



Interim Financial Statements  
first half-year 2015 Ageas Finance N.V.

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All amounts in the tables of these Financial Statements are denominated in thousands of euros, unless stated otherwise.



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## Report of the Board of Directors of Ageas Finance N.V.

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## Report of the Board of Directors of Ageas Finance N.V.

### General

In the past Ageas Finance N.V. operated as the window to the financial markets for Ageas entities by issuing both short-term and long-term debt securities under a Belgian/Dutch Commercial Paper program and a Euro Medium Term Note (EMTN) program. Proceeds were primarily on-lent to Ageas holding entities, to finance leverage that existed at this level in the group. ageas SA/NV (former Fortis SA/NV) in Belgium provided several guarantees for debt issued by Ageas Finance N.V.

Confronted with the international financial crisis, Ageas has undergone a complete metamorphosis. In 2008 its Dutch banking and insurance activities have been sold to the Dutch State, while the other banking activities have been sold to the Belgian State, which in turn sold 75% of Fortis Bank NV/SA to BNP Paribas.

The sale of a number of material group companies stated above implied that a default was triggered under the EMTN program, which could not be cured. As a result, holders of Ageas Finance N.V. bonds are at all times entitled to demand the early redemption of their bonds in accordance with Conditions 7(a)(vii) and 7(a)(ix) of the Terms and Conditions. At 30 June 2015 all issued bonds have reached their legal maturity date and have been repaid, except one floating rate note that expires on 22 December 2015, of which EUR 2.1 million remains outstanding.

The shares of Ageas Finance N.V. are indirectly held by ageas SA/NV via Ageas Insurance International N.V. Ageas Insurance International N.V. is the direct and sole shareholder of Ageas Finance N.V.

### International Financial Reporting Standards

The Ageas Finance N.V. Interim Financial Statements on the first half year 2015, including the 2014 and 2013 comparative figures, are prepared in accordance with IFRS and its Interpretations – at 1 January 2015 and as adopted by the European Union.

Where accounting policies are not specifically mentioned below, reference should be made to the IFRS as adopted by the European Union.

The accounting policies used to prepare the interim Financial Statements for 2015 are consistent with those applied in the Financial Statements for the year ended 31 December 2014.

### Results and appropriation of profit

In the first half of 2015 Ageas Finance N.V. realised a net loss after tax of EUR 22,039 compared to a net loss of EUR 182,422 during the first half of 2014 and a loss of EUR 2,0 million during the first half of 2013. Ageas Finance N.V. is part of the corporate income tax unity 'Ageas Insurance International N.V.' in the Netherlands. Due to the overall loss position of the tax unity and the lack of future tax basis, no compensation was possible.

## Risk management

The remainder of a loan that was granted to Ageas Insurance International N.V. was early redeemed in June 2014. The last outstanding derivatives also expired in the course of 2014. Besides some counterparty risk due to cash entrusted to ABN AMRO and BNP Paribas Fortis SA/NV, the company carries no further risks.

## Prospects

The interim financial accounts are prepared based on the going concern assumption.

The outstanding debt of Ageas Finance is in default. Due to cross default language in the terms and conditions of the EMTN programme, any new issued loan would immediately default; Ageas Finance N.V. therefore will not issue new bonds until the last defaulted bond is redeemed in December 2015. After the last redemption, management will review the future for the company. Management believes that the retained earnings of the company at 30 June 2015 are sufficient to cover for the expected future losses.

## Employees

Ageas Finance N.V. has no employees of its own. Its activities are performed by employees of Ageas group companies.

## Corporate Governance Statement

Given the size of the company, the board members of the company are directly involved with the day to day management of the company, while at least two Board members are required to sign for agreements or contracts that legally bind or commit the company. Governance therefore fully relies on the four eye principle.

The board meets on a semi annual basis; the main topic discussed is the publication of the bi-annual financial statements.

These financial statements are published to comply with the transparency guidelines that apply for issuers of listed securities on regulated markets with notes with a par value below EUR 50,000. These half year and annual reports are respectively reviewed and audited by the external auditors. Issues are discussed between auditors and board.

## Management representation

Management declares that, to the best of their knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

For the purpose of best practice provision II.1.5 in the Dutch Corporate Governance Code the Board considers that to the best of its knowledge, the internal risk management and control systems relating to financial reporting risks worked properly in the year under review and provide a reasonable assurance that the Ageas Finance N.V. Financial Statements



2014 do not contain errors of material importance. This statement cannot be construed as a statement in accordance with the requirements of Section 404 of the US Sarbanes-Oxley Act, which is not applicable to Ageas Finance N.V. The Board will continue its commitment to keep in place the internal risk management and control systems in line with the limited activities performed.

Utrecht (NL), 31 August 2015

**The Board of Directors:**

C.A.H. Boizard

J.H. Brugman

C.F. Oosterloo



## Interim Financial statements for the first half-year 2015

# Statement of Financial position

(before appropriation of profit)

In thousands of euro		30 June 2015	31 December 2014	31 December 2013
	Note			
<b>Assets</b>				
<b>Current assets</b>				
Due from group companies	1	-	-	87,000
Derivatives and other receivables	2	-	-	3,254
Cash and cash equivalents	3	3,369	3,463	82
<b>Total assets</b>		<b>3,369</b>	<b>3,463</b>	<b>90,336</b>
<b>Equity</b>				
Issued capital		125	125	125
Retained earnings		956	1,123	22,520
Result for the year		( 22)	( 167)	( 3,397)
<b>Total equity</b>	4	<b>1,059</b>	<b>1,081</b>	<b>19,248</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Interest-bearing loans and borrowings	5	2,127	2,186	68,436
Bank overdrafts		-	-	200
Accrued interest and other payables	6	183	196	2,452
<b>Total liabilities</b>		<b>2,310</b>	<b>2,382</b>	<b>71,088</b>
<b>Total equity and liabilities</b>		<b>3,369</b>	<b>3,463</b>	<b>90,336</b>



# Statement of Comprehensive Income

<i>In thousands of euro</i>	<i>Note</i>	<i>1 st HY 2015</i>	<i>1 st HY 2014</i>	<i>1 st HY 2013</i>
<b>Income</b>				
Financial income	7	32	1,927	5,105
Financial expenses	7	( 26)	( 2,057)	( 7,045)
<b>Net financial margin</b>		<b>6</b>	<b>( 130)</b>	<b>( 1,940)</b>
Operating expenses	8	( 28)	( 52)	( 51)
<b>Operating result before tax</b>		<b>( 22)</b>	<b>( 182)</b>	<b>(1,991)</b>
Income tax	9	-	-	19
<b>Result for the first half-year</b>		<b>( 22)</b>	<b>( 182)</b>	<b>( 1,972)</b>
Other comprehensive income				-
<b>Total comprehensive income</b>		<b>( 22)</b>	<b>( 182)</b>	<b>( 1,972)</b>
<b>Total result for the first half-year attributable to shareholders</b>		<b>( 22)</b>	<b>( 182)</b>	<b>( 1,972)</b>
<b>Total comprehensive income attributable to shareholders</b>		<b>( 22)</b>	<b>( 182)</b>	<b>( 1,972)</b>

## Statement of changes in net equity

	2015	2014	2013
<b>Balance beginning of year</b>			
In thousands of euro			
<i>Balance beginning of year</i>	1,081	19,248	22,645
<i>Profit or loss for the 1<sup>st</sup> half-year</i>	( 22)	( 182)	( 1,972)
<i>Interim dividend</i>	-	( 18,000)	-
<b>Balance per the end of june</b>	<b>1,059</b>	<b>1,066</b>	<b>20,673</b>
<i>Profit or loss for the 2nd half-year</i>	<i>n/a</i>	15	(1,425)
<b>Balance end of December</b>	<i>n/a</i>	<b>1,081</b>	<b>19,248</b>

## Statement of cash flows

For the first half-year 2015	1 st HY 2015	1 st HY 2014	1 st HY 2013
In thousands of euro			
Cash and cash equivalents – Balance at 1 January	3,463	82	3,713
Bank Overdrafts – Balance at 1 January	-	( 200)	-
<b>Total cash and cash equivalents/ bank overdrafts at 1 January</b>	<b>3,463</b>	<b>( 118)</b>	<b>3,713</b>
<b>Cash flows from operating activities</b>			
Net result	( 22)	( 182)	( 1,972)
Adjustments to non-cash items included in profit before taxation			
(Un)realised gains (losses)	(5)	-	3,083
Net changes in operating assets and liabilities	( 13)	1,021	( 42)
<b>Net cash from operating activities</b>	<b>( 40)</b>	<b>839</b>	<b>1,069</b>
<b>Cash flows from Investing activities</b>			
Payments to customers or cash receipt from customers (deposits, long term loans)	-	<b>87,000</b>	<b>60,000</b>
<b>Cash flows from financing activities</b>			
Cash receipt or repayment of borrowings (subordinated, debt certificates, long term liabilities, straight loans)	(54)	( 66,250)	( 63,154)
<b>Net cash from financing activities</b>	<b>(54)</b>	<b>( 66,250)</b>	<b>( 63,154)</b>
<b>Total cash and cash equivalents / bank overdrafts at 30 June</b>	<b>3,369</b>	<b>21,471</b>	<b>1,628</b>

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## General Notes

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## General notes

Ageas Finance N.V. is a company domiciled in The Netherlands. The address is Archimedeslaan 6, 3584 BA Utrecht.

The company is registered with the chamber of Commerce in Utrecht under number 30055940.

The shares of Ageas Finance N.V. are indirectly held by ageas SA/NV via Ageas Insurance International N.V. The latter is the direct and sole shareholder of Ageas Finance N.V.

The main activity of Ageas Finance N.V. is to provide funding to companies within the Ageas group. Funds borrowed in the market are either held in cash at current accounts at banks or lend-on to Ageas companies.

Ageas Finance N.V. does not employ any personnel; all activities are performed by employees of other Ageas entities.

These interim financial statements were authorised for issue by the Board of Directors on 31 August, 2015.

## Accounting policies

### General

The annual accounts are prepared based on the going concern assumption.

#### a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the European Community.

#### b) Basis of preparation

The financial statements are presented in euro, rounded to the nearest thousand. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, and certain interest-bearing loans and borrowings.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates are especially used in establishing the fair value of non market quoted financial instruments.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Ageas Finance N.V. does not apply hedge accounting.

### c) Changes in accounting principles

The following new or revised standards, interpretations and amendments to standards and interpretations have become effective on 1 January, 2015 (and are endorsed by the EU) are applicable for Ageas Finance N.V.

#### **Improvements to IFRSs (2010-2012 cycle)**

*The topics addressed by the improvement project 2010-2012 are and that became effective in 2015 are:*

- *IFRS 2 Share-based Payment: Definition of vesting condition;*
- *IFRS 3 Business Combinations: Accounting for contingent consideration in a business combination;*
- *IFRS 8 Operating Segments: Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets;*
- *IFRS 13 Fair Value Measurement: Short-term receivables and payables;*
- *IAS 16 Property, Plant and Equipment: Revaluation method—proportionate restatement of accumulated depreciation;*
- *IAS 24 Related Party Disclosures: Key management personnel;*
- *IAS 38 Intangible Assets: Revaluation method—proportionate restatement of accumulated amortization.*

*The impact of these IFRS amendments on our financial statements is limited.*

#### **Improvements to IFRSs (2011-2013 cycle)**

*The topics addressed by the improvement project 2011-2013 are and that became effective in 2015 are :*

- *IFRS 1 First-time Adoption of International Financial Reporting Standards: Meaning of 'effective IFRSs';*
- *IFRS 3 Business Combinations: Scope exceptions for joint ventures;*
- *IFRS 13 Fair Value Measurement: Scope of paragraph 52 (portfolio exception);*
- *IAS 40 Investment Property: Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.*

*The impact of these IFRS amendments on our financial statements is limited.*

#### **Upcoming changes in IFRS EU in 2016**

*There will not be any new standards that will become effective for Ageas as at 1 January 2016 that will have a material impact on Shareholders' equity and/or Net result.*

The accounting policies used to prepare these Financial Statements over the first half year 2015 are consistent with those applied for the year ended 31 December 2014.

### d) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

e) **Financial instruments**

(i) ***Non-derivative financial instruments***

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in note g (Financial income and expenses).

***Investments at fair value through profit or loss***

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

***Other***

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) ***Derivative financial instruments***

The company held derivative financial instruments to hedge its foreign currency, credit risk, equity risk and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives were recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives were measured at fair value, and changes therein are recognised immediately in profit or loss.

**f) Impairment**

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

**g) Financial income and expenses**

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.



## Notes to the financial statements

## 1. Due from group companies

In thousands of euro	30 June 2015	31 December 2014	31 December 2013
Loans with group companies	-	-	87,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>87,000</b>

The floating rate loan to Ageas Insurance International N.V. matures on 15 december 2015. The loan was fully called in the first half year of 2014 and no balance is outstanding per 30 June 2015.

## 2. Derivatives and other receivables

In thousands of euro	30 June 2015	31 December 2014	31 December 2013
Accrued interest	-	-	2,135
Other receivables and pre-payments	-	-	-
Fair value derivatives	-	-	1,119
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,254</b>

During the first half of 2013 all the remaining Interest rate swaps reached their maturity date and no further Interest rate swaps are outstanding.

## 3. Cash and cash equivalents

In thousands of euro	30 June 2015	31 December 2014	31 December 2013
Bank balances	3,369	3,463	82
<b>Total</b>	<b>3,369</b>	<b>3,463</b>	<b>82</b>

Bank balances are held at BNP Paribas Fortis SA/NV, ABN Amro Bank N.V. and ING Bank N.V.

## 4. Capital and reserves

The movements in capital and reserves for the years ended 2013, 2014 and Half-year 2015 are as follows:

In thousands of euro	Share capital	Retained earnings	Result for the year	Total
<b>Balance at 31 December 2013</b>	<b>125</b>	<b>22,520</b>	<b>( 3,397)</b>	<b>19,248</b>
Allocation of loss		( 3,397)	3,397	
Net result				
1st half-year 2014			( 182)	( 182)
Interim dividend		( 18,000)		( 18,000)
<b>Balance at 30 June 2014</b>	<b>125</b>	<b>1,123</b>	<b>( 182)</b>	<b>1,066</b>
Net result				
2nd half-year 2014			15	15
<b>Balance at 31 December 2014</b>	<b>125</b>	<b>1,123</b>	<b>( 167)</b>	<b>1,081</b>
Allocation of loss		( 167)	167	
Net result				
1st half-year 2015			( 22)	( 22)
<b>Balance at 30 June 2015</b>	<b>125</b>	<b>956</b>	<b>( 22)</b>	<b>1,059</b>

The authorised share capital comprised 1,000 ordinary shares, par value of EUR 500; 250 shares were issued and fully paid up. During the first half-year 2014, 2013 and 2012 no new shares were issued nor bought back by the company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are held by Ageas Insurance International N.V.

The dividend 2013 was paid in July 2014.

## 5. Interest-bearing loans and borrowings

The loans and borrowings can be analysed as follows:

<i>In thousands of euro</i>	<i>30 June 2015</i>	<i>2014</i>	<i>2013</i>
Senior drawings under EMTN-program	2,127	2,186	68,436
<b>Total interest bearing loans and borrowing</b>	<b>2,127</b>	<b>2,186</b>	<b>68,436</b>
Loans and borrowings at fair value	2,127	2,186	33,536
Loans and borrowings at amortised cost	-	-	34,900
<b>Total interest bearing loans and borrowings</b>	<b>2,127</b>	<b>2,186</b>	<b>68,436</b>

The interest bearing loans and borrowings at 30 June 2015 can be detailed as follows:

<i>drawings under EMTN-program (by ISIN code)</i>	<i>Legal Maturity date</i>	<i>Nominal amount</i>	<i>Fair value</i>
XS0181100834 at fair value, according to a level 2 valuation	22-12-2015	1,737	2,127
<b>Total interest bearing loans and borrowings</b>		<b>1,737</b>	<b>2,127</b>

The sale of material group companies by the Fortis Group in 2008 implied that a default was triggered under the EMTN program which could not be cured. As a result, holders of Ageas Finance N.V. bonds are at all times entitled to demand the early redemption of their bonds in accordance with Conditions 7(a)(vii) and 7(a)(ix) of the Terms and Conditions. Such redemption takes place at par value plus accrued interest until the date of effective early redemption. It is assumed that these redemption values represent the proper amortised cost value or best estimate of the fair value, if applicable. However, all notes recorded at fair value trade above their redemption values; in these cases the observed trading value at the reporting date was used.

The average interest paid on the loans and borrowings was 3.00% in first half of 2015 (2014: 4.58%; 2013: 3.91%).

## 6. Accrued interest and other payables

<i>In thousands of euro</i>	<i>30 June 2015</i>	<i>31 December 2014</i>	<i>31 December 2013</i>
Accrued interest	27	1	2,395
Payables to group companies	25	75	23
Other payables and Past prescriptions	131	120	34
<b>Total</b>	<b>183</b>	<b>196</b>	<b>2,452</b>

## 7. Financial Margin

In thousands of euro	1 st HY 2015	1 st HY 2014	1 st HY 2013
Interest income loans	-	151	429
Interest income derivatives	-	1,318	3,446
Interest income cash and cash equivalents	-	1	-
Gain on re-measurement loans at fair value	4	488	1,147
Prescription of bonds / interest coupons	28	( 33)	83
<b>Financial income</b>	<b>32</b>	<b>1,925</b>	<b>5,105</b>
Interest expenses loans and borrowings	( 26)	( 720)	( 3,506)
Interest expenses derivatives	-	( 216)	( 456)
Loss on re-measurement derivatives	-	( 1,119)	( 3,083)
<b>Financial expenses</b>	<b>( 26)</b>	<b>( 2,055)</b>	<b>( 7,045)</b>
<b>Net financial margin</b>	<b>6</b>	<b>( 130)</b>	<b>( 1,940)</b>

## 8. Operating expenses

In thousands of euro	1 st HY 2015	1 st HY 2014	1 st HY 2013
Accounting office fees charged by group companies	10	35	35
Audit costs	15	15	15
Bank costs	3	2	1
<b>Total</b>	<b>28</b>	<b>52</b>	<b>51</b>

The audit costs relate to the fees charged by KPMG Accountants N.V. for the audit of the annual accounts (including half year review). The audit costs are not directly charged to Ageas Finance N.V. but charged via Ageas Insurance International N.V.

## 9. Income tax

Ageas Finance N.V. is part of the tax unity for corporation tax Ageas Insurance International N.V. together with Ageas B.V. Ageas Insurance International N.V. acts as the head of this tax unity. Due to the fact that it is not expected that the fiscal unity will generate taxable profits in the coming years, no deferred tax asset has been recorded for unused tax losses. Within the tax unity entities making profit, account for the full tax charge and this amount is allocated to loss making entities based on the taxable losses to these entities.

Due to the fact that the tax unity made an overall tax loss in the first half year 2015 and all entities made a loss, no expected tax benefit could be recognised.

The timing differences on which deferred tax should be recognised can be summarised as follows:

In thousands of euro	1 st HY 2015	1 st HY 2014	1 st HY 2013
Unrealised part of derivatives	-	-	3,203
Unrealised revaluation of loans	( 375)	( 393)	( 1,460)
	<b>( 375)</b>	<b>( 393)</b>	<b>1,743</b>

Since the Tax unity is in a permanent loss situation no deferred tax asset has been recognised with regard to these revaluations.

### Recognised in the income statement

In thousands of euro	1 st HY 2015	1 st HY 2014	1 st HY 2013
<b>Current tax</b>			
Current year tax income (expense)	-	-	19
<b>Total income tax in income statement</b>	<b>-</b>	<b>-</b>	<b>19</b>

### Reconciliation of effective tax rate

In thousands of euro	1 st HY 2015	1 st HY 2014	1 st HY 2013
Profit before tax(minus = loss)	( 22)	( 182 )	( 1,991)
Domestic corporate tax rate	25.0%	25.0%	25.0%
Income tax using the domestic corporate tax rate	6	45	498
Effect of total result in fiscal unity	( 6)	( 45)	( 479)
<b>Total income tax expense in income statement</b>	<b>-</b>	<b>-</b>	<b>19</b>
<b>Effective corporate tax rate</b>	<b>0%</b>	<b>0%</b>	<b>0.95%</b>

## 10. Risk management

Due to the redemption of the loan granted to Ageas Insurance International N.V. in the first half of 2014 the exposure to credit risk is minimised; there is only exposure towards banks, linked with entrusted cash.

## 11. Related parties

Parties related to Ageas Finance N.V. include Ageas group companies, Board Members, Executive Managers, close family members of any individual referred to above and other related entities.

Ageas Finance N.V. has no employees of its own; all operational and management activities are performed by employees of other Ageas entities.

## 12. Operating segments

Ageas Finance N.V., being an issuing vehicle of the Ageas Group, operated as one segment: it tapped the financial market for funding, that was on-lent to internal group entities. Given the default of the bonds that Ageas Finance N.V. issued, it stopped issuing new debt and only repaid existing debt. Besides paying coupons on debt outstanding and redeeming the principal of debt at maturity or earlier when bondholders request this, the company is in-active.

## 13. Off-balance sheet items

Ageas Finance N.V. is part of the tax unity for corporation tax Ageas Insurance International N.V. together with Ageas B.V. Ageas Insurance International N.V. acts as the head of this tax unity. Each of the companies is, in accordance with the standard conditions, jointly and severally liable for debts arising out of corporation tax on the part of the group tax unity as a whole. Within the tax unity, entities making profit, account for the full tax charge and this amount is allocated based on the taxable losses tot the other entities.

Ageas Finance N.V. is part of the “fiscale eenheid voor de omzetbelasting Ageas N.V. c.s.” a fiscal unity for VAT (Value Added Tax) in the Netherlands.

## 14. Management remuneration

The board of directors receives their remuneration from other Ageas Group companies. No remunerations are charged directly to Ageas Finance N.V.

## 15. Contingent liabilities

We have taken notice of the disclosure on Contingent Liabilities in the 2015 Consolidated Financial Half-year Statements of ageas SA/NV in which is mentioned that ageas SA/NV is or can be involved in a number of legal procedures as well as administrative and criminal investigations in Belgium and The Netherlands. Ageas Finance N.V. is of the opinion that these procedures are not likely to lead to a substantial claim liability for Ageas Finance N.V.

## 16. Post-balance sheet date events

There have been no material events after balance sheet date that would require adjustments to the financial statements as of 30 June 2015.

Utrecht (NL), 31 August 2015

### **The Board of Directors:**

C.A.H. Boizard

J.H. Brugman

C.F. Oosterloo

## Other information

### Provisions of the articles of association concerning profit appropriation

Article 18, subsection 1 and 2, of the Articles of Association reads:

The company may make distributions to the shareholders and other persons entitled to the profit available for distribution only in so far as the equity capital of the company exceeds the aggregate of the paid-up and called-up part of the capital of the company and the reserves that have to be kept by law.

Profits may be distributed only after adoption of the annual accounts showing that such distribution is permissible. The profit shown in the adopted annual accounts may be disposed of by the general meeting of shareholders as it sees fit.



## Review report

**To: the General Meeting of Shareholders of Ageas Finance N.V.**

### Introduction

We have reviewed the accompanying interim financial information as at 30 June 2015 of Ageas Finance N.V., Utrecht, which comprises the statement of financial position as at 30 June 2015, the statements of comprehensive income, changes in net equity, and cash flows for the period of six months ended 30 June 2015, and the notes. Management of the Company is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 31 August 2015

KPMG ACCOUNTANTS N.V.