

Ageas Hybring Financing S.A.

Interim financial information
for the six months period ended
June 30, 2011

(with the review report of the
Réviseur d'Entreprises agréé thereon)

65, Bd. Grande-Duchesse Charlotte
L-1331 Luxembourg
R.C.S.: Luxembourg B 116.671

Ageas Hybrid Financing S.A.

Balance Sheet
As at June 30, 2011
(expressed in euro)

	Notes	30.06.2011	31.12.2010
ASSETS			
Fixed assets			
Financial assets			
Loans to affiliated undertakings	3	750,000,000	750,000,000
Fixed asset loans	4	<u>872,281,528</u>	<u>872,281,528</u>
		1,622,281,528	1,622,281,528
Current assets			
Debtors			
Amounts owed by affiliated undertakings	8		
becoming due and payable within one year		2,246,164	25,288,973
Other debtors			
becoming due and payable within one year	8	17,051,295	33,567,519
Cash at bank		<u>913,494</u>	<u>808,198</u>
		20,210,953	59,664,690
Prepayments and accrued income		12,524,876	15,034,263
		<u><u>1,655,017,357</u></u>	<u><u>1,696,980,481</u></u>
LIABILITIES			
Capital and reserves			
Subscribed capital	5		
Reserves	5.1	32,000	32,000
Legal reserve	5.2	3,200	3,200
Other reserves		33,444	15,594
Profit brought forward		360,274	663,907
Profit for the financial period/year		<u>109,234</u>	<u>214,217</u>
		538,152	928,918
Provisions			
Provisions for taxation	10	127,561	314,171
Non-subordinated debt			
Non-convertible bonds			
becoming due and payable after more than one year	6	1,622,281,528	1,622,281,528
Other creditors			
becoming due and payable within one year	7	<u>19,567,604</u>	<u>58,427,868</u>
		1,641,849,132	1,680,709,396
Accruals and deferred income		12,502,512	15,027,996
		<u><u>1,655,017,357</u></u>	<u><u>1,696,980,481</u></u>

The accompanying notes form an integral part of this interim financial information.

Ageas Hybrid Financing S.A.

Profit and loss account
For the six-month period ended June 30, 2011
(expressed in euro)

	Notes	From 01.01.11 to 30.06.2011	From 01.01.10 to 31.12.10
CHARGES			
Other external charges		62,324	141,248
Other operating charges		500	85,128
Interest payable and other financial charges other interest and charges	7	62,194,325	128,817,565
Tax on profit	10	43,387	84,174
Profit for the financial period/year		109,234	214,217
		<u>62,409,770</u>	<u>129,342,332</u>
INCOME			
Other operating income		1	4,312
Other interest and other financial income from affiliated undertakings	8	23,600,225	46,193,718
other interest and financial income		38,809,544	83,144,302
		<u>62,409,770</u>	<u>129,342,332</u>

The accompanying notes form an integral part of this interim financial information.

Ageas Hybrid Financing S.A.

Notes to the interim financial information
for the six-month period ended June 30, 2011

1 General

Fortis Hybrid Financing S.A. (the “Company”) is a Luxembourg company, which was incorporated on May 24, 2006 under the laws of Luxembourg as a Société Anonyme, for an unlimited period.

The Company has its registered 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 116.671. The financial year starts on January 1st and is ended on December 31.

The object of the Company is the issuing of securities ranking pari passu among themselves, qualifying as solvency for Ageas SA/NV, Ageas N.V. and the group of companies owned and/or controlled by them (the “Ageas Group”) and to invest the proceeds thereof in instruments issued or loans entered into by any of the Ageas Group operating companies that qualify as solvency for such Group entity, with the exclusion of ordinary shares. The Company shall not carry out any activities falling within the scope of the law of April 3, 1993 on the financial sector as amended.

The Company is included in the consolidated accounts of Ageas, composed of Ageas SA/NV, with registered office at Rue Royale 20, B-1000 Brussels, and Ageas N.V., with registered office at Archimedeslaan 6, NL-3584 BA Utrecht, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The consolidated accounts are available at each of the above-mentioned addresses.

2 Significant accounting policies

This interim financial information is prepared in accordance with legal requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg.

2.1 Currency conversion

The subscribed capital of the Company is expressed in euro (“EUR”) and this interim financial information is established in EUR.

During the period, transactions, income and expenses in currencies other than EUR are 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.

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

2.2 Formation expenses

The formation expenses of the Company were directly charged to the profit and loss account in 2006.

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Notes to the interim financial information
for the six-month period ended June 30, 2011
(continued)

2.3 Financial assets

Financial assets are stated at historical cost less any permanent impairment. Dividends are recognized when received.

2.4 Debtors

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

2.5 Issue premium and underwriting fees

- Issue premium and underwriting fees relating to the issuance of the “5.155% - June 2006 – 175 million EUR – Perpetual Subordinated Loan to AG Insurance S.A. (formerly Les Assurances de Fortis Banque S.A.)” and “5.155% - June 2006 – 325 million EUR – Perpetual Subordinated Loan to AG Insurance S.A. (formerly Fortis AG S.A.)” are amortised on a linear basis over 10 years based on the fixed interest period;
- Underwriting fees relating to the issuance of the “8.28% - February 2008 – 750 million USD – Perpetual Subordinated Loan to Fortis Bank S.A./N.V.” are amortised on a linear basis over 5.5 years based on the first call date;
- Underwriting fees relating to the issuance of the “8.03% - June 2008 – 375 million EUR – Perpetual Subordinated Loan to Fortis Bank S.A./N.V.” and “8.03% - June 2008 – 250 million EUR – Perpetual Subordinated Loan to AG Insurance S.A. (formerly Fortis Insurance Belgium S.A./N.V.)” are amortised on a linear basis over 5 years based on the first call date.

The issue premium and underwriting fees on the Perpetual Securities are accounted for and amortised on the same basis as the related Perpetual Subordinated Loans.

2.6 Creditors

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

2.7 Interest income and expenses

Interest income and expenses are recorded on an accrual basis.

Ageas Hybrid Financing S.A.

Notes to the interim financial information
for the six-month period ended June 30, 2011
(continued)

3 Loans to affiliated undertakings

As at June 30, 2011, the Company has granted the following Perpetual Subordinated loans to affiliated companies:

Type of loan	Counterpart	Rate	Issuance year	Amount EUR
Perpetual Subordinated loan	AG Insurance S.A. (formerly granted to Les Assurances de Fortis Banque S.A.)	5.155%	2006	175,000,000
Perpetual Subordinated loan	AG Insurance S.A. (formerly granted to Fortis AG S.A.)	5.155%	2006	325,000,000
Perpetual Subordinated loan	AG Insurance S.A. (formerly granted to Fortis Insurance Belgium SA/NV)	8.03%	2008	250,000,000
				<u>750,000,000</u>

4 Fixed asset loans

As at June 30, 2011, the Company has granted the following Perpetual Subordinated loans:

Type of loan	Counterpart	Rate	Issuance year	Amount EUR
Perpetual Subordinated loan (USD 750,000,000)	Fortis Bank SA/NV	8.28%	2008	497,281,528
Perpetual Subordinated loan	Fortis Bank SA/NV	8.03%	2008	375,000,000
				<u>872,281,528</u>

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Notes to the interim financial information
for the six-month period ended June 30, 2011
(continued)

5 Capital and reserves

Changes in capital and reserves during the period ended June 30, 2011 were as follows
(in EUR):

	Subscribed capital	Legal reserve	Other reserves	Result brought forward	Result for the period	Total
Capital and reserves as at December 31, 2010	32,000	3,200	15,594	663,907	214,217	928,918
Allocation of the result for the year 2010	-	-	17,850	-	(17,850)	-
Dividend paid	-	-	-	(303,633)	(196,367)	(500,000)
Result for the period 2011	-	-	-	-	109,234	109,234
Capital and reserves as of June 30, 2011	32,000	3,200	33,444	360,274	109,234	538,152

5.1 Subscribed capital

The subscribed and fully paid capital of EUR 32,000 consists of 320 shares with a nominal value of EUR 100 each.

5.2 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

In accordance with paragraph 8a of the net wealth tax law, the Company has deducted from its tax basis for net wealth tax, the net wealth tax incurred, until the maximum equals to the tax on profit. The annual general meeting of the Company allocated an amount equal to five times the net wealth tax deducted to a special reserve. This reserve is to be maintained for the five taxable years following the year of allocation.

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Notes to the interim financial information
for the six-month period ended June 30, 2011
(continued)

5.3 Reserves (continued)

Other reserves are analysed as follows (in EUR)

	30.06.2011	31.12.2010
Special reserve in relation to the 2007 net wealth tax	1,600	1,600
Special reserve in relation to the 2008 net wealth tax	3,644	3,644
Special reserve in relation to the 2009 net wealth tax	10,350	10,350
Special reserve in relation to the 2010 net wealth tax	17,850	-
Other reserves	<u>33,444</u>	<u>15,594</u>

6 Non-convertible bonds becoming due and payable after more than one year

Non-convertible bonds becoming due and payable after more than one year are made up as follows:

Type of debt	Rate	Issuance year	Amount EUR
Perpetual Securities (HYBRONE)	5.125%	2006	500,000,000
Perpetual Securities (NITSH I)	8.25%	2008	497,281,528
Perpetual Securities (NITSH II)	8%	2008	625,000,000
			<u>1,622,281,528</u>

The 500,000 Perpetual Securities of EUR 1,000 each (HYBRONE) were issued in 2006 at a price of 99.312%, thus generating an Issue Premium of EUR 3,440,000. In the context of the issuing of the Perpetual Securities (HYBRONE), the Company incurred underwriting fees for an aggregate amount of EUR 4,100,000.

The 375,000 Perpetual Securities of USD 2,000 each (NITSH I) were issued at a price of 100%, and generating underwriting fees of USD 15,375,000 (EUR 10,194,271).

The 625,000 Perpetual Securities of EUR 1,000 each (NITSH II) were issued at a price of 100%, and generating underwriting fees of EUR 12,352,914.

The non convertible bonds are listed on Luxembourg Stock Exchange.

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Notes to the interim financial information
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(continued)

7 Other interest and charges

Interest expense on the non-convertible bonds issued amount to EUR 59,162,886 (from January 1, 2010 to December 31, 2010: EUR 122,867,606), of which EUR 18,977,467 (December 31, 2010: EUR 58,380,301) are accrued at period-end.

8 Other interest and other financial income

Interest income on the loans to affiliated undertakings amount to EUR 22,736,575 (from January 1, 2010 to December 31, 2010: EUR 45,850,000), of which EUR 2,246,164 (December 31, 2010: EUR 25,288,973) are accrued at period-end.

Interest income on other loans amount to EUR 36,672,441 (from January 1, 2010 to December 31, 2010: EUR 77,527,358), of which EUR 16,802,305 (December 31, 2010: EUR 33,336,964) are accrued at period-end.

9 Fees billed by KPMG Audit S.à r.l.

Fees billed (excluding VAT) to the Company by KPMG Audit S.à r.l during the financial period are as follows (in EUR):

	From 01.01.2011 to 30.06.2011	From 01.01.2010 to 31.12.2010
Audit fees KPMG	<u>21,793</u>	<u>37,962</u>
	<u><u>21,793</u></u>	<u><u>37,962</u></u>

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

10 Taxation

The Company is subject in Luxembourg to the general tax regulations.