

<b>40</b>				<b>1</b>	<b>EUR</b>	
NAT.	Date of the deposition	No. 0451.406.524	pp.	E.	D.	C 1

**ANNUAL ACCOUNTS AND OTHER DOCUMENTS TO BE DEPOSITED  
IN ACCORDANCE WITH THE COMPANIES CODE**

**IDENTIFICATION**

NAME: **Ageas SA/NV**

Legal form: **PLC**

Address: **Markiesstraat**

Nr.: **1**

Postal Code: **1000**

Gemeente: **Brussel 1**

Country: **Belgium**

Register of Legal Persons (RLP) - Office of the commercial court at: **Brussel, Dutch-speaking**

Internet address : <sup>1</sup>

Company number: **0451.406.524**

DATE **24/05/2016** of the deposition of the partnership deed OR of the most recent document mentioning the date of publication of the partnership deed and the act changing the articles of association.

ANNUAL ACCOUNTS **IN EURO (2 decimals)** <sup>2</sup>

ANNUAL ACCOUNTS approved by by the General Meeting of **16/05/2018**

concerning the financial year covering the period from **01/01/2018** till **28/02/2018**

Previous period from **01/01/2017** till **31/12/2017**

The amounts of the previous financial year are / ~~are not~~ <sup>3</sup> identical to those which have been previously published.

Total number of pages deposited: **10**  
of service:

Number of the pages of the standard form not deposited for not being

Signature  
(name and position)

**Jozef De Mey**  
President of the Board of Directors

Signature  
(name and position)

**Bart De Smet**  
CEO

<sup>1</sup> Optional statement.

<sup>2</sup> If necessary, adjust the unit and currency in which the amounts are expressed

<sup>3</sup> Delete where appropriate.

<b>ANNUAL ACCOUNTS</b>
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**BALANCE SHEET AFTER APPROPRIATION**

	Notes	Codes	Period	Previous period
<b>ASSETS</b>				
<b>FORMATION EXPENSES</b> .....	6.1	20		
<b>FIXED ASSETS</b> .....		21/28	6.791.846.550,00	
<b>Intangible fixed assets</b> .....	6.2	21	811.154,00	
<b>Tangible fixed assets</b> .....	6.3	22/27	380.368,00	
Land and buildings .....		22		
Plant, machinery and equipment .....		23	45.724,00	
Furniture and vehicles .....		24	22.892,00	
Leasing and other rights .....		25		
Other tangible fixed assets .....		26	311.752,00	
Tangible assets under construction and advance payments made .....		27		
<b>Financial fixed assets</b> .....	6.4 / 6.5.1	28	6.790.655.028,00	
Affiliated enterprises .....	6.15	280/1	6.786.159.584,00	
Participating interests .....		280	6.436.159.584,00	
Amounts receivable .....		281	350.000.000,00	
Other enterprises linked by participating interests .....	6.15	282/3	4.482.941,00	
Participating interests .....		282	4.482.941,00	
Amounts receivable .....		283		
Other financial assets .....		284/8	12.503,00	
Shares .....		284		
Amounts receivable and cash guarantees .....		285/8	12.503,00	

	Notes	Codes	Period	Previous period
<b>CURRENT ASSETS</b> .....		29/58	<u>1.205.868.363,00</u>	<u></u>
<b>Amounts receivable after more than one year</b> .....		29		
Trade debtors .....		290		
Other amounts receivable .....		291		
<b>Stocks and contracts in progress</b> .....		3		
Stocks .....		30/36		
Raw materials and consumables .....		30/31		
Work in progress .....		32		
Finished goods .....		33		
Goods purchased for resale .....		34		
Immovable property intended for sale .....		35		
Advance payments .....		36		
Contracts in progress .....		37		
<b>Amounts receivable within one year</b> .....		40/41	248.270.741,00	
Trade debtors .....		40	1.935.029,00	
Other amounts receivable .....		41	246.335.712,00	
<b>Current investments</b> .....	6.5.1 / 6.6	50/53	712.308.382,00	
Own shares .....		50	271.674.513,00	
Other investments and deposits .....		51/53	440.633.869,00	
<b>Cash at bank and in hand</b> .....		54/58	229.686.973,00	
<b>Deferred charges and accrued income</b> .....	6.6	490/1	15.602.267,00	
<b>TOTAL ASSETS</b> .....		20/58	7.997.714.913,00	

	Notes	Codes	Period	Previous period
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b> .....		10/15	<u>5.945.568.446,00</u>	
<b>Capital</b> .....	6.7.1	10	1.549.559.623,00	
Issued capital .....		100	1.549.559.623,00	
Uncalled capital <sup>4</sup> .....		101		
<b>Share premium account</b> .....		11	2.246.659.341,00	
<b>Revaluation surpluses</b> .....		12		
<b>Reserves</b> .....		13	1.992.388.764,00	
Legal reserve .....		130	14.485.375,00	
Reserves not available .....		131	271.674.513,00	
In respect of own shares held .....		1310	271.674.513,00	
Others .....		1311		
Untaxed reserves .....		132		
Available reserves .....		133	1.706.228.876,00	
<b>Accumulated profits (losses)</b> .....(+)/(-)		14	156.960.718,00	
<b>Investment grants</b> .....		15		
<b>Advance to associates on the sharing out of the assets</b> <sup>5</sup> .....		19		
<b>PROVISIONS AND DEFERRED TAXES</b> .....		16	<u>1.601.127.000,00</u>	
<b>Provisions for liabilities and charges</b> .....		160/5	1.601.127.000,00	
Pensions and similar obligations .....		160		
Taxation .....		161		
Major repairs and maintenance .....		162		
Environmental liabilities .....		163		
Other risks and costs .....	6.8	164/5	1.601.127.000,00	
<b>Deferred taxes</b> .....		168		

4 Amount to be deducted from the issued capital.

5 Amount to be deducted from the other components of equity.

	Notes	Codes	Period	Previous period
<b>AMOUNTS PAYABLE</b> .....		17/49	451.019.467,00	
<b>Amounts payable after more than one year</b> .....	6.9	17		
Financial debts .....		170/4		
Subordinated loans .....		170		
Unsubordinated debentures .....		171		
Leasing and other similar obligations .....		172		
Credit institutions .....		173		
Other loans .....		174		
Trade debts .....		175		
Suppliers .....		1750		
Bills of exchange payable .....		1751		
Advances received on contracts in progress .....		176		
Other amounts payable .....		178/9		
<b>Amounts payable within one year</b> .....	6.9	42/48	433.577.681,00	
Current portion of amounts payable after more than one year falling due within one year .....		42		
Financial debts .....		43		
Credit institutions .....		430/8		
Other loans .....		439		
Trade debts .....		44	7.520.920,00	
Suppliers .....		440/4	7.520.920,00	
Bills of exchange payable .....		441		
Advances received on contracts in progress .....		46		
Taxes, remuneration and social security .....	6.9	45	4.630.252,00	
Taxes .....		450/3	174.595,00	
Remuneration and social security .....		454/9	4.455.657,00	
Other amounts payable .....		47/48	421.426.509,00	
<b>Accrued charges and deferred income</b> .....	6.9	492/3	17.441.786,00	
<b>TOTAL LIABILITIES</b> .....		10/49	7.997.714.913,00	

## VALUATION RULES

### Incorporation expenses

Expenses relating to a capital increase or an issue of shares and convertible and non-convertible notes are amortized over a maximum period of five years

### Financial fixed assets

Financial fixed assets consist only of ownership interests and receivables in Ageas companies. They are accounted for their acquisition price excluding acquisition costs.

Associates and equities reported under "Financial assets" are impaired in case of permanent and unfavorable changes in the condition, the profitability or prospects of the corresponding underlying entities.

Receivables, including financial instruments with a fixed income, reported under "Financial assets" are impaired when uncertainty exists with regard to (a part of) the payment on the due date.

### Provisions

The provisions for risks and costs are recognized to cover clearly described losses or costs which are certain or probable at reporting date but for which the amount is uncertain. These provisions should comply with the criteria of prudence, genuineness and good faith.

The provisions for risks and costs are set up on an individual basis taking into account the nature of the risk and costs they need to cover.

### Receivables

Receivables are accounted for at fair value or at acquisition price.

### Short term investments and cash

Securities are recorded at acquisition price.

Cash and cash equivalents are impaired when the fair value is lower than the acquisition value as at the reporting date.

### Conversion of assets and liabilities in foreign currencies

Assets and liabilities in foreign currencies are converted in euro at the exchange rate at the end of the financial year.

Gains or losses from these conversions and exchange rate differences in connection with transactions in the course of the financial year are taken to the income statement.

### RPN(I)

#### Valuation

Ageas applies a transfer notion to arrive at the fair value of the RPN(I) liability. Fair value is defined in IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The definition is explicitly described as an exit price, linked with the price 'paid to transfer a liability'. When such pricing is not available and the liability is held by another entity as an asset, the liability needs to be valued from the perspective of the market participant that holds the asset. Ageas values its liability at the reference amount.

The RPN reference amount is based on the CASHES price and Ageas share price. The reference amount increased from EUR 448,0 million at year-end 2017 to EUR 491,6 million at 28 February 2018, predominantly due an increase of the CASHES price from 85,94% to 91,56% at February 28 2018, partly compensated by a increase of the Ageas share price from EUR 40,72 to EUR 43,15 over the same period. The reference amount increased with EUR 43,6 million.

### Pension plan

The Company has a pension plan of the "defined contribution" type for its employees, with a minimum return guaranteed by law. The Company processes this pension plan in accordance with the intrinsic value method. According to this method, the pension obligation is based on the sum of the positive differences between the minimum reserve guaranteed by law on the calculation date (calculated by capitalising past contributions at the minimum guaranteed return rate, up to the calculation date) and the real accrued reserves (the reserves are calculated by capitalising the past contributions at the technical interest rate, taking profit-sharing into account, up to the calculation date)."

## OTHER INFORMATIONS TO DISCLOSE

### I. Contingent liabilities related to legal proceedings

Like any other financial group, Ageas Group is involved as a defendant in various claims, disputes and legal proceedings arising in the ordinary course of its business.

In addition, as a result of the events and developments surrounding the former Fortis Group between May 2007 and October 2008 (e.g. acquisition of parts of ABN AMRO and capital increase in September/October 2007, announcement of the solvency plan in June 2008, divestment of banking activities and Dutch insurance activities in September/October 2008), Ageas is or may still become involved in a series of legal proceedings and in a criminal procedure pending in Belgium.

Ageas denies and will continue to challenge all allegations of wrongdoing. If these proceedings were to be successful, this could have substantial consequences for Ageas's financial position. Such consequences remain unquantifiable at this stage.

On 14 March 2016 Ageas entered into a settlement agreement with several claimant organisations that represent a series of shareholders in collective claims before the Belgian and Dutch courts (the "Settlement"). On 23 May 2016 the parties to the Settlement, i.e. Ageas, Deminor, Stichting FortisEffect, Stichting Investor Claims Against Fortis, VEB and Stichting FORsettlement have requested the Amsterdam Court of Appeal to declare the settlement binding for all eligible Fortis shareholders who will not opt out before the expiry of a given period, in accordance with the Dutch Act on Collective Settlement of Mass Claims (Wet Collectieve Afwikkeling Massaschade). In the meantime Ageas also reached an agreement with Mr Arnauts and Mr Lenssens, two Brussels based attorneys who launched legal action against Ageas on behalf of a number of claimants, and in 2017 with the Luxembourg based company Archand s.à.r.l. and affiliated persons, to support the settlement.

The Settlement will only be final (i) if the Amsterdam Appeal Court has declared the Settlement binding and (ii) if at the end of the opt-out period, the agreed opt-out ratio has not been exceeded or Ageas has waived its termination right. On 24 March 2017, the Amsterdam Appeal Court held a public hearing during which it heard the request to declare the Settlement binding as well as the arguments that were submitted against it. On 16 June 2017, the court took the interim decision not to declare the Settlement binding in its current format. The petitioners have been offered the opportunity to submit a supplemented and amended agreement to the court by 17 October 2017 at the latest. As per 16 October 2017, Ageas had decided to make a final additional effort of EUR 100 million (and has confirmed this decision in a press release).

An extension of the filing period for 8 weeks was requested to the court on 16 October 2017. The court granted the request. Per 12 December 2017, the parties submitted a supplemented and amended settlement agreement. A public hearing focusing only on the fees for and earning models of the claimant organisations will be held in Amsterdam on 16 March 2018, a second public hearing focusing on the merits of the settlement proposal will be held per 27 March 2018.

#### A. Proceedings covered by the Settlement

##### 1. CIVIL PROCEEDINGS INITIATED BY SHAREHOLDERS OR ASSOCIATIONS OF SHAREHOLDERS

A provision of EUR 1.1 billion has been recognized for the Settlement, including a provision of EUR 52 million related to the tail risk, estimated at 4% of the total settlement amount (see note 26 Provisions).

The parties to the Settlement agreed to suspend the legal proceedings initiated against Ageas and instructed their lawyers accordingly. In addition, since the filing of the request with the Amsterdam Appeal Court, all legal proceedings in the Netherlands, mentioned below in section 1.1 are suspended by operation of law.

The parties also committed to finally terminate their legal proceedings when the settlement has become final. Deminor will use its best efforts to terminate proceedings in which it is involved by requesting its constituents to provide instructions to terminate the proceeding in accordance with Article 821 BJC.

These proceedings, both in Belgium and in the Netherlands, (i) aim at the payment of compensatory damages based on alleged miscommunication and/or market abuse committed, by Fortis during the period between May 2007 and October 2008 and/or (ii) are (in)directly related to the transactions in September/October 2008.

##### 1.1 In the Netherlands

###### 1.1.1 VEB

On 19 January 2011, VEB (Vereniging van Effectenbezitters) initiated a collective action before the Amsterdam District Court seeking a ruling that various communications between September 2007 and 3 October 2008 constituted a breach of law by Fortis, by financial institutions involved in the September/October 2007 capital increase, and/or by certain of Fortis' former directors and executives. VEB characterises each of these breaches as an unlawful act by all or certain defendants and states that these defendants were therefore liable for the loss incurred by any (former) shareholder who bought shares during the relevant period. Inter alia, VEB alleges (against Fortis, certain of its former directors and executives and against the forementioned financial institutions) that the information provided in the September 2007 prospectus for the 9 October 2007 capital increase on Fortis' position exposure to the subprime situation, was incorrect and incomplete.

###### 1.1.2 Stichting FortisEffect

Stichting FortisEffect and a series of individuals represented by Mr De Gier appealed with the Amsterdam Appeal Court against the judgment of the Amsterdam District Court of 18 May 2011 that dismissed their collective action to invalidate the decisions taken by the Fortis Board in October 2008 and unwind the relevant transactions, or alternatively, to pay damages. On 29 July 2014 the Amsterdam Appeal Court decided that the sale of the Dutch Fortis entities in 2008 remains unaffected. However, it also ruled that during the period of 29 September through 1 October 2008 Fortis provided misleading and incomplete information to the markets. The Court concluded that Ageas should indemnify the damages suffered as a result thereof by the shareholders concerned. The damages, if any, should be decided upon and determined in further proceedings. Ageas has launched an appeal against the Court's decision with the Dutch Supreme Court in

## OTHER INFORMATIONS TO DISCLOSE

October 2014. FortisEffect equally appealed with the Supreme Court a.o. because the Appeal Court ruled that the communication of the Dutch State was not misleading. As FortisEffect's action against the Dutch State is not covered by the settlement, its appeal against the Dutch State was not suspended. On 30 September 2016 the Supreme Court rejected the appeal relating to the Dutch State's communication.

### 1.1.3 Stichting Investor Claims Against Fortis (SICAF)

On 7 July 2011, 'Stichting Investor Claims Against Fortis' ('SICAF'), a 'Stichting' (Foundation) under Dutch law, brought a collective action before the Utrecht Court based on alleged Fortis miscommunication on various occasions during 2007 and 2008. SICAF alleges, i.a. (against Fortis and against two financial institutions) that the information provided in the September 2007 prospectus for the 9 October 2007 rights issue on Fortis' position in and exposure to the subprime situation was incorrect and incomplete.

On 3 August 2012, the same SICAF, on behalf of and together with a number of identified (former) shareholders, brought a second action before the Utrecht Court against the same defendants and certain former Fortis directors and executives, claiming damages. The allegations in this second action are materially similar to the first action. In addition, the plaintiffs claim that Fortis failed in its solvency policy in the period 2007 and 2008.

### 1.1.4 Claims on behalf of individual shareholders

In proceedings initiated by a series of individuals represented by Mr Bos, the Utrecht Court decided on 15 February 2012 that Fortis and two co-defendants (the former CEO and the former financial executive) disclosed misleading information during the period from 22 May through 26 June 2008. The Court further ruled that separate proceedings were necessary to decide whether the plaintiffs had suffered damages, and if so, the amount of such damages. In the same proceedings, certain former Fortis directors and top executives requested the Court to acknowledge the alleged Ageas obligation to hold them harmless for the damages resulting from or relating to the legal proceedings initiated against them and resulting from their mandates within the Fortis group. An appeal against the Utrecht Court judgement was filed with the Arnhem Appeal Court. In appeal, Mr Bos claims damages for alleged miscommunication about (i) Fortis' subprime exposure in 2007/2008, about (ii) Fortis' solvency in January - June 2008, (iii) the remedies required by the European Commission in the context of the ABN AMRO take-over and (iv) Fortis' liquidity and solvency position on 26 September 2008.

Since 1 August 2014, Mr Meijer initiated five separate proceedings, each one on behalf of an individual claimant, before the Utrecht Court, claiming to compensate for the loss due to alleged miscommunication by Fortis in the period September 2007 to September 2008.

On 23 September 2014, a former Fortis shareholder initiated proceedings against Ageas before the Utrecht Court, claiming damages because of miscommunication by Fortis between 29 September 2008 and 1 October 2008 as stated in the 29 July 2014 FortisEffect decision. On 1 April 2015 the court decided that this procedure will be joined with the first two Meijer proceedings.

On 11 May 2015, a former Fortis shareholder initiated proceedings against Ageas and a former Fortis executive before the Amsterdam court, claiming damages because of miscommunication on Fortis' financial position.

### 1.1.5 Stichting Fortisclaim

On 10 June 2016 Stichting Fortisclaim brought a collective action against Ageas before the Utrecht Court based on (i) Fortis' management of the solvency planning after the takeover of ABN AMRO and (ii) Fortis' various communications in the period 24 May 2007 to 3 October 2008 on its subprime exposure, its solvency, its liquidity, and its position after the first rescue weekend in September 2008.

## 1.2 In Belgium

### 1.2.1 Modrikamen

On 28 January 2009, a series of shareholders represented by Mr Modrikamen brought an action before the Brussels Commercial Court initially requesting the annulment of the sale of ASR to the Dutch State and the sale of Fortis Bank to SFPI (and subsequently to BNP Paribas), or alternatively damages. On 8 December 2009, the Court inter alia decided that it was not competent to judge on actions against the Dutch defendants. On 17 January 2013, the Brussels Court of Appeal confirmed this judgment in this respect. In July 2014, Mr Modrikamen filed an appeal before the Supreme Court on this issue. On 23 October 2015 the Supreme Court rejected this appeal. To date the proceedings before the commercial court continue regarding the sale of Fortis Bank and aim at the payment of a compensation by BNP Paribas to Ageas, as well as by Ageas to the claimants. In an interim judgment of 4 November 2014, the court declared about 50% of the original claimants not admissible. On 29 April 2016 the Brussels Commercial Court decided to suspend the proceedings awaiting the outcome of the criminal procedure.

### 1.2.2 Deminor

On 13 January 2010, a series of shareholders associated with Deminor International (currently named DRS Belgium) brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of or misleading information by Fortis during the period from March 2007 to October 2008. On 28 April 2014, the court declared in an interim judgment about 25% of the claimants not admissible.

### 1.2.3 Other claims on behalf of individual shareholders

On 12 September 2012, Patripart, a (former) Fortis shareholder, and its parent company Patrinvest, brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of or misleading information in the context of the 2007 rights issue. On 1 February 2016 the court fully rejected the claim. On 16 March 2016, Patrinvest filed an appeal before the Brussels Appeal Court.

On 29 April 2013, a series of shareholders represented by Mr Arnauts brought an action before the Brussels Commercial Court, seeking damages based on alleged incomplete or misleading information by Fortis in 2007 and 2008; this action is suspended awaiting the outcome of the criminal proceedings.

On 25 June 2013, a similar action before the same court was initiated by two shareholders; those claimants ask for their case to be joined to the Deminor case. In the meantime, claimants agreed that their case be postponed sine die.

On 19 September 2013, certain (former) Fortis shareholders represented by Mr Lenssens initiated a similar action before the Brussels Civil Court; this action is suspended awaiting the outcome of the criminal proceedings.



## OTHER INFORMATIONS TO DISCLOSE

### B. Proceedings not covered by the Settlement

#### 2. ADMINISTRATIVE PROCEDURE IN BELGIUM

The Belgian Financial Services and Markets Authority ('FSMA') initiated an investigation on Fortis' external communication during the second quarter of 2008. On 17 June 2013, the Sanctions Commission decided that in the period May-June 2008 Fortis communicated too late or incorrectly on the remedies required by the European Commission in the context of the ABN AMRO take-over, on its future solvency position upon full integration of ABN AMRO and on the success of the NITSH II offer. Therefore, the Sanctions Commission levied a fine on Ageas of EUR 500,000. On 24 September 2015, the Brussels Appeal Court ruled on the decision of the FSMA Sanctions Commission, and decided to impose a reduced fine of EUR 250,000 on Ageas for misleading statements made on 12 June 2008. Because of procedural reasons, there were a French-speaking procedure and a Dutch-speaking procedure. In each procedure, a decision is taken by the Brussels Appeal Court per 24 September 2015. Ageas filed an appeal against the Court's French decision with the Supreme Court on 24 August 2016. Ageas filed an appeal against the Court's Dutch decision with the Supreme Court on 14 June 2017.

#### 3. CRIMINAL PROCEDURE IN BELGIUM

In Belgium, since October 2008 a criminal procedure is ongoing in relation to events mentioned above in the introduction to this chapter. In February 2013, the public prosecutor filed his written indictment with charges of (i) false annual accounts 2007 due to overestimation of subprime assets, (ii) enticement to subscribe the 2007 rights issue with incorrect information and (iii) publication of incorrect or incomplete information on subprime on various occasions between August 2007 and April 2008, for which charges he requested the Chambre du conseil/Raadkamer that certain individuals be referred for trial before the criminal court. As several interested parties requested and obtained additional investigative measures, the hearing before the Chambre du conseil/Raadkamer was postponed sine die. For the time being referral of Ageas is not being requested by the public prosecutor.

#### 4. OTHER LEGAL PROCEEDINGS

##### 4.1 Legal proceedings initiated by Mandatory Convertible Securities (MCS) holders

The Mandatory Convertible Securities (MCS) issued in 2007 by Fortis Bank Nederland (Holding) N.V. (now ABN AMRO Bank N.V.), together with Fortis Bank SA/NV (now BNP Paribas Fortis SA/NV), Fortis SA/NV and Fortis N.V. (both now ageas SA/NV), were mandatorily converted on 7 December 2010 into 106,723,569 Ageas shares. Prior to 7 December 2010, certain MCS holders unilaterally decided at a general MCS holders' meeting to postpone the maturity date of the MCS until 7 December 2030. However, at the request of Ageas, the President of the Brussels Commercial Court suspended the effects of this decision. Following 7 December 2010, the same MCS holders contested the validity of the conversion of the MCS and requested its annulment or, alternatively, damages for an amount of EUR 1.75 billion. On 23 March 2012, the Brussels Commercial Court ruled in favour of Ageas, dismissing all claims of the former MCS holders. Hence, the conversion of the MCS into shares issued by Ageas on 7 December 2010 remains legally valid and no compensation is due. Certain former MCS holders appealed against this judgment, claiming damages for a provisional amount of EUR 350 million and the appointment of an expert. A procedural hearing will be on 29 March 2018.

##### 4.2 Legal proceedings initiated by RBS

On 1 April 2014, Royal Bank of Scotland (RBS) initiated two legal actions against Ageas and other parties: (i) an action before the Brussels Commercial Court in which RBS claims an amount of EUR 75 million, based on an alleged guarantee given by Fortis in 2007 in the context of a share deal between ABN AMRO Bank (now RBS) and Mellon and (ii) an arbitration procedure before ICC in Paris in which RBS initially claimed a total amount of EUR 135 million, i.e. the alleged EUR 75 million guarantee and EUR 60 million arising from escrow provisions. In March 2016, RBS dropped this latter claim of EUR 60 million. Following the hearings in January 2017 in the ICC arbitration, RBS agreed to withdraw the proceedings before the Brussels Commercial Court. Per 29 January 2018, the ICC Tribunal has informed Ageas of its award in Ageas's favour. All RBS's claims are dismissed.

#### 5. HOLD HARMLESS UNDERTAKINGS

In 2008, Fortis granted certain former executives and directors, at the time of their departure, a contractual hold harmless protection covering legal expenses and, in certain cases, also the financial consequences of any judicial decisions, in the event that legal proceedings were brought against them on the basis of their mandates exercised within the Fortis group. Ageas contests the validity of the contractual hold harmless commitments to the extent they relate to the financial consequences of any judicial decisions.

Furthermore, and as standard market practice in this kind of operations, Ageas entered into agreements with certain financial institutions facilitating the placing of Fortis shares in the context of the capital increases of 2007 and 2008. These agreements contain indemnification clauses that imply hold harmless obligations for Ageas subject to certain terms and conditions. Some of these financial institutions are involved in certain legal proceedings mentioned in this chapter.

In the context of a settlement with the underwriters of D&O liability insurance and Public Offering of Securities Insurance policies relating to the events and developments surrounding the former Fortis Group in 2007 - 2008, Ageas granted a hold harmless undertaking in favour of the insurers for the aggregate amount of coverage under the policies concerned. In addition, Ageas granted certain indemnity and hold harmless undertakings in favour of certain former Fortis executives and directors and of BNP Paribas Fortis relating to future defence costs, as well as in favour of the directors of the two Dutch foundations created in the context of the Settlement.

#### 6. GENERAL OBSERVATIONS

If a (supplemented and amended) Settlement becomes final, the civil proceedings mentioned in section 1 may be settled, except for the claimants who timely opt out. These claimants can continue or start proceedings against Ageas. As mentioned above, a provision of EUR 1,1 billion has been recognized for the Settlement, including EUR 52 million for the tail risk.

If a (supplemented and amended) Settlement would not be implemented, the civil proceedings mentioned in section 1 may continue. In that case, without prejudice to any specific comment made elsewhere in this chapter, given the various stages, the continuously evolving nature and the inherent uncertainties and complexity of the current proceedings described herein, Ageas's management is not in a position to assess the outcome of the claims or actions brought against Ageas, nor can it determine whether they can be successfully contested or whether they might or might not result in significant losses in the Ageas Consolidated Financial Statements. Ageas will make provisions if and when, in the opinion of management and the Board of Directors, consulting with its legal advisors, it considers that, for these matters it is more likely than not that payments will need to be made by Ageas and that the relevant amounts can be reliably estimated.

## OTHER INFORMATIONS TO DISCLOSE

However, if any of these proceedings were to lead to negative consequences for Ageas or were to result in awarding monetary damages to plaintiffs claiming losses incurred as a result of Fortis miscommunication or mismanagement, this could have substantial consequences on Ageas's financial position. Such consequences remain unquantifiable at this stage.

### II. Liabilities for hybrid instruments of former subsidiaries

In 2007 BNP Paribas Fortis SA/NV issued CASHES (Convertible And Subordinated Hybrid Equity-linked Securities), with ageas SA/NV acting as co-obligor (BNP Paribas Fortis SA/NV was at that point in time a subsidiary). From the original 12,000 securities issued, 3,791 securities remain outstanding, representing a nominal amount of EUR 948 million.

The securities have no maturity date and cannot be repaid in cash, they can only be exchanged into Ageas shares at a price of EUR 239.40 per Ageas share. A mandatory exchange takes place if the price of the Ageas share is equal to or higher than EUR 359.10 on twenty consecutive stock exchange business days. BNP Paribas Fortis SA/NV owns 3,958,859 Ageas shares for the purpose of the potential exchange.

The sole recourse of the holders of the CASHES against any of the co-obligors with respect to the principal amount are the Ageas shares that BNP Paribas Fortis SA/NV holds, these shares are pledged in favour of such holders.

BNP Paribas Fortis SA/NV pays the coupon on the CASHES, in quarterly arrears, at a variable rate of 3 month Euribor plus 200 basis points, up to the exchange of the securities for Ageas shares. In the event that Ageas declares no dividend on its shares, or that the dividends to be declared are below a threshold with respect to any financial year (dividend yield less than 0.5%), and in certain other circumstances, coupons will mandatorily need to be settled by ageas SA/NV via issuance of new shares in accordance with the so called Alternative Coupon Settlement Method (ACSM), while BNP Paribas Fortis SA/NV would need to issue instruments that qualify as hybrid Tier 1 instruments to Ageas as compensation for the coupons paid by ageas SA/NV. If the ACSM is triggered and there is insufficient available authorised capital to enable ageas SA/NV to meet the ACSM obligation, the coupon settlement will be postponed until such time as the ability to issue shares is restored.

In an agreement reached in 2012, that amongst others led to the tender and subsequent conversion of CASHES, Ageas agreed to pay an annual indemnity to BNP Paribas Fortis SA/NV that equals the grossed up dividend on the shares that BNP Paribas Fortis SA/NV holds.

### III. Other contingent liabilities

Together with BGL BNP Paribas, Ageas Insurance International N.V. has provided a guarantee to Cardif Lux Vie S.A. for up to EUR 100 million to cover outstanding legal claims related to Fortis Lux Vie S.A., a former subsidiary of Ageas that was merged at year-end 2011 with Cardif Lux International S.A.

Furthermore, certain individual customers of Ageas France, a fully owned subsidiary of Ageas Insurance International, filed claims against Ageas France in connection with its alleged unilateral modification of the terms and conditions of a unit-linked product by on-charging certain transaction fees. In addition to claiming reimbursement of these fees, plaintiffs also claimed prejudice for lost opportunities for arbitrating between Unit-linked funds and a guaranteed fund using latest known value dates, as well as prohibition for on-charging of the fees. In November 2014 Paris Appeal Court confirmed the first instance decision allowing the claims and appointed experts to determine the scope of indemnification. Following an appeal filed by Ageas France with the French Supreme Court, on 8 September 2016 the French Supreme Court substantially annulled the Paris Appeal Court decision in favour of Ageas France and referred the case to the Versailles Appeal Court.