expenses	1627	-12,817,875.51	-12,785,849.77
a) concerning affiliated undertakings	1629	0.00	0.00
b) other interest and similar expenses	1631	-12,817,875.51	-12,785,849.77
15. Tax on profit or loss	1635	-201,917.19	-1,305,867.00
16. Profit or loss after taxation	1667	16,528,963.64	21,874,226.51
17. Other taxes not shown under items 1 to 16	1637	-15,970.00	-20,890.00
18. Profit or loss for the financial year	1669	16,512,993.64	21,853,336.51

Annexure B
THE MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31/12/2018

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, 2018

Dear Shareholder,

We are pleased to provide you with the report on the activities of the Company for the financial year 2018 and to submit the annual accounts for the financial year ended on December 31, 2018 for approval, as well as the accompanying audit report issued by PWC 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, 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 2018 that affected the business performance of the Company, other than a continued structural improvement of the Ageas share price that led to an additional value adjustment on Securities held for an amount of EUR 16,488,099.34

3. Results for the financial year

Compared to the previous financial year, the result of the Company has decrease by EUR 5,340,342.87 (profit of EUR 16,512,993.64 in 2018 against a profit of EUR 21,853,336.51 in 2017). This decrease is mainly due to a partial reversal of value adjustment of EUR 16,488,099.34 booked on the Ageas SA/NV shares, whereas the partial reversal amounted to EUR 22,837,297.80 in 2017.

Tax of EUR 217,887.19 was composed of Luxembourg net wealth tax and a provision for CIT for the year 2018. The Company had carried forward losses to compensate the taxable result of 2018.

Other external charges totaling EUR 197,023.08 are detailed as follows:

- Bank charges	11,160.38
- Audit fees	49,140.00
- Legal fees	53,046.04
- Tax consulting fees	16,994.25
- Accounting, domiciliation, directorship and management fees	52,823.49
- Paying agent fees	8,601.04
- Luxembourg Chamber of Commerce and CSSF subscription fees	1,850.00
- Publication costs	1,915.29
- Other fees	<u>1,492.59</u>
Total	197,023.08

Other operating expenses amounting to EUR 1,543.50 relate to non-deductible VAT and tax penalties.

4. Balance sheet

4.1 Equity

The equity value amounts to EUR 155,878,579.83. 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 Financial assets

As at December 31, 2018, the Company held 3,968,254 Ageas SA/NV shares valued at EUR 152,658,731.38 compared to a net book value of EUR 136,170,632.04 at year-end 2017.

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 2018 amounted to EUR 38.47, the value adjustment was reversed for an amount of EUR 16,488,099.34 moving the value of the share portfolio to EUR 152,658,731.38. The purchase price of the shares amounted to EUR 1,030,515,881.00, so the value adjustment amounts to EUR

877,857,149.62 at year end 2018.

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 8 May and 17 October 2002 (the "Initial Ruling"), the Company 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, 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 28 January 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 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). Following this change, the Company has claimed that the depreciation of the Ageas shares could be deducted from the gross taxable margin.

On 12 April 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 2 May 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 have assessed Luxembourg income tax at the rate of 29.22% on a taxable basis of EUR 871,222.62 for 2013 and EUR 921,680.41 for 2014, resulting in an amount of additional tax for 2013 of EUR 254,571.25 and 2014 of EUR 269,315.02. If the tax administration would follow the same position for the tax years thereafter – which is highly likely – the taxable basis would amount to EUR 915,624.60 for the year 2015, EUR 915,635.67 for 2016, EUR 911,694.51 for 2017 and EUR 806,823.79 for 2018, resulting in an unexpected tax charge at the level of the Company for tax years 2015 to 2018 in an aggregate amount of approx. EUR 991,836.00.

4.4 Debtors and 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 6,259,038.45 are detailed as follows:

- interest accrued on the loan granted to Ageas Insurance International N.V. for EUR 2,009,760.27;
- cash at bank for EUR 3,890,167.88;
- other debtors for a total amount of EUR 359,110.30 composed of advances for corporate income tax and net wealth tax and VAT receivable.

The total liabilities amount to EUR 1,408,920,724.79. Said figure mainly results from capital and reserves for EUR 155,878,579.83 and the FRESH issued by the Company for EUR 1,250,000,000.00. The interest accrued on FRESH amount to EUR 1,943,835.62.

5. Allocation of the result

The financial year 2018 ended with a profit of EUR 16,512,993.64. The Board of Directors proposes to allocate the result as follows:

profit as of December 31, 2018	EUR	16,512,993.64
<u>loss brought forward</u>	<u>EUR</u>	<u>(891,237,295.07)</u>
<u>total loss</u>	<u>EUR</u>	<u>(874,724,301.43)</u>
to carry forward	EUR	(874,724,301.43)

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 2018; 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 A (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. 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 Shareholder 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 statement

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 Audit Committee;
- The Annual General Meeting of Shareholder;
- The Board of Directors.

The annual general meeting of Shareholder

Any regularly constituted meeting of Shareholder of the Company represents the entire body of Shareholder.

Subject to all other powers reserved to the Board of Directors by law or the Articles of Incorporation, the meeting of Shareholder 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 Shareholder (the "Board of Directors"). The members of the Board of Directors will be elected by the general meeting of Shareholder, 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 Shareholder. 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 Shareholder, which shall ratify such co-optation or elect a new member of the Board of Directors instead. The Shareholder 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 Shareholder 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 Shareholder. 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, 2018 the Board of Directors, elected by the Shareholder at a general meeting, was composed as follows:

- 1) Ms. Laurence BIVER, born in Luxembourg (Luxembourg) on 06/01/1971, residing professionally at 6, rue Eugène Ruppert, L-2453 Luxembourg, was nominated as a director on 19/02/2018. Ms. BIVER is also expert Accounting Services at Intertrust (Luxembourg) S.à r.l.;
- 2) Mr. Koen Adrien DEVOS born on 06/04/1975 in Deinze, Belgium, professionally residing at Markiesstraat 1, 1000, Brussels, Belgium, was nominated as a director on 29/06/2018. Mr. DEVOS is also Director Treasury, Financing & Rating at Ageas;
- 3) Mr. Ajay Kumar GARG, born in Jalandhar, on 29/03/1980, residing professionally at Markiesstraat 1, 1000, Brussels, Belgium, was nominated as a director on 10/10/2018. Mr. GARG is also Group Director Capital Management, Treasury & FCG at Ageas;
- 4) Mr. Antoine GUYOT, company director, born in Boulogne-sur-Mer (France), on 02/04/1974, residing professionally at 6, rue Eugène Ruppert, L-2453, Luxembourg, was nominated as a director on 13/10/2017. Mr. Antoine Guyot was also Manager Accounting Services at Intertrust (Luxembourg) S.à r.l. Mr. GUYOT has resigned as of 11/02/2019 and was replaced by Mr. Nikola KALEZIC;
- 5) Mr. Emiel KRUIZINGA, born in Groningen (Netherlands), on December 31/10/1983, residing professionally at 6, rue Eugène Ruppert, L-2453, Luxembourg, was nominated as a director on 19/02/2018. Mr. KRUIZINGA was also Manager Legal&Corporate at Intertrust (Luxembourg) S.à r.l. Mr. KRUIZINGA has resigned as of 04/02/2019 and was replaced by Mr. BARCAGLIONI.

The Audit Committee

Amongst the board members the shareholder meeting appointed two non-executive members, respectively Laurence BIVER and Antoine GUYOT (chairman), resigned as of 11/02/2019 and replaced by Mr. Nikola KALEZIC to reside in the audit committee of the Company. 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.

Financial reporting process

The financial information is prepared on a monthly 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.

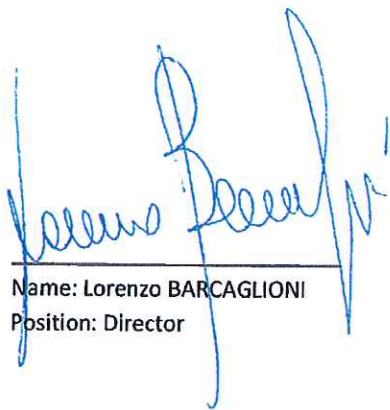
The Company does not own its own shares and has no branch.

8. Subsequent events

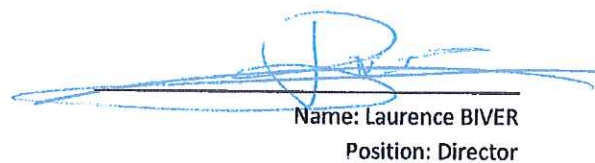
Since January 1, 2019, no significant commitment has been entered into by the Company.

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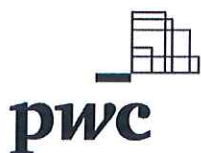


Name: Lorenzo BARCAGLIONI
Position: Director



Name: Laurence BIVER
Position: Director

Annexure C
STATUTORY (RÉVISEUR D'ENTREPRISES AGRÉÉ) AUDITOR'S REPORT FOR THE FINANCIAL YEAR
ENDED 31/12/2018



Audit report

To the Shareholder of
Ageasfinlux S.A.

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Ageasfinlux S.A. (the "Company") as at 31 December 2018, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit Committee or equivalent.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2018;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

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

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud).

These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the Key audit matter

Valuation of loans to affiliated undertakings

As described in Note 2.2, loans to affiliated undertakings recorded at cost less durable losses are material to the annual accounts (total carrying value amounting to 1.25 billion EUR as at 31 December 2018) and consist of subordinated bonds issued by Ageas Insurance International N.V. that the Company has subscribed to. This balance represents 89% of the total assets of the Company.

Due to the significance of the Company's exposure towards Ageas Insurance International N.V. and the potential impact this can have on the ability of the Company to meet its contractual obligations, we consider the valuation of loans to affiliated undertakings as a key audit matter.

Our procedures concerning the valuation of loans to affiliated undertakings included, but not limited to, the following:

- We obtained and analyzed the approved financial statements of Ageas Insurance International N.V. for the year ended 31 December 2018 to assess whether it is solvent and able to fulfill its obligations.
- We inspected whether the interest coupon was timely paid by Ageas Insurance International N.V. to the Company by checking the bank statements.
- We obtained a confirmation form Ageas Insurance International N.V. regarding the amount of the loan outstanding as at 31 December 2018 and traced it to accounting records.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation 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.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

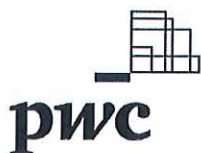
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Company's website www.ageas.com/about/governance, is the responsibility of the Board of Directors. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" of the Company by the General Meeting of the Shareholders on 29 June 2018 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.



Other matter

The Corporate Governance Statement includes, when applicable, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 28 June 2019

A handwritten signature in black ink, appearing to be "Pierre Mallet", written over a horizontal line. The signature is stylized with a large loop at the end.

Pierre Mallet

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

WRITTEN RESOLUTIONS OF THE SOLE SHAREHOLDER

THE UNDERSIGNED,

Ageas Insurance International N.V., a company incorporated under the laws of Kingdom of Belgium, having its registered office at 1, Markiesstraat, 1000, Brussels, Kingdom of Belgium, being the sole owner of 103,060,288 shares of the Company, representing 100% of the Company's issued share capital and voting rights (the **Sole Shareholder**)

HEREBY AGREES and RESOLVES:

1. to **CONFIRM** and **APPROVE** the audited financial statements of the Company comprised of the balance sheet, the profit and loss account and the notes for the financial year ended on 31/12/2018 (together the **Audited Annual Accounts**) as attached hereto as Annexure A.
2. to **CONFIRM** and **APPROVE** the management report for the financial year ended 31/12/2018 attached hereto as Annexure B and the statutory (*réviseur d'entreprises agréé*) auditor's report for the financial year ended 31/12/2018 attached hereto as Annexure C;
3. to **CONFIRM** and **APPROVE** the allocation of the result of the Company in relation to the financial year ended 31/12/2018 as recommended by the Board of Directors;

to confirm that according to the Audited Annual Accounts, the result for the year amounted to a **profit of EUR 16,512,993.64**.

In light of the current financial situation of the Company, to **RESOLVE** that the profit be retained to offset the losses arising from previous years in the following manner:

(i)	Loss brought forward from previous years	EUR	(891,237,295.07)
(ii)	Result for the financial year	EUR	16,512,993.64

(iii)	<u>To be carried forward to the next financial year</u>	<u>EUR</u>	<u>(874,724,301.43)</u>
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4. to **CONFIRM** and **APPROVE** full and entire discharge of the Board of Directors of the Company (including the Directors who resigned) for the exercise of their mandate for the financial year ended 31/12/2018;
5. to **CONFIRM** and **APPROVE** discharge of the statutory (*réviseur d'entreprises agréé*) auditor of the Company for the exercise of their mandate for the financial year ended 31/12/2018;
6. to **CONFIRM** and **APPROVE** the re-appointment of PricewaterhouseCoopers Luxembourg (the PwC) Société coopérative, incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 2 rue Gerhard Mercator, L- 2182, Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 65 477 as statutory (*réviseur d'entreprises agréé*) auditor of the Company until the next annual general meeting considering the annual accounts for the financial year ended 31/12/2019;
7. to **AUTHORISE** any employee of Intertrust (Luxembourg) S.à r.l., to undertake the necessary action(s) required to file and register the Audited Annual Accounts and the changes mentioned in the resolutions with the Luxembourg Trade and Companies' Register, and to proceed with any required publication in the Recueil Electronique des Sociétés et Associations (RESA).

(Remainder of the page intentionally left blank – Signature page follows)

NOTE: These resolutions have been unconditionally and irrevocably proposed by the board of directors of the Company in accordance with the articles of association and the law of 10 August 1915 on commercial companies as amended from time to time.

By: **Ageas Insurance International N.V.**

Title: Sole Shareholder


Duly represented by:

Place:

Date:



Bank de Scheer
Geo
05/07/2019



ANTONIO CARR
BOARD MEMBER
05/07/2019