Fortis Bank sa/nv

Annual Report 2010

Introduction

The 2010 Annual Report of Fortis Bank contains both the Consolidated and the Non-consolidated Financial Statements, preceded by the Report of the Board of directors, the Statement of the Board of directors and a section on Corporate Governance including the composition of the Board of directors. The audited Fortis Bank Consolidated Financial Statements 2010, with comparative figures for 2009, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, are followed by the audited Non-consolidated Financial Statements 2010 of Fortis Bank SA/NV, prepared based on the rules laid down in the (Belgian) Royal Decree of 23 September 1992 on the annual accounts of credit institutions.

All amounts in the tables of these Financial Statements are denominated in millions of euros, unless stated otherwise. Because figures have been rounded off, small differences with previously reported figures may occur. Certain reclassifications have been made with regard to the prior year's Financial Statements in order to make them comparable to the presentation for the year under review. We refer to the note 8.k. "Comments on change of presentation" for more information on the representation of the Balance sheet as at 31 December 2009 and the Profit or loss account of the year 2009.

Fortis Bank SA/NV is the legal name of the company and the commercial activities in Belgium are performed under the brand name BNP Paribas Fortis.

Fortis Bank refers in the Consolidated Financial Statements to Fortis Bank SA/NV consolidated situation except if stated otherwise. Fortis Bank refers in the Non-Consolidated Financial Statements to Fortis Bank SA/NV non-consolidated situation, except if stated otherwise.

Following the restructuring of Fortis, "Fortis SA/NV and "Fortis NV" are currently renamed to "Ageas SA/NV" and "Ageas NV", both referred to as Ageas.

All information in the Annual Report 2010 of Fortis Bank is related to the Fortis Bank statutory consolidated- and non- consolidated financial statements and does not cover the contribution of Fortis Bank to the BNP Paribas Group consolidated results, which can be found on the BNP Paribas website : www.bnpparibas.com.

The Annual Report 2010 of Fortis Bank is available on the website: www.bnpparibasfortis.com.

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Fortis Bank Consolidated Annual Report 2010

Report of the Board of Directors

A word from the Chairman and the CEO

For BNP Paribas Fortis, 2010 was a successful year, characterized by a strong commercial performance, resulting in a regained customer franchise and an increase of its market share. Although we take pride in our market share gains, we realize that there are still major changes in store for the banking industry, which will also have implications for BNP Paribas Fortis. In addition, towards the end of last year we experienced a toughening of competition in our domestic markets.

BNP Paribas Fortis is doing well and is in a stronger position also thanks to the integration with BNP Paribas, which is progressing ahead of schedule. Important transactions in 2010 include the completion of the sale of Fortis Investments to BNP Paribas and the integration of the European network of business centers in Corporate and Transaction Banking Europe. In Luxembourg, there was the merger of BGL BNP Paribas S.A. and BNP Paribas Luxembourg S.A. in a single entity, BGL BNP Paribas. In Turkey, Fortis Bank Turkey and Turk Ekonomi Bankasi (TEB) were merged in early 2011. We rebranded over 1,000 retail branches in Belgium and launched the Brussels based BNP Paribas competence centers and shared service centers.

The financial crisis has resulted in an intensified regulation of the banking industry. BNP Paribas Fortis has thoroughly analyzed the new regulatory initiatives and has worked actively to both comply and anticipate. This pro-active attitude, together with the continued de-risking of the balance sheet, explains BNP Paribas Fortis' very solid financial structure. At the end of 2010 BNP Paribas Fortis has a strong Tier 1 capital ratio of 16.5% and a favorable loan to deposit ratio, illustrating the company is in a good position to continue to play its vital role as financier of the real economy.

Despite the economic recovery and the normalization of financial markets in 2010, clients continued to show high risk aversion. In this market we managed to attract a record level of new savings, especially on our innovative savings account. Mortgage and business lending also posted significant growth. Revenue growth from higher volumes resulted in positive operating leverage. We would like to thank our customers for their trust and loyalty. We are committed to further tailoring our product offering and distribution to become an even better partner to help our customers realize their goals.

We believe that our main strength lies in our customer franchises. Through the relentless focus on customer service and client relationships we managed to materially improve our customer satisfaction in 2010, which is now back up to pre-crisis levels. We would like to take to the opportunity to express our gratitude to the 27,868 employees, including over 2,700 new staff, of BNP Paribas Fortis who put in a considerable effort to make the implementation of the Industrial Plan a success.

There are encouraging signs of an improving world economic outlook, also for our domestic markets. An improving economic environment should support us in realizing our ambitions in 2011: to reinforce the market leadership we regained over the last two years.

We have been able to strengthen the Board of Directors in 2010 with Sophie Dutordoir as an independent member. The Executive Managers Peter Vandekerckhove and Jean-Yves Fillion will be proposed as new Board members at the AGM on 21 April 2011.

We would like to thank Jean-Laurent Bonnafé for his crucial contribution in putting BNP Paribas Fortis firmly back on the rails and his key role in the successful integration with BNP Paribas.

Maxime Jadot
Chief Executive Officer (CEO)

Herman Daems
Chairman Board of Directors

Strong commercial performance of BNP Paribas Fortis

Economic context

The world economy has since summer 2009 been on the road to recovery and the year 2010 saw the economic upturn continue. Belgium has benefitted fully from this trend, not least due to its strong trade links with Europe's economic powerhouse, Germany. The Belgian economy grew by some 2% year-on-year, one of the best performances in the euro-zone, and this growth was to a large extent achieved through domestic demand.

The resilience of the employment market underpinned the strong consumer confidence that has seen families increase their spending. Hence, 2010 was a good year for sales of durable consumer goods such as cars and houses. Business confidence was also on an uptrend. Thanks to the gradual disappearance of excess production capacity, the second half of the year saw an upturn in capital investment.

The Belgian banks responded to these positive developments with a more flexible approach to lending. Loans to households and companies rose by EUR 15 billion, some 5.6% of total loans outstanding. With an 8% overall year-on-year increase, deposit fund levels remained notably high.

Despite the encouraging economic growth, uncertainty continued to hover over the financial markets. While the banks had, to a large extent, managed to put the past behind them – which, coupled with the improved economic situation, enabled them to reduce their provisions for credit losses – nevertheless, the financial markets became embroiled from April onwards in the European sovereign debt crisis. Peripheral eurozone countries such as Greece, Ireland, Portugal and Spain were faced with a growing lack of confidence in their creditworthiness and the interest rates they were obliged to pay on their borrowings rose rapidly.

Due to these events, question marks remain over the sustainability of the economic recovery, which in turn meant that on the whole the equity markets were lagging behind during the year. Europe saw the Eurostoxx 50 index fall with 5.8%, while in the US the Dow Jones Industrial Average posted a more normal rise of 11% and the rest of the world produced rather mixed figures. Changes to the regulatory framework under the Basel III Accord will not make things any easier as the higher capital and liquidity requirements will mean lower profit potential for banks.

In this context, BNP Paribas Fortis was able to post a strong commercial performance, while the integration with BNP Paribas is progressing faster than expected. After a need analysis was carried out in 2009 and an overall 'Industrial Plan' drawn up detailing the necessary integration projects, the implementation phase was launched in earnest in 2010. All business lines and activities were impacted by the 1,150 projects designed to achieve practical integration. This did not however prevent BNP Paribas Fortis from remaining fully focused on its core businesses, on bolstering its market position and on improving customer satisfaction.

Changes in the scope of Fortis Bank SA/NV

Changes in the scope of Fortis Bank SA/NV during 2010 include inter alia completion of the sale of Fortis Investments Management to BNP Paribas and its integration within BNP Paribas Investment Partners SA, the Group's worldwide asset management arm. Meanwhile Fortis Bank took a 33.33% stake in BNP Paribas Investment Partners SA (28.22% directly and 5.11% through BGL BNP Paribas) and maintained unchanged its 25% + 1 share interest in AG Insurance, Belgian market leader in the insurance sector. The bank entered into a strategic partnership with AG Insurance in 2009 and the partnership agreement, which is due to run until at least 2020, provides for the distribution of AG Insurance products via BNP Paribas Fortis branches and Fintro intermediaries. BGL BNP Paribas took a stake amounting to 33.33% + 1 share in BNP Paribas Leasing, a French holding company which has ownership of all the leasing companies in the BNP Paribas Group.

Implementation of the Industrial Plan and new initiatives

The EUR 900 million worth of synergies to be achieved by 2012 under the Industrial Plan take pride of place in the announced schedule. The vast majority of the integration projects are making excellent progress, in line with the Industrial plan. The new business units' structure has already been put in place, the transfer of clients has been successfully completed in a number of countries and further alignment of the legal entities with the operational organisation carried out.

Competence Centers for Trade Services, Factoring, Cash Management and Corporate & Transaction Banking Europe, which provide support to the entire BNP Paribas Group, have been set up in Brussels. This has led to faster internationalisation of the Group's organisation, with more countries, languages and greater cultural knowhow. Shared expertise has also been developed by bringing together best practice from both BNP Paribas Fortis and BNP Paribas, and processes and operational efficiency have been improved by pooling knowhow and exercising better control over operational risks.

Focus on client satisfaction, new products and multichannel strategy

In addition to the integration projects, all businesses have been actively developing new products and solutions in order to increase customer convenience and satisfaction while at the same time strengthening our multichannel strategy. BNP Paribas Fortis is busy rolling out its new strategy designed to profile the bank as the benchmark banking partner of its clients, an attractive employer and a socially responsible enterprise. In 2010 the new business models were implemented, bringing a new range of products and services to the clients.

For example, BNP Paribas Fortis became the first large bank in Belgium to launch 'Mobile Banking', an innovative solution for an ever-growing customer group who want to be able to carry out financial transactions whenever they like and wherever they may be. This represents a further stage in our multi-channel approach and is one of the newest technological developments that the bank is offering its clients.

Other client-oriented initiatives in 2010 include:

- The opening of 'Belgian Desks' in China, India, Hong Kong and the United States
- Integration of the European network of Business Centers within BNP Paribas and the rollout of Corporate & Transaction Banking Europe (CTBE)
- Successive opening of 36 new Private Banking and Wealth Management Centers in Belgium
- Launch of new websites with much improved functions for Retail Banking, Private Banking and Corporate & Public Banking clients
- The complete rebranding of over 1,000 retail banking branches in Belgium and the conversion of 100 branches to an 'open architecture' plan
- Investments in contact centers as partners of the branches and other direct channels
- Recruitment of over 1,250 new staff, strong investment in our human capital is also planned for the coming years, in order to be able to provide an even better customer service.

The Board of Directors of Fortis Bank SA/NV will propose to the Annual General Meeting of Shareholders in April 2011 a gross dividend of EUR 0.80 per share over the year 2010.

The remainder of this section 'Core businesses of Fortis Bank' contains a description of the activities of each business line of BNP Paribas Fortis. The following chapters will complement this by describing the consolidated financial results of 2010.

Core businesses of Fortis Bank

Retail & Private Banking

In Retail & Private Banking, BNP Paribas Fortis occupies a leadership position in Belgium, with more than 9,000 employees serving 3.7 million clients (one third of the Belgian population) and strong positions in all banking products. Retail clients are reached by means of a multi-channel distribution strategy. The sales network includes 1,014 branches, complemented with 311 franchises under the Fintro brand and 650 points of sale of the 50/50 joint venture with Banque de La Poste. A network of 2,300 ATMs, completed with 1,220 non-cash machines (bank transfers) and 650 bank statement printers, online banking facilities (1.3 million users), mobile banking and phone banking are linked up in the BNP Paribas Fortis CRM platform, allowing a deployment of all systems across all channels. The long-term partnership with AG Insurance until 2020 leverages the distribution power of the retail network and builds on the experience gained in bancassurance over the years.

With EUR 54 billion Assets under Management and 36 Private Banking centers, BNP Paribas Fortis is an important player in the Belgian private banking market. Individuals with assets of more than EUR 250,000 are eligible for private banking services, creating a large customer base for investment purposes. Wealth Management caters to about 1,500 clients with potential assets of more than EUR 4 million. They benefit from a dedicated service model and are primarily served via two Wealth Management Centers in Antwerp and Brussels.

In 2010, Retail & Private Banking Belgium (RPB) showed remarkable progress in attracting new funds. The most significant growth engine here was the Online Premium Savings Account, which was launched in December 2009. Significant growth was also posted in business lending and in mortgage lending, with a rising market share here also. The new Private Bank crowned its first year of business with outstanding results and has clear market prospects with the Wealth Management contract.

The sustained customer satisfaction drive found its reward. RPB received a notably higher customer satisfaction rating than in June 2009, with expressions of satisfaction back up to pre-crisis levels. The five promises that underlie the bank's approach – listening, clear information, approachability, partnership and commitment – are being widely put into practice across the organisation and are highly valued by the customer.

Significant progress was achieved with RPB's multichannel-approach. Especially noteworthy here are the completely re-vamped, user-friendly website and the launch of Mobile Banking. However, the greatest attention was devoted to the branches, where the number of advisory staff was increased and the quality of the advice they provide was improved.

Notable efforts were made with the range of services to self-employed professionals and SMEs. Extra banking experts were recruited in this segment as well as credit and payment systems specialists. The extra administrative support has left more time available for advisory work. Thanks to these structural adaptations, RPB will be in a position to offer the full multichannel approach to all customer groups in 2011.

During the year, significant efforts were made in the field of communication in order to regain public trust and create a distinctive BNP Paribas Fortis identity. The watchwords of this drive were: positive image, objective information and a partner who can be relied upon to give clear, personalised advice.

Corporate & Public Banking, Belgium

Corporate & Public Banking, Belgium (CPBB) offers a comprehensive range of local and international financial services to Belgian enterprises, public entities and local authorities. With more than 450 corporate clients and 34,100 midcap clients, it is the market leader in both those categories, and a challenger in public banking (1,300 clients). The offering includes domestic banking products, specialised financial skills, and securities, insurance, real estate services, trade services, cash management, factoring and leasing, as well as mergers and acquisitions and capital market activities. A central team of more than 60 corporate bankers, 200 relationship managers at 22 business centers and skills officers ensure that BNP Paribas Fortis is close to the market. Combined with the European network of business centers, managed within Corporate and Investment Banking, CPBB is able to offer unified commercial management to its Belgian clients locally and abroad.

Relationship Managers at CPBB are present in client's companies as much possible, thinking alongside them to define key moments, proactively providing solutions and swiftly solving banking matters while suggesting new ideas and improvements to clients' daily operations. CPBB endeavours to build on its long-term client relationships in which it aspires to understand clients' strategic priorities and long-term goals.

2010 saw enhanced sales processes and improved Customer Relationship Management to support our proactive approach to clients, resulting in increased brand loyalty and recommendations by clients who recognise the strength of our relationship management and specialists.

In the course of the same year, CPBB launched its subsidiary BNP Paribas Fortis Factor, integrated the services of Arval into its offering, and marketed new Cash Management products such as Connexis, EasyCollect and SEPA Direct Debit value added services. Furthermore, CPBB successfully offered a full range of CIB skills in Capital Markets, Corporate and Structured Finance. It has also deployed ongoing initiatives to assure that its clients have efficient access to the BNP Paribas Group's European and international network.

In line with its strategy CPBB has rolled out an advertising campaign focusing its partnership with clients. These advertisements portray CPBB clients testifying about their Relationship Manager partnership and the solutions offered. They summarise what CPBB stands for: close, strategic partners who think alongside their clients and come up with solutions that help them reach their objectives.

Corporate & Investment Banking

BNP Paribas Fortis Corporate & Investment Banking (CIB) offers its clients (in Belgium and in Europe) full access to BNP Paribas CIB's product portfolio.

BNP Paribas Fortis CIB consists of six business lines: Capital Markets, Structured Finance, Corporate & Transaction Banking Europe, Corporate Finance & Equity Capital Markets, Institutional Banking Group Europe, and Private Equity.

Capital Markets, a sustainable Brussels-based platform focused on client-driven activities, offers the full-fledged product range of BNP Paribas. In Fixed Income, Capital Markets serves mainly Belgian clients, but also European Midcaps (clients of Corporate & Transaction Banking Europe). In Equity Derivatives, the focus is on serving Belgian clients, with some trading activity.

Structured Finance groups the activities of Corporate Acquisition Finance, Leveraged Finance, Export Finance and Project Finance. A regional platform for Global CIB is set up in Brussels, to serve clients in the Benelux countries, Northern & Central Europe (including Greece) and Turkey (the 'BNCET platform'). The team also manages the Public-Private Partnership financing for all Europe, leveraging BNP Paribas Fortis expertise in this domain.

Corporate & Transaction Banking Europe is an integrated banking network focused on servicing large mid-caps and international clients, and in particular subsidiaries of BNP Paribas clients throughout Europe. CTBE delivers daily banking products and services (vanilla loans, cash management, trade services, flow-hedging products and, when available, leasing, factoring and investment solutions products) to well-known corporates and financial institution clients in 17 non-domestic countries in Europe, through a network of more than 30 business centers for proximity with clients. Corporate & Transaction Banking Europe operates in close collaboration with two competence centers based in Belgium and operating for the whole BNP Paribas group: Cash Management and Global Trade Solutions. Cash Management provides companies with liquidity management services, as corporates are increasingly looking for global and homogeneous solutions at European level (e.g. SEPA solutions, cash pooling, and payment factories). Meanwhile, these companies continue to need comprehensive local offerings. Global Trade Solutions assists companies in their international trading activities, providing, for instance, international guarantees for commercial agreements between parties in different countries.

Corporate Finance is active in Merger & Acquisition Advisory and in Equity Capital Markets. Corporate Finance focuses on clients in Belgium and in Luxembourg.

Institutional Banking Group Europe is responsible for the relationship management with financial institutions. It promotes flow banking and plain vanilla products.

Private Equity continues to support the Belgian economy by investing in capital assets and mezzanine finance, allowing BNP Paribas Fortis to help its clients in their external development.

Notable deals concluded in 2010:

- BNP Paribas Fortis acted as Bookrunner and Duration Manager for a EUR 4 billion 30-year issue for the Kingdom of Belgium.

- BNP Paribas Fortis acted as a joint Bookrunner for the EUR 500 million 10-year issue for Eurogrid, a newly established holding company owned 60% by Elia System Operator and 40% by IFM (the Australian infrastructure fund).

- BNP Paribas Fortis acted as Bookrunner for the EUR 350 million 7.5-year issue for Group Bruxelles Lambert (GBL), targeted at the Belgian and Luxembourg retail and private banking investor base.

- BNP Paribas Fortis acted as a joint Bookrunner for the EUR 150 million Senior Unsecured Notes issue for Tessenderlo NV.

- BNP Paribas Fortis led the structuring and underwriting of the PLN 560 million Acquisition, Working Capital and Capex facilities supporting the largest Leveraged Finance deal in Poland in 2010 (Agros Nova). This high profile deal marked the successful entrance of BNP Paribas Fortis into the Central European leveraged finance market. Agros Nova was acquired by IK Investment Partners in August 2010. Headquartered in Warsaw and employing a total of around 2,300 staff, Agros Nova is a top three player in all of its business segments, comprising fruit and vegetable preserves, ready-made food and non-carbonated beverages.

- BNP Paribas Fortis arranged a EUR 165 million Acquisition and Working Capital Facility and a EUR 40 million Equity Bridge. This allowed Econocom, a company listed on the Brussels Stock Exchange, to acquire 100% of the shares of ECS, a wholly owned subsidiary of Société Générale. The transaction created a leading European services company with 3,800 staff and a turnover of EUR 1.6 billion and specialized in the management of IT and telecom resources for businesses.

- BNP Paribas Fortis played a prominent role in the structuring of "De Scholen voor Morgen" project, a landmark transaction in the field of Belgian Private Public Partnerships and one of the largest social infrastructure projects in Europe. The programme could involve the building of 211 new primary and secondary school buildings, covering around 700,000 m² over the next six years. The bank structured the whole project, became a shareholder of the project company alongside Fortis Real Estate and the Flemish Community, arranged a EUR 700 million Construction Facility and fully underwrote a EUR 1.5 billion Long Term Finance Facility guaranteed by the Flemish Region. The transaction was successfully closed in June 2010.

- BNP Paribas Fortis was appointed Sole Global Coordinator for the EUR 148 million rights issue for Agfa-Gevaert. The transaction was fully underwritten by a syndicate of four banks. Agfa-Gevaert is a leader in imaging systems and IT solutions. The company mainly operates in the printing industry and the healthcare sector as well as for specific industrial applications.

- BNP Paribas Fortis acted as one of the four Joint Global Coordinators and Joint Bookrunners of a EUR 300 million rights issue for Elia to acquire 60% of the German system operator 50Hertz.

- BNP Paribas Fortis was Ville de Luxembourg's exclusive financial advisor on the contribution of its energy distribution activities to Enovos group. The transaction, valued at more than EUR 300 million and closed after more than two years of negotiations, is a next step in the reorganisation of the Grand Duchy of Luxembourg's energy market. Enovos became owner of Leo, the second energy retailer in Luxembourg, and of a dense distribution network in the country's capital. In exchange, the City of Luxembourg becomes a shareholder in Enovos International and its grid management subsidiary Creos Luxembourg. BNP Paribas Fortis had a leading advisory role in the design, structuring and negotiation of the transaction.

BGL BNP Paribas

The year 2010 was strongly marked by the integration work required to implement the BNP Paribas industrial plan for Luxembourg as approved on 25 November 2009 by the BGL BNP Paribas Board of Directors, which forms part of the overall Group Industrial Plan. The integration process was formalised on 1 October 2010 when BGL BNP Paribas S.A. and BNP Paribas Luxembourg S.A. were absorbed into a single merged entity under the name of BGL BNP Paribas. Following this legal merger, the BNP Paribas Luxembourg activities were transferred to the technical and operational platforms of BGL BNP Paribas during the weekend of 30-31 October 2010.

In Luxembourg, BGL BNP Paribas ranks as:

- Nr 1 in Corporate Banking
- Nr 2 in Individual Banking
- Nr 1 Private Banking
- Nr 1 Financial sector employer
- Nr 1 Banking business within the 'Grande Région'

All the Group's core businesses are represented within BGL BNP Paribas.

Retail and Corporate Banking Luxembourg

Retail and Corporate Banking Luxembourg is the number two bank in the Grand Duchy for resident individuals and the number one bank for corporates. Through a network of 37 branches, BLG BNP Paribas provides a broad range of financial products and services to individual, professional and corporate clients. Retail and Corporate Banking takes a personalised approach to the clients, with a view to strengthening customer relations and optimising the provision of services and counselling in line with their real needs.

Retail and Corporate Banking maintained its business momentum during 2010, and continued to capitalise on the return of confidence among its clients. Some significant organisational changes were made during the year 2010, expanding Retail and Corporate Banking's fields of expertise and integrating the Retail side with the Corporate Banking arm.

In the individual banking segment, a programme was implemented across the branch network, designed to enhance expertise in three fields: adjusting the commercial approach to the client; developing the branch systems; and adapting the methods of new business prospecting. As part of the merger process, a number of clients were transferred to different business lines. In addition, the merger enabled BGL BNP Paribas to expand the product and service range to corporates.

To facilitate these changes, new systems were set up to help the various teams to provide an optimal client service. On the Retail Banking side, a new structure was put in place to support the branches. In addition, the setting up of Competence Centers has proved extremely useful in helping branches to provide expert guidance to clients and to carry out new business prospecting.

Meanwhile, the network structure was strengthened by the creation of four regional finance centers, a new procedure was set up for managing promotional campaigns; quality controllers were put in place at regional level; credit analysis was incorporated into the business line, and three business entities were merged on the Corporate Banking side with the aim of improving client service. On the communication and marketing side, a series of promotional campaigns were launched, aimed variously at individual, professional and corporate clients, making direct approaches to a total of 250,000 clients throughout the year.

A plan was drawn up with a view to creating stronger, deeper, long-term relationships with clients. The relationship-enhancement plan was set in motion in October 2010, supported by a training programme intended to familiarise all branch network staff with the new strategy and foster a business approach focused on client-needs. 55 training sessions were ran over 79 days, providing this training to some 550 staff members.

Investment Solutions

In Luxembourg, BNP Paribas Wealth Management is represented by BGL BNP Paribas. BNP Paribas Wealth Management was named by Euromoney as number one Private Banking in Luxembourg (with EUR 23.8 billion worth of Assets under Management) and number one Private Banking in the Eurozone in terms of clients' assets. Integrated wealth management solutions are specially tailored to the needs of high-net-worth clients, both resident and non-resident. These clients are offered a multilingual service and a broad international range of financial products and services, including structuring and management of investments, trust and corporate services, real estate management and insurance.

BNP Paribas Personal Investors, a BGL BNP Paribas service, specialises in consultancy and financial wealth management for active investors, via a variety of communication channels – by telephone or Internet as well as face-to-face consultations. The Personal Investors service is the number one for online savings and brokerage in continental Europe.

Corporate and Investment Banking

The BNP Paribas Corporate and Investment Banking arm in Luxembourg provides banking services linked to stock markets and money markets, brokerage, investment banking, structured finance, corporate hedging operations and both active and passive portfolio management. Corporate and Investment Banking clients are essentially companies and financial institutions domiciled in the Grand Duchy. The local sales and trading teams can rely on the backup – in terms of know-how and services – of the entire BNP Paribas Group.

The BNP Paribas Group in Poland

As a result of the global integration of BNP Paribas and Fortis Bank, in Poland the Group is represented by 10 companies with some 3,000 employees who specialise in various banking activities. The integration of BNP Paribas and Fortis Bank is a chance to boost cooperation and synergies between various entities of the Group in Poland, particularly between BNP Paribas Fortis and the BNP Paribas SA Branch in Poland. They remain separate legal entities, but joined their strengths in order to offer a wider range of high-quality services to clients in Poland.

Products, activities & client segmentation

BNP Paribas Fortis in Poland is a universal bank that offers a wide range of financial services to three market segments: individual customers (private banking included); micro, small and medium enterprises, and domestic and international corporations.

Commercial activities are organised in the following business lines: Retail Banking (including Personal Finance), Enterprise and Transaction Banking, and Fixed Income and Treasury.

From a client perspective, the strategy is to focus on individual customers from Mass Aspiring and Mass Affluent segments and to seek a strong position among enterprises. From the distribution perspective, the bank strives for continuous expansion of the sales network by increasing the number of branches and development of the integrated multichannel banking model. From a product perspective, the bank focuses on the enhancement of competence and innovation in consumer finance products and mortgages as well as in leasing, fixed income, cash management, wealth management, asset management and structured finance.

Achievements in 2010

In 2010, the bank resumed an active lending strategy towards its clients in individual and institutional banking but with a clear aim to develop a client overall relationship rather than simply sell products. At the beginning of the year, the bank introduced the campaign '2 billion złoty for enterprises', which was designed to support the financing of investments and current needs of both existing and new clients. The bank also signed an agreement with the European Investment Bank to finance investment by local corporates.

The bank continued to improve the competitiveness and breadth of its products for individual clients, be it mortgage loans (in mid-2010 the bank introduced dual-currency mortgage loans into its offer – the first loan of this type on the Polish market), consumer loans, car loans or savings and investment products.

The perimeter of Fortis Bank Polska's activities changed in the first half of 2010 when the Polish Financial Supervision Authority gave its consent to acquire part of the business of the BNP Paribas Branch in Poland. The BNP Paribas Branch in Poland focuses now on the largest Polish corporations and institutions and sophisticated investment banking products, while Fortis Bank Polska provides services to large enterprises (both Polish and international), mostly in terms of banking services, plain vanilla financing, leasing, cash management and global trade services.

In June 2010, the Polish Financial Supervision Authority agreed to the transformation of Fortis Private Investments Polska SA (a 100% subsidiary of Fortis Bank Polska) into an asset management company ('Towarzystwo Funduszy Inwestycyjnych').

Fortis Bank Turkey

BNP Paribas Fortis operates in Turkey via Fortis Bank Turkey, of which it is the majority shareholder with 94.11% of the shares. Retail Banking offers debit and credit cards, mortgage loans, personal loans, and investment and insurance products distributed through 294 branches and via internet, phone and mobile banking. Corporate banking services include international trade finance, asset and cash management, credit services, hedging of currency, interest and commodity risk, factoring and leasing. Through its commercial and small business banking departments, the bank offers a full range of banking services to small and medium-sized enterprises.

The Turkish economy rapidly recovered from the 2009 economic crisis, with a GDP growth of 8% in 2010.

Credit demand increased significantly mainly in general purpose loans, but due to very liquid markets the commercial margins were under pressure.

Fortis Bank Turkey continued to develop its Retail business with a strong emphasis on mortgage loans and personal loans, and a segmented offering in the SME market.

The ATM network expanded significantly with, amongst others, the installment of 400 merchant ATM's in the Migros supermarket chain.

Alternative distribution channels were further developed with new applications for internet and mobile banking, more particularly in the fields of loans, credit cards and deposits.

In Corporate Banking, margins suffered due to the high competition, but results were favorably impacted by high recoveries of loan loss provisions booked in 2009 and by almost no new provisions.

Further decreasing interest rates in Turkish lira influenced positively the market activities, but had a negative impact on the commercial income.

In June 2010, BNP Paribas Fortis, the controlling shareholder of Fortis Bank Turkey, and BNP Paribas and the Colakoglu Group, the controlling shareholders of Turk Ekonomi Bankasi (TEB), announced their decision to merge the 2 banks. After having received the approval of the competent Turkish authorities, the two banks completed the legal merger on 14 February 2011. The merged bank ranks 9th in the Turkish banking sector in terms of loans and deposits market share. The operational merger is expected to be completed by the end of 2011.

Credit ratings of Fortis Bank SA/NV at 12/02/2011

	Long-term	Outlook	Short-term
Standard & Poor's	AA	Negative	A-1+
Moody's	A1	Stable	P-1
Fitch Ratings	A+	Stable	F1+

These ratings represent an assessment of the default risk on debt securities, performed by the main rating agencies: Standard & Poor's, Moody's and Fitch Ratings. The rating awarded to an issuer has a direct impact on the issuer's borrowing costs.

Adjustments to long-term credit ratings

- Standard & Poor's upgraded Fortis Bank rating to 'AA' from 'AA-' on January 29, 2010 equalising the rating of Fortis Bank with the rating of its parent BNP Paribas SA, after it had already upgraded Fortis Bank rating to 'AA-' from 'A' on May 18, 2009.

- Fitch Ratings downgraded Fortis Bank rating to 'A+' stable outlook from 'AA-' negative outlook on June 21, 2010 as a direct consequence of the rating change of BNP Paribas from 'AA' negative outlook to 'AA-' stable outlook.

Credit ratings are measures of the creditworthiness of Fortis Bank, calculated by independent rating agencies.

Long-term ratings are opinions of the relative credit risk of fixed-income obligations issued with an original maturity of one year or more. Institutions with at least AA/A1/A+ ratings are considered to have low credit risk.

Similarly, short-term ratings are creditworthiness opinions for fixed-income commitments with maturities of less than a year. The 'A-1+ / P-1 / F1+' notations indicate that Fortis Bank's capacity to meet these commitments on the obligation is very strong.

Several financial activities are contingent to strong short- and long-term ratings. The quality of Fortis Bank's ratings thus contributes to the scope of its potential of activities.

Forward-looking Statements

It should be noted that any statement of future expectations and other forward-looking elements are based on the company's current views and assumptions and involve a degree of risk and uncertainty, in particular given the current general economic and market conditions.

Comments on the evolution of the results

Fortis Bank achieved a strong result in 2010 with a net profit attributable to shareholders of EUR 1,907 million, which compared to a net loss of EUR 665 million in 2009. The positive net result of EUR 1,907 million in 2010 was supported by strong commercial performance, low level of impairments and EUR 970 million result on discontinued operations. This result on discontinued operations includes the post-tax gain or loss recognised on the disposals of activities and entities (EUR 1,003 million) and the operating post-tax profit or loss of the discontinued operations (EUR -33 million). The restructuring costs in the frame of the integration with BNP Paribas (EUR -444 million) partly offset the positive elements in the results. The loss of EUR 665 million in 2009 was negatively impacted by one-off elements such as: adjustments in the frame of alignment of methodologies and accounting estimates to BNP Paribas, losses reflected in the income statement in the frame of IFRS5, taking into account futures sales which were partly offset by a positive impact related to the sale of part of the structured credit portfolio. Excluding these impacts, Fortis Bank realised a net underlying profit slightly positive in 2009 characterized by good commercial performance, strong trading revenues and a high level of impairments reflecting the consequences of the economic downturn.

From a geographical point of view, based on the location of the Fortis Bank entities, 67% of the net revenues are generated in Belgium, 16% in Luxembourg and 17% in other countries in which Fortis Bank is active.

Net interest income amounted to EUR 3,661 million, up 19% in comparison to 2009. The net interest income on interest bearing products increased benefiting from strong volume growth in retail banking in Belgium and Luxembourg, lower funding costs and inclusion of new entities in scope mainly TEB Mali and BNP Paribas Luxembourg. This evolution was also supported by a strong increase of interest revenues related to treasury and trading activities which partially offset the reduction in net results on financial instruments at fair value through profit or loss. The net interest income was negatively impacted by lower interest rates on reinvestments and decreased margins on deposits.

Net commission income reached EUR 1,155 million in 2010, up EUR 99 million (or 9%) compared to 2009. Net commission income improved thanks to a good performance in retail banking in Belgium, mainly related to higher income on securities transactions and payment services. Net commission income was also increased by the net commissions received from BNP Paribas induced by the reorganization of the capital market activities within the group. The sale of the BGL securities services activity to BNP Paribas Securities Services has a negative impact on the net commission income, partly off-set by the inclusion of new entities in the scope of Fortis Bank (mainly TEB Mali and BNP Paribas Luxembourg).

Net results on financial instruments at fair value through profit or loss decreased in 2010 compared to 2009 by EUR 194 million to EUR 320 million, mainly due to the exceptionally high trading results on fixed income and treasury activities in 2009, benefiting from a favorable yield curve.

Net results on available-for-sale financial assets and other financial assets not measured at fair value amounted to EUR 72 million in 2010, up by EUR 227 million versus a net negative result in 2009 at EUR 155 million. The increase in 2010 was mainly supported by higher net gains realized on the sale of bonds in the banking book, partly off-set by the cancellation of related derivatives transactions (reported as net results on financial instruments at fair value through profit or loss).

Net income from other activities reached EUR 171 million in 2010, up by EUR 87 million versus the prior year, representing mainly operating lease income from the container business and miscellaneous revenue elements. Container business benefited from a gain on the sale of assets amounting to EUR 100 million in 2010.

Operating expenses arrived at EUR (3,823) million in 2010, reflecting EUR 250 million or 7% increase mainly due to restructuring costs in the frame of integration to BNP Paribas Group (EUR -382 million) and scope changes after TEB Mali and BNPP Luxembourg entered in the scope in 2010. 2009 level of costs was also impacted by one-off's such as: provisions for risks and charges, healthcare and VAT. Excluding these exceptional elements, expenses reflected a slight increase driven by higher other operating charges on the back of increased spending on IT investments in the frame of the industrial plan and higher contribution to the deposit guarantee scheme in Belgium which more than offset the decrease in staff expenses mainly due to a lower average workforce.

Depreciation charges came in at EUR (303) million in 2010, increased by EUR (28) million versus prior year mainly driven by accelerated depreciation of branches in the frame of reshaping the retail distribution network in Belgium (EUR 60 million).

Cost of risk was a net reversal of EUR 3 million in 2010, against an exceptional high level of cost of risk in 2009 of EUR 1.8 billion. The evolution in 2010 in credit risk related impairments reflects the overall economic recovery and benefited from the release of collective and sector provisions on loans and structured credit instruments. The 2009 figures included additional provisions in the frame of alignment to the BNP Paribas methodology, partly offset by reversals of impairments related to the structured credit portfolio (debt securities).

Share of earnings of associates reached EUR 125 million in 2010, reflecting a strong increase of EUR 95 million compared to 2009 thanks to contributions of new entities such as: BNP Paribas Investment Partners (EUR 68 million), BNP Paribas Lease Group (EUR -9 million) and TCG Fund & Cronos Holding Company (EUR 13 million) and a higher contribution of AG Insurance in 2010 at EUR 53 million versus EUR 25 million in 2009, which were partly offset by a negative contribution of Postbank Ireland (EUR -31 million in 2010 versus EUR -4 million in 2009).

Net results on non-current assets came in at EUR 8 million in 2010 including sale results on real estate and other assets, while 2009 benefited from the sales of participation (EUR 51 million).

Goodwill included EUR (10) million impairment on goodwill of SADE.

Income tax expenses in 2010 came in at EUR 199 million (effective tax rate at 16%) benefiting mainly from the recognition of additional deferred tax assets (EUR 158 million) related to tax loss carry forward while 2009 income taxes were supported mainly by the reversal of previous deferred tax assets write-downs of EUR 1,076 million and recognition of additional deferred tax assets (EUR 92 million).

Net result of discontinued operations reached EUR 970 million in 2010. This result contains, on the one side, the realised gains and losses (EUR 1,003 million) on the subsidiaries and branches sold during the period. On the other side, this result includes the net operating results of the disposed subsidiaries and branches and the net operating results of those entities which are not yet sold but already classified as discontinued operations (EUR -33 million). The 2009 comparative net result (loss) of discontinued operations (EUR -1,292 million) contains the 2009 net operating results of all operations that have been discontinued (EUR -952 million) and a provision (EUR -340 million), already reflecting the losses on future sales of activities and participations in the 2009 accounts.

Comments on the evolution of the balance sheet

The total balance sheet of Fortis Bank amounted to EUR 348 billion at the end of 2010, EUR 80 billion or 19% lower compared to the end of 2009. The evolution is due to scope changes in the course of 2010 and to the further de-risking of the balance sheet. Entities entering the scope are mainly BNP Paribas Luxembourg and TEB Mali with total assets of EUR 20 billion.

This increase is more than compensated by entities leaving the scope (EUR -59 billion), the most material ones being: Fortis Banque France (EUR 8.9 billion), Fortis Bank activities and participations in the US (EUR 12.3 billion), Fortis Bank activities and participations in Asia (EUR 8.9 billion), Fortis Banque Suisse (EUR 2.6 billion), Fortis Bank branch in Italy (EUR 3.1 billion), Fortis Bank activities and participations in the UK (EUR 7.4 billion), Fortis Investments (EUR 3.1 billion), Artemis (EUR 0.4 billion) and the restructuring of the leasing activities (EUR 12.8 billion). Total assets excluding scope changes decreased by EUR 41 billion.

From a geographical point of view and based on the location of the Fortis Bank companies, 78% of assets are located in Belgium, 10% in Luxembourg and 12% in other countries. Luxembourg assets increased in 2010 from 5% to 10% mainly due to BNP Paribas Luxembourg entering in scope.

Assets

Cash & amounts due from central banks and post office banks decreased by EUR 1.3 billion or 31%, almost completely linked to lower monetary reserve assets with central banks.

Financial assets and derivatives at fair value through profit or loss rose substantially by EUR 16.7 billion or 27% mainly related to the reverse repurchase agreement activities (EUR 22 billion) and due to the development of trading activities in repo's and reverse repo's as from the second quarter of 2010. Furthermore, the trading securities portfolio has decreased by EUR 5.3 billion due to the reduction of proprietary trading, mainly related to government bonds and treasury bills.

Available-for-sale financial assets decreased by EUR 10.4 billion or 16.4% mainly due to the decline in the government bond portfolio (EUR 2.6 billion) and in the corporate bond portfolio (EUR 7.8 billion) following sales and redemptions.

Loans and receivables due from credit institutions amounted to EUR 28 billion at the end of 2010, a decrease by EUR 7.6 billion or 21% compared to 2009. This decrease is mainly driven by the reverse repurchase activities (EUR 17 billion), now reported in the line "Financial assets at fair value through profit or loss" since these activities are managed on a trading basis as from the second quarter of 2010. Loans and advances due from credit institutions have increased by EUR 12.7 billion mainly due to BNP Paribas Luxembourg entering in scope while current accounts went down by EUR 3.2 billion.

Loans and receivables due from customers arrived at EUR 152 billion at the end of 2010, a decline by EUR 13 billion or 8% compared to 2009. This decrease is mainly due to the impact of accounting for the leasing activities using the equity method (EUR -10.8 billion) off-set by BNP Paribas Luxembourg entering the scope (EUR 2.5 billion). Another driver is the reduction of repo balances (EUR -10.8 billion) now reported in the line "Financial assets at fair value through profit or loss" since these activities are managed on a trading basis as from the second quarter of 2010. Underlying increase was supported by higher loans to individual clients of EUR 4.2 billion (mainly mortgages) and higher loans to corporate clients of EUR 4.6 billion.

Accrued income and other assets decreased by EUR 25 billion or 75% to EUR 8 billion at the end of 2010, mainly due to lower balances on differences between trade and settlement date accounting (EUR 22.6 billion) and lower accrued income (EUR 2.2 billion). Lower balances on trade and settlement differences in 2010 are due to a reduced level of activity (EUR -9 billion) and the recognition as from 2010 onwards of the trading activities in repo's and reverse repo's at settlement date instead of at trade date (EUR -13.6 billion) in alignment with the BNP Paribas methodologies.

Investments in associates increased by EUR 2.7 billion to EUR 4.5 billion mainly due to the investment in BNP Paribas Investment Partners (EUR 1.8 billion) and BNP Paribas Lease Group (EUR 0.8 billion).

Property, plant and equipment recorded a decrease of EUR 0.8 billion to EUR 1.4 billion at the end of 2010, mainly due to the deconsolidation of the leasing and the container business and also partly due to accelerated depreciations of investments in the Belgian retail network branches.

Assets classified as held for sale amounted to EUR 11 billion at the end of 2010 compared to EUR 51.8 billion at the end of 2009 and relate mainly to assets considered as discontinued operations in the frame of the integration of transactions between Fortis Bank and BNP Paribas. At 31 December 2010, these assets represent mainly Fortis Bank Turkey (EUR 5.7 billion) and assets to be transferred in the New York branch (EUR 3.6 billion) and in the branch Asia (EUR 0.7 billion). At 31 December 2009, these assets were related to the activities of Fortis Bank in the US (EUR 16 billion), in Asia (EUR 9.7 billion), in France (EUR 8.9 billion), in the UK (EUR 7.6 billion), in Italy (EUR 3.2 billion), in Switzerland (EUR 2.6 billion) and Fortis Investments (EUR 3.4 billion).

Liabilities and equity

Financial liabilities and derivatives at fair value through profit or loss increased by EUR 22 billion (or 33%) to EUR 89 billion at the end of 2010. As was the case for Financial assets at fair value through profit or loss, this increase is driven by the repurchase agreement activities (EUR 29.4 billion) and due to the development of these activities on a trading basis as from the second quarter of 2010. This increase is partly counterbalanced by a decrease in short security sales (EUR 5.5 billion) and in other debt securities (EUR 2.3 billion).

Due to credit institutions arrived at EUR 32 billion at the end of 2010, which is EUR 25 billion or 44% lower compared to end 2009. This decrease is mainly due to the repurchase activities (EUR 25.5 billion) now reported in the line Financial liabilities at fair value through profit or loss since these activities are managed on a trading basis as from the second quarter of 2010. Demand deposits from credit institutions have increased by EUR 2.5 billion while other deposits went down by EUR 2 billion.

Due to customers showed a decrease by EUR 18 billion arriving at EUR 153 billion at the end of 2010. This is mainly driven by the decrease in repurchase activities (EUR 37.7 billion), now reported in the line Financial liabilities at fair value through profit or loss since these activities are managed on a trading basis as from the second quarter of 2010. This decrease is partly counterbalanced by a rise in deposits in Luxembourg (EUR 6.4 billion) on the back of BNP Paribas Luxembourg entering the scope, by TEB Mali entering scope with EUR 2.8 billion of deposits and by an increase in deposits in Belgium (EUR 7 billion) mainly due to the increase in saving deposits (EUR 10.3 billion). This caption also contains the saving certificates (EUR 6.6 billion) as from 2010 onwards (previously reported in Debt securities).

Debt Securities arrived at EUR 27 billion at the end of 2010, down by EUR 18 billion (or 40%) compared to end 2009, driven by lower short and medium term issues and the reporting of the saving certificates (EUR 6.6 billion) in the caption Due to customers as from 2010 onwards.

Accrued expenses & other liabilities decreased by EUR 7.2 billion (or 88%) impacted by lower balances for trade and settlement date differences (EUR -4.6 billion) and lower accrued interest and other expenses (EUR -2.6 billion).

Subordinated debt decreased by EUR 1.1 billion or 9% to EUR 10.6 billion driven by the redemption of long term subordinated debt.

Liabilities classified as held for sale amounted to EUR 9.3 billion at the end of 2010 compared to EUR 42.3 billion at the end of 2009. They relate mainly to liabilities considered as discontinued operations in the frame of the integration of transactions between Fortis Bank and BNP Paribas.

At 31 December 2010, these liabilities represent mainly Fortis Bank Turkey (EUR 3.6 billion) and the liabilities to be transferred related to the branches in London (EUR 0.4 billion), New York (EUR 4.3 billion) and Asia (EUR 0.5 billion). At 31 December 2009, these liabilities were related to the activities of Fortis Bank in the US (EUR 15 billion), in Asia (EUR 7.6 billion), in France (EUR 4 billion), in the UK (EUR 9 billion), in Italy (EUR 0.5 billion), in FB Switzerland (EUR 1.6 billion) and in Fortis Investments (EUR 4.3 billion).

Shareholders' equity increased by EUR 1.1 billion to EUR 16.6 billion at the end of 2010, driven by the positive result of the year (EUR 1.9 billion), the unrealised currency translation differences (EUR 0.1 billion) and the cash flow hedges (EUR 0.1 billion) off-set by an increase in unrealised losses on available for sale financial assets (EUR -0.6 billion).

The equity is also impacted negatively (EUR -0.4 billion) by the difference between the consideration paid and the acquired equity for the following acquisitions within the BNP Paribas Group (considered as "under common control"): BNP Paribas Luxembourg, Teb Mali and CIB and wealth management business in Belgium.

Minority interests remain stable at EUR 3 billion at 31 December 2010. The positive impact of the result of the year (EUR 243 million) are mainly off-set by the dividends paid and the impact of the application of the predecessor basis of accounting method for transactions under common control related to the acquisition of BNP Paribas Luxembourg.

Liquidity and solvency

The liquidity of Fortis Bank continued to improve in the course of 2010 due to confidence returning in the markets.

Fortis Bank continued to benefit from more benign market conditions expressed in:

- increased access to wholesale funding allowing to reduce the dependency on central bank financing;

- retail and private banking deposits showing a positive trend again.

The ratio naked deposits/loans (excluding repurchase agreements) has improved form 86% at the end of 2009 to 101% at 31 December 2010.

Solvency remained strong. At 31 December 2010, Fortis Bank's Tier 1 capital ratio amounted to 16.5% compared to 12.3% on 31 December 2009. At 31 December 2010, the total capital ratio stood at 22.6% well above the regulatory required minimum of 8%.

The positive evolution of the Tier 1 capital ratio can be explained by the material reduction in Risk Weighted Assets (RWA) (EUR -29 billion or 19%) and the increase of Tier 1 capital (EUR 1.5 billion). The decrease in RWA's is mainly due to the sale of entities and activities in the frame of the integration transactions with BNP Paribas.

Principal risks and uncertainties

Fortis Bank's activities are exposed to a number of risks such as credit risk, market risk, liquidity risk and operational risk. To ensure that these risks are identified and adequately controlled and managed, the bank adheres to a number of internal control procedures and refers to a whole array of risk indicators, which are further described in Note 4, Risk Management of the Fortis Bank Consolidated Financial Statements 2010.

Fortis Bank is involved as a defendant in various claims, disputes and legal proceedings in Belgium and in some foreign jurisdictions, arising in the ordinary course of its banking business and following the restructuring of Fortis Bank and Fortis Group at the end of September and beginning of October 2008, as further described in Note 8.i of the Fortis Bank Consolidated Financial Statements 2010.

Events after the reporting period are further described in the note 8.l in the section "Additional information".

Statement of the Board of Directors

The Board of Directors of Fortis Bank is responsible for preparing the Fortis Bank Consolidated Financial Statements as at 31 December 2010 in accordance with International Financial Reporting Standards as adopted by the European Union and the Fortis Bank Financial Statements as at 31 December 2010 in accordance with rules laid down in the (Belgian) Royal Decree of 23 September 1992 on the annual accounts of credit institutions.

The Board of Directors reviewed the Fortis Bank Consolidated and Non-consolidated Financial Statements on 17 March 2011 and authorised their issue.

The Board of Directors of Fortis Bank declares that, to the best of its knowledge, the Fortis Bank Consolidated Financial Statements and the Fortis Bank Financial Statements, give a true and fair view of the assets, liabilities, financial position and profit and loss of Fortis Bank and the undertakings included in the consolidation and that the information contained herein has no omissions likely to modify significantly the scope of any statements made.

The Board of Directors of Fortis Bank also declares that, to the best of its knowledge, the management report includes a fair review of the development, results and position of Fortis Bank and the undertakings included in the consolidation, together with a description of the principal risks and uncertainties with which they are confronted.

The Fortis Bank Consolidated Financial Statements and the Fortis Bank Financial Statements as at 31 December 2010 will be submitted to the Annual General Meeting of Shareholders for approval on 21 April 2011.

Brussels, 17 March 2011
The Board of Directors of Fortis Bank SA/NV

Corporate Governance

Fortis Bank has issued debt securities that are listed on a regulated market in the sense of article 2, 3° of the Law of 2 August 2002 regarding the supervision on the financial sector and financial services. In addition, but however without involvement of Fortis Bank itself, its shares are traded from time to time on a multilateral trading facility in the sense of article 2, 4° of the Law of 2 August 2002 regarding the supervision on the financial sector and financial services.

Taking into account the above and in accordance with article 96§2 of the Companies Code and article 1 of the Royal Decree of 6 June 2010, Fortis Bank has adopted the "Belgian Corporate Governance Code 2009" as its reference code (hereafter referred to as the "Code").

The Code can be consulted on http://www.corporategovernancecommittee.be

Compliance with the Code

Fortis Bank generally complies with the principles and provisions of the Code. Main differences relate to Principle 8 "Dialogue with shareholders". The fact that the Company is not able to comply with all of the provisions of Principle 8 of the Code is related to the ownership of Fortis Bank. On the one hand the 'free float' is limited to 0.07% of the issued shares. At the other hand, there is the commercial and operational integration of the Company within its controlling shareholder BNP Paribas SA that holds 74.93% of the issued shares.

BNP Paribas SA itself is a Euronext listed company which implies that certain legal provisions on the disclosure of sensitive information to the market need to be taken into account by Fortis Bank, its Directors and its staff. The Board of Directors is however determined to protect at all times the interests of all shareholders of Fortis Bank and will provide all of them with the necessary information and facilities to exercise their rights, in compliance with the Companies Code.

Fortis Bank did not receive any transparency declarations within the meaning of the Law of 2 May 2007 on the disclosure of significant shareholdings.

During 2010, Fortis Bank's non-executive directors had the opportunity to meet regularly without the presence of the CEO or other executive directors, at the occasion of the Board committee meetings (Provision 4.12 of the Code).

Governing Bodies

Board of Directors

Role and responsibilities

In accordance with legislation and regulations relating to credit institutions prevailing in Belgium, the Board of Directors is responsible for defining the general policy of the Bank ('policy function'), supervising the activities of the Executive Board, appointing and revoking the members of the Executive Board and supervising the Internal Control Functions ('supervisory function'). The Board of Directors decides on the company's values and strategy, its risk appetite and key policies.

In accordance with article 26 of the Banking Act[1] and article 22 of the articles of association of Fortis Bank ('Articles of Association'), the members of the Board of Directors have elected amongst themselves an Executive Board, of which the members are referred to as "Executive Directors". The Executive Board has received a general delegation of power to perform any acts necessary or relevant to manage the banking activities within the general policy framework set out by the Board of Directors ('management function').

Size and membership criteria

The Board of Directors shall be made up of not less than five and not more than thirty-five Directors. Members of the Board of Directors may or may not be shareholders, and are appointed for a period not exceeding four years.

Board members have the necessary qualities to exercise their function in an objective and independent way in order to guard the interests of Fortis Bank at all times.

According to the Fortis Bank' policy, the composition of the Board of Directors consists of an appropriate and balanced mix between the Executive Directors and the non-Executive Directors, whether independent or not.

Executive Directors may not constitute the majority of the Board. Fortis Bank, furthermore, strives to maintain an appropriate balance of skills and competences within the Board of Directors in accordance with the provisions of the Banking Act.

The establishment, composition, responsibilities and functioning of the Board of Directors and the Executive Board comply with the Code.

[1] *The Law of 22 March 1993 regarding the statute of and the supervision on credit institutions*

Composition

On 17 March 2011, the composition of the Board of Directors is as follows:

DAEMS Herman	Chairman of the Board of Directors. Non-Executive Director. Member of the Board of Directors since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
CHODRON de COURCEL Georges	Vice-Chairman Board of Directors. Non-Executive Director. Member of the Board of Directors since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
JADOT Maxime	Executive Director. Chairman of the Executive Board and Chief Executive Officer since 01.03.2011. Member of the Board of Directors by cooptation since 13.01.2011 following the resignation of Mr. Eric RAYNAUD that same day. Board Member mandate expires on the Ordinary Annual GeneralShareholders' Meeting of 2012.
DIERCKX Filip	Executive Director. Vice-Chairman of the Executive Board. Member of the Board of Directors since 28.10.1998. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2013.
FOHL Camille	Executive Director, Member of the Board of Directors and the Executive Board since 01.01.2008. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2011.
MENNICKEN Thomas	Executive Director. Member of the Board of Directors and the Executive Board since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
BONNAFÉ Jean-Laurent	Non-Executive Director since his resignation as Chairman of the Executive Board on 28.02.2011. Member of the Board of Directors and the Executive Board since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
BOOGMANS Dirk	Independent Non-Executive Director. Member of the Board of Directors since 01.10.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.

COUMANS Wim	Non-Executive Director proposed by SFPI/FPIM (*). Member of the Board of Directors since 27.01.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
DUTORDOIR Sophie	Independent Non-Executive Director. Member of the Board of Directors by cooptation since 30.11.2010 following the resignation of Mr. Gérard LAMARCHE on 02.07.2010. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
LAVENIR Frédéric	Non-Executive Director. Member of the Board of Directors from 14.05.2009 till 01.10.2009 and again since 10.12.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
PAPIASSE Alain	Non-Executive Director. Member of the Board of Directors since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
PRUVOT Jean-Paul	Non-Executive Director. Member of the Board of Directors since 27.01.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
STÉPHENNE Jean	Independent Non-Executive Director. Member of the Board of Directors since 26.04.2001. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2013.
VARÈNE Thierry	Non-Executive Director. Member of the Board of Directors since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
WIBAUT Serge	Non-Executive Director proposed by SFPI/FPIM (*). Member of the Board of Directors since 27.01.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.

Mr. Luc VANSTEENKISTE is permanent invitee to the Board of Directors and all Board Committees.

(*) Société Fédérale de Participations et Investissements or the Federale Participatie- en Investeringsmaatschappij.

The mandate of the Board Members appointed by cooptation is to be confirmed by the General Shareholders' Meeting of 21 April 2011. Fortis Bank organizes induction sessions for its director upon their nomination to the Board of Directors or a Board Committee.

The Fortis Bank Board of Directors, responsible for defining the general policy and supervising the activities of the Executive Board, is now composed of 16 Directors, of which 12 Non-Executive Directors (of which 3 are appointed as Independent Directors that comply with the criteria as laid down in article 526ter of the Companies Code) and 4 Executive Directors.

Between 1 January 2010 and December 31, 2010, the composition of the Board of Directors has undergone the following changes:

DAEMS Herman	Chairman Board of Directors
CHODRON de COURCEL Georges	Vice Chairman Board of Directors
BONNAFÉ Jean-Laurent	Chairman Executive Board
DIERCKX Filip	Vice Chairman Executive Board
FOHL Camille	Executive Director, Member of the Executive Board
MENNICKEN Thomas	Executive Director, Member of the Executive Board
RAYNAUD Eric	Executive Director, Member of the Executive Board
BOOGMANS Dirk	Independent Non-Executive Director
LAMARCHE Gérard	Independent Non-Executive Director (until 02.07.2010)
DUTORDOIR Sophie	Independent Non-Executive Director (since 30.11.2010)
STÉPHENNE Jean	Independent Non-Executive Director
VANSTEENKISTE Luc	Independent Non-Executive Director until 22.04.2010.
COUMANS Wim	Non-Executive Director
WIBAUT Serge	Non-Executive Director
LAVENIR Frédéric	Non-Executive Director
PAPIASSE Alain	Non-Executive Director
VARÈNE Thierry	Non-Executive Director
PRUVOT Jean-Paul	Non-Executive Director

Attendance to the meetings

The Board of Directors held 18 meetings in 2010. The attendance to the meetings was as follows:

	Number of Meetings held	Number of Attended Meetings
DAEMS, Herman	18	17
CHODRON de COURCEL, Georges	18	13
BONNAFÉ, Jean-Laurent	18	17
BOOGMANS, Dirk	18	18
COUMANS, Wim	18	18
DIERCKX, Filip	18	18
FOHL, Camille	18	13
LAMARCHE, Gérard (resigned from the Board of Directors)	18	3
LAVENIR, Frédéric	18	16
MENNICKEN, Thomas	18	18
PAPIASSE, Alain	18	4
PRUVOT, Jean-Paul	18	15
RAYNAUD, Eric	18	18
STÉPHENNE, Jean	18	15
VANSTEENKISTE, Luc	18	18*
VARÈNE, Thierry	18	16
WIBAUT, Serge	18	15
DUTORDOIR, Sophie (as of 30/11)	18	2

** For 10 out of 18 meetings, Mr. Vansteenkiste was present as permanent invitee.*

Evaluation of the Board of Directors

Under the lead of its Chairman, the Board of Directors regularly (i.e. at least every two years) assesses its size, composition, performance and those of the Board Committees, as well as its interaction with the executive management.

The evaluation process will have 4 objectives:

- assessing how the Board or the relevant Board Committee operates;
- checking that the important issues are suitably prepared and discussed;
- evaluating the actual contribution of each Director's work, the Director's presence at the Board and Board Committee meetings and his constructive involvement in discussions and decision-making; and
- checking the current composition of the Board or Board Committee against the Board's or Board Committee's desired composition.

The Chairman of the Board of Directors will discuss the outcome of the Board self - assessment with the Governance, Nomination and Remuneration Committee and the Board of Directors.

In 2010, the Chairman of the Board of Directors had individual meetings in this regard with all directors.

Remuneration

Information regarding the total remuneration for 2010, including benefits in kind and pension costs, of executive and non executive members of the Board of Directors, paid and payable by Fortis Bank are to be found in Note 8.d "Remuneration and benefits awarded to the Group's corporate officers" of the Fortis Bank Consolidated Financial Statements. This report is to be considered as the Remuneration Report in accordance with provision 7.2 of the Code.

Board Committees

In order to fulfil its role and responsibilities efficiently, the Board of Directors has set up an Audit, Risk and Compliance Committee and a Governance, Nomination and Remuneration Committee. The existence of these Committees does not affect the ability of the Board to set up further ad-hoc Committees to deal with specific matters if the need arises. Each Board Committee has an advisory function with respect to the Board. The appointment of Committee members is based on (i) their specific competences and experience, in addition to the general competence requirements for Board members, and (ii) the requirement that each Committee, as a group, possesses the competences and experience needed to perform its tasks. The evaluation of the Board Committee is led by the Chairman of each Committee in the way as the evaluation of the Board of Directors.

The establishment, composition, responsibilities and functioning of the aforementioned Board Committees comply with the Code.

Audit, Risk & Compliance Committee ("ARCC")

The role of the ARCC is to assist the Board in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense within Fortis Bank, including internal control over financial reporting and risk.

Role and responsibilities

The ARCC shall monitor, review and make recommendations to the Board of Directors regarding:

Audit

The performance of the external audit process: the ARCC oversees the work performed by the external auditors, reviews their audit plan, formally evaluates their performance at least once every three years against stated criteria and makes recommendations to the Board of Directors regarding their appointment or reappointment, mandate renewal and remuneration. The ARCC follows up on questions or recommendations of the external auditors. The ARCC also monitors the independence of external audit firms, including the review and approval of non-audit services provided to Fortis Bank.

The performance of the internal audit process: the ARCC oversees the work performed by the internal audit department and endorses the annual audit plan, including focal point audit assignments, scope and audit budget. It monitors the follow-up that management gives to the internal audit's recommendations and takes part in the external quality assessment of the internal audit department organized at least once every five years and concurs in the appointment or dismissal of the General Auditor.

Risk

The major risk exposures of the Bank and the operation of internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations. This implies that the ARCC identifies and acknowledges major risk areas such as credit risk, market risk and liquidity risk.

Compliance & Operational Risk

The coherence and effectiveness of the internal control system: this includes the overseeing and reviewing of the coherence and the effectiveness of the internal control system of Fortis Bank, through oversight and controls, more specifically with regard to its permanent control, the compliance of its activities with internal and external law and regulations and the protection of its reputation. This includes the supervision of operational risk management. The ARCC concurs in the appointment or dismissal of the Head of Compliance & Operational Risk ("Conformité"). The ARCC also regularly reviews the effectiveness of the BNP Paribas Fortis Internal Alert System.

Financial Reporting

- the integrity of financial statements and of any report on Fortis Bank financial performance, this includes the consistent application of accounting principles (and changes thereto) and the quality of internal control over financial reporting;
- the consolidation scope and accounting principles; and
- the Annual Report and the statements to be made by the Board of Directors therein as well as any external or official communication on the financial statements or the financial performance of Fortis Bank.

Composition

The ARCC consists of at least three non-Executive Directors. At least half of its members should be independent directors. In case of a tied vote, the Chairman of the ARCC shall have a casting vote.

Members of the ARCC need to have the necessary skills and competences in the field of accounting, audit and financial businesses. The presence of the necessary skills and competences is also judged at the level of the ARCC, not only on an individual basis.

In accordance with article 526bis, §2 of the Companies Code, at least one member of the ARCC is both independent director and has the necessary skills and competences in the field of accounting, audit and financial business. Both Independent Directors in the Fortis Bank ARCC comply with this rule.

Present composition:

- Boogmans Dirk (independent director), Chairman
- Coumans Wim
- Daems Herman
- Stéphenne Jean (independent director)

Attendance to the meetings

The ARCC met 10 times in 2010.

	Number of Meetings held	Number of Attended Meetings
BOOGMANS, Dirk	10	10
DAEMS, Herman	10	9
COUMANS, Wim	10	10
STÉPHENNE, Jean	10	6
VANSTEENKISTE, Luc	10	10*

** For 4 out of 10 meetings, Mr. Vansteenkiste was present as a permanent invitee.*

Remuneration

Information regarding the remuneration for 2010, including of the members of the Audit, Risk & Compliance Committee, paid and payable by Fortis Bank are to be found in Note 8.d "Remuneration and benefits awarded to the Group's corporate officers" of the Fortis Bank Consolidated Financial Statements. This report is to be considered as the Remuneration Report in accordance with provision 7.2 of the Code.

Governance, Nomination and Remuneration Committee ("GNRC")

The mission of the GNRC is:

1) to assist the Board of Directors in matters relating to:

- the appointment of Board members and the members of the Executive Board (the "Executive Directors");
- the remuneration policies in general, including but not limited to the policies applicable to Directors, Executive Directors and Senior Management;
- the governance of the Bank on which the Board or the Chairman of the Board wishes to receive the GNRC's advice; and

2) to review and approve the individual compensation packages of Executive Directors and Senior Management.

Role and responsibilities

The GNRC shall monitor, review and make recommendations to the Board of Directors regarding:

Governance

- the adequacy of the Bank's corporate governance practices and rules and evaluating the Bank's compliance with its corporate governance rules;
- emerging corporate governance issues or significant developments in the applicable laws and/or corporate governance practices;
- all matters of corporate governance and on any corrective action to be taken; including advising on the Board of Directors and Board Committees' organization, memberships, functions, duties and responsibilities;
- related insider and affiliated party transactions and/or conflict of interest matters involving Executive and Non-Executive Directors;
- the (re)appointment of the Head of Compliance & Operational Risk ("Conformité"), upon proposal of the Chairman of the Executive Board;
- the disclosures in the Annual Report on the remuneration of Executive and Non-Executive Directors, on the processes that govern their nomination and remuneration, and on the activities of the GNRC.

Appointments

- the policies and criteria (independence requirements, competences and qualifications) that govern the selection and appointment of Board members, members of Board Committees and of the Executive Board and recommends changes to the Board of Directors where needed;
- verifying that the appointment and re-election process is organized objectively and professionally;
- recommendations to the Board with regard to the size of the Board of Directors, the appointment or re-election of Board members and with regard to the appointment or dismissal of Executive Directors:
  - the process of appointing or re-electing Non-Executive Board members is initiated and led by the Chairman of the Board, in close cooperation with the Chairman of the GNRC, who proposes to the GNRC candidate(s) for appointment. The GNRC considers such proposal and makes a recommendation to the Board of Directors, which then decides on the appointment or re-election proposals it will submit to the General Meeting of Shareholders for a decision;

- the re-election and succession process of the Chairman of the Board is conducted by the GNRC;
- all issues related to succession planning of the Executive Directors and the members of the executive management are to be monitored by the GNRC, in close cooperation with the Chairman of the Board; proposals in this regard are to be made by the Chairman of the Executive Board and further monitored and approved by the GNRC and/or the Board of Directors;
- for the termination and succession of the mandate of the Chairman of the Executive Board, the GNRC's recommendation is based on a proposal by the Chairman of the Board in close cooperation with the chairman of the GNRC, while for the appointment or dismissal of members of the Executive Board, recommendations are based on a proposal submitted by the Chairman of the Executive Board, in consultation with the GNCR[2];

- the reports on management development and Executive Board succession planning of the Chairman of the Executive Board;

- the (re)appointment of the General Auditor upon proposal of the Chairman of the Executive Board.

Remuneration

- the remuneration policies of Fortis Bank;

- the remuneration of the Executive Directors and staff members in accordance with the Fortis Bank remuneration policies;

- the objectives for the Chairman of the Executive Board, and, based on a proposal made by the Chairman of the Executive Board, for the other Executive Directors. For Senior Management, the GNRC reviews the main principles applied which will subsequently serve as benchmarks in their performance appraisals;

- the performance of Directors:
  - with regard to Non-Executive Directors, the GNRC evaluates their performance in the context of their reelection;
  - with regard to the Executive Directors, the GNRC evaluates their performance in the context of determining their remuneration. For Executive Directors, the GNRC receives a joint proposal by the Chairman of the Board of Directors and the Chairman of the Executive Board.

[2] *In line with article 22 of the Articles of Association.*

Composition

The GNRC is composed of at least three non-executive directors. At least half of its members should be independent directors.

Present composition:

- Herman Daems *(Chairman)*
- Dirk Boogmans *(independent director)*
- Sophie Dutordoir *(independent director)*
- Jean Stéphenne *(independent director)*
- Serge Wibaut

Attendance to the meetings

The GNRC met 14 times in 2010.

	Numbers of Meetings held	Numbers of Attended Meetings
DAEMS, Herman	14	13
WIBAUT, Serge	14	13
STÉPHENNE, Jean	14	10
VANSTEENKISTE, Luc	14	13*
BOOGMANS, Dirk (as of 27/07/2010)	14	6

** For 8 out of 14 meetings, Mr. Vansteenkiste was present as permanent invitee.*

Remuneration

Information regarding the remuneration for 2010, including of the members of the Governance, Nomination & Remuneration Committee, paid and payable by Fortis Bank are to be found in Note 8.d. "Remuneration and benefit awarded to the Group's corporate officers" of the Fortis Bank Consolidated Financial Statements. This report is to be considered as the Remuneration Report in accordance with provision 7.2 of the Code.

Executive Committee

The Executive Committee is a non-statutory body and has an advisory role to the Executive Board while facilitating the execution of the strategy and operational management of the Bank.

The Executive Committee now has 13 members and is composed of the 4 Executive Directors (together composing the Executive Board) and of 9 key heads of Businesses and Support Functions:

Maxime JADOT	Executive Director, Chairman of the Executive Board / Executive Committee and Chief Executive officer
Filip DIERCKX	Executive Director, Vice Chairman of the Executive Board / Executive Committee and Chief Operating Officer
Thomas MENNICKEN	Executive Director / Member of the Executive Board and the Executive Committee and Chief Risk Officer
Camille FOHL	Executive Director / Member of the Executive Board and the Executive Committee and Head of Europe Mediterranean
Luc HAEGEMANS	Member of the Executive Committee, Secretary General
Bert VAN ROMPAEY	Member of the Executive Committee, Head of Human Resources
Lars MACHENIL	Member of the Executive Committee, Chief Financial Officer
Jacques GODET	Member of the Executive Committee, Head of Technology, Operation & Property Services
Frédéric VAN GHELUWE	Member of the Executive Committee, Head of Capital Markets
Peter VANDEKERCKHOVE	Member of the Executive Committee, Head of Retail & Private Banking
Olivier DE BROQUEVILLE	Member of the Executive Committee, Head of Investment Solutions
Jean-Yves FILLION	Member of the Executive Committee, Head of Corporate & Investment Banking
Yvan DE COCK	Member of the Executive Committee, Head of Corporate & Public Banking

Internal Control Procedures

This chapter is the description of the internal control procedures as required by provision 1.3 of the Code.

The Fortis Bank financial reporting process for preparing the Annual Report 2010 is monitored using documented accounting policies and reporting formats, supported by a chart of accounts with detailed instructions and guidance. The submission of financial information from each entity to the central Finance department is subject to specific controls and certifications.

Roles and responsibilities regarding the preparation and processing of financial accounting and management accounting information

Acting under the authority of the Chief Operating Officer and the Chief Financial Officer, the Finance department is responsible for the preparation and processing of financial accounting and management accounting information. Its activities and responsibilities include among others:

- producing and distributing high quality financial statements;
- producing qualitative management accounts, and providing all forecasted financial quantitative data needed for steering Fortis Bank;
- supervising project management from a financial perspective;
- optimizing Fortis Bank's financial position and ensuring that it is well presented to the financial markets;
- coordinating Fortis Bank's development commercial and financial strategy and managing its external growth as part of the BNP Paribas Group; and
- providing executive management with early warnings.

The responsibilities of the Finance department are exercised at different levels of Fortis Bank: within each entity by the local finance department, at the level of each business/business line and centrally by the Fortis Bank Finance department. Furthermore, additional controls are also performed at the level of BNP Paribas by the Finance department of each of the business lines and by Group Finance-Development.

The production of accounting and financial data, and the controls designed to ensure their reliability, are first handled by the financial department of each local entity which reports this information centrally and attests that it is reliable, based on the internal certification procedure described below.

The businesses/business lines of BNP Paribas then perform further controls at their level on the financial statements prepared by the accounting departments of each entity. They enhance the quality of the reporting by carrying out appropriate reconciliations of financial accounting and management accounting data and report the information (using the BNP Paribas' corporate tools managed by BNP Paribas' Group Finance-Development) to the Finance department of Fortis Bank.

The Finance department of Fortis Bank gathers, verifies and approves all the financial accounting and accounting management information produced by the local accounting department in line with formalised reporting procedures. It then consolidates these data for use by executive management, statutory auditors, BNP Paribas Group or for external reporting.

Production of accounting and financial information

Reporting policies and rules

The local financial statements for each entity are prepared under local GAAP while the Fortis Bank Consolidated Financial Statements are prepared under IFRS (International Financial Reporting Standards) as endorsed by the European Union.

The Reporting Policies team within the Finance department defines, based on IFRS, as endorsed by the European Union, the accounting policies to be applied for all Fortis Bank entities. These are based on BNP Paribas Group accounting policies. The Reporting Policies team monitors regulatory changes and prepares new internal accounting policies in line with the level of interpretation necessary to adapt them to the operations carried out by Fortis Bank. The BNP Paribas Group accounting manual is available together with additional documentation and guidance related to the specific Fortis Bank products and scope. This IFRS accounting manual is distributed to all accounting and reporting teams. It is regularly updated to reflect regulatory changes. The Reporting Policies team also handles requests for specific accounting analysis made by the local entities and the businesses/business lines.

The management accounting department draws up management reporting rules that apply to all Fortis Bank entities. Fortis Bank accounting and management control policies can be accessed via the internal network communication tool (intranet).

Systems used

The accounting systems used are the same as these used by the BNP Paribas Group. Dedicated teams within BNP Paribas' Group Finance-Development define the target architecture of the information systems to be used by the finance departments across the Group (accounting systems, cost-accounting systems, accounting and regulatory consolidated reporting systems and consolidated management reporting systems). They facilitate the sharing of information and the implementation of cross-functional projects in a context of increasing convergence of the different existing accounting platforms, both at the level of BNP Paribas Group and Fortis Bank.

The information used to prepare the Fortis Bank Consolidated Financial Statements is derived from the company's various transaction processing systems. All the systems have been designed and adapted in order to suit adequately Fortis Bank's specific reporting needs. Routing controls ensure at each level of the data transmission chain that these systems are adequately fed. Fortis Bank also regularly upgrades its systems to adapt them to the growth and increasing complexity of its business.

Dedicated teams are responsible for defining the accounting and control procedures in the back offices and accounting systems.

Process for collecting and preparing consolidated financial accounting and management accounting information

The process for collecting financial accounting and management accounting information is based on the accounting systems used within the BNP Paribas Group and is organised around two separate reporting channels, one dedicated to financial accounting data and the other to management accounting data, using the same integrated collection and consolidation software system known as MATISSE ("Management & Accounting Information System"). At local level, the accounting teams enter validated financial accounting and management accounting data into the system in accordance with Fortis Bank principles.

This reporting process applies to the channels dedicated to both financial accounting and management accounting data.

- Financial accounting data: the procedures for preparing Fortis Bank's Financial Statements are set out in the instructions distributed to all consolidated entities. This facilitates the standardisation of financial accounting data and compliance with Fortis Bank accounting standards. Each entity closes its accounts on a quarterly basis and prepares a consolidation reporting package in accordance with previously communicated reporting instructions and deadlines. The validation procedures which accompany each phase of the reporting process seek to verify that:
  - accounting standards have been correctly applied,
  - inter-company transactions have been correctly identified and eliminated for consolidation purposes,
  - consolidation entries have been correctly recorded.

The finance departments within the different businesses of BNP Paribas verify the consolidation packages coming from the accounting entities within their scope before reporting them to the Finance department of Fortis Bank (via BNP Paribas' Group Finance-Development), in charge of preparing the Consolidated Financial Statements of Fortis Bank.

- Management accounting data: management accounting information is reported on a monthly basis by each entity and business line to the relevant core business and business line, which then reports management reporting data consolidated at its level to the Budget and Strategic Management Control unit at Group Finance-Development.

Quarterly, for each entity and business, a reconciliation is performed between the main income and expense items based on management accounting data and the profit and loss account intermediate balances. This is supplemented by an overall reconciliation performed by Group Finance-Development to ensure consistency between consolidated financial accounting data and management accounting data. These two reconciliations form part of the procedure for ensuring reliable financial accounting and management accounting data.

Procedure for control of financial accounting and management accounting information

Accounting internal control within the Finance department

To ensure the monitoring of internal controls centrally, a dedicated department Financial Permanent Control has been set up within the Finance department.

The mission of Financial Permanent Control is to assure, on a continuous basis, the reliability of the processes used for producing and validating the financial figures for Fortis Bank, and to ensure compliance with the legal and regulatory reporting requirements. Other activities consist amongst others in maintaining the relations with the external auditors and to ensure that their recommendations are well applied through Fortis Bank, monitoring the certifications issued by Fortis Bank, and verifying the valuation of the financial instruments.

Internal certification process

As already mentioned, Fortis Bank procedures on accounting control include a certification process, which aims at confirming that the information provided in the MATISSE reporting system has been adequately verified. The results of the certification process are presented quarterly to the Fortis Bank Audit, Risk and Compliance Committee and are an integral part of the accounting process.

Therefore, each entity submitting a MATISSE reporting package has to fill in several certificates on a quarterly basis, using the FACT tool (Finance Accounting Control Tool), an internet/intranet-based application dedicated to the certification process within the BNP Paribas Group. These certificates are made up of standardised questions, of which many refer to the application of the relevant accounting procedures and principles.

The main objective of the certification process is to ensure transparency and to give an accurate overview of the accounting internal control of the entity.

The main task of Financial Permanent Control is to provide a level of comfort to the CFO, the Fortis Bank Audit, Risk and Compliance Committee, the external auditors as well as the Belgian regulator that internal control measures are well maintained for the entities part of the Fortis Bank scope.

The certification process encompasses several axes of certification, amongst others:

- a certification that the accounting data reported are reliable and comply with the Fortis Bank accounting policies;
- a certification that the accounting internal control system designed to ensure the quality of accounting data is operating effectively.

This internal certification process forms part of the overall accounting internal control monitoring system and enables the Finance department of Fortis Bank, which has the overall responsibility for the preparation and the quality of the Fortis Bank Consolidated Financial Statements, to be informed of any problems related to the preparation of the financial statements and to monitor the implementation by the accounting entities of appropriate corrective measures and, if necessary, to book appropriate provisions. Regarding Fortis Bank in Belgium, the certification process is supported by an extensive set of sub-certificates which cover from an end-to-end perspective all the activities of the company.

Measurement of financial instruments and determining the results of market transactions

The Finance department delegates the determination and control of market values or models of financial instruments to the different departments involved in measuring financial instruments within the overall process of monitoring market risk and management data. Overviewing the accuracy of these operations remains the responsibility of the Finance department.

The purposes of these control procedures within Finance are as follows:

- to ensure that transactions involving financial instruments are properly recorded in Fortis Bank's books for producing financial and management data;
- to guarantee the quality of financial instruments measurement and reporting used both in preparing the financial and management accounts and in managing and monitoring market and liquidity risks; and
- to ensure that the results of market transactions are accurately determined and correctly analysed.

General inspection team

The General Inspection department is in charge of the periodic controls within Fortis Bank. It includes a team of inspectors specialised in financial audits. This reflects the strategy of strengthening Fortis Bank's internal audit capability both in terms of technical scope and the areas of accounting risk tackled in the audit engagements undertaken.

The General Inspection department can intervene independently in all the entities and areas of Fortis Bank. The General Inspection can inspect any subject it deems necessary and has unlimited access to all documents, persons and property of the audited entity. The general mission of General Inspection can be summarized as follows:

- to add value and improve Fortis Bank's operations through independent, objective assurance and consulting activity.
- to help Fortis Bank achieve its objectives by driving a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- to carry out periodic controls on the compliance of operations on the level of risk actually incurred, on the compliance with procedures, and on the effectiveness and appropriateness of the permanent control system.

When performing assignments, General Inspection is bound by a number of specific principles, amongst which:

- auditors must remain independent, objective and impartial in their investigations and in reporting the results of their work to General Management and to the audited entities;
- auditors cannot engage directly in acts of operational management.

Finally, General Inspection has a duty of vigilance and alert at all levels. It informs General Management about all major internal control deficiencies as soon as detected.

Relations with the statutory auditors

in 2010, the college of accredited Statutory Auditors was composed of:

- PricewaterhouseCoopers Reviseurs d'Entreprises SCRL, represented by M. Roland JEANQUART;
- Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises SC SCRL, represented by MM. Philip MAEYAERT and Frank VERHAEGEN.

The Statutory Auditors are appointed by the General Shareholders' Meeting, upon advice of the Audit, Risk and Compliance Committee and upon proposal of the Board of Directors.

The Statutory Auditors are required to issue a report every financial year in which they give their opinion concerning the fairness of the Consolidated Financial Statements of Fortis Bank and its subsidiaries.

The Statutory Auditors also carry out limited reviews of the quarterly accounts. As part of their statutory audit assignment:

- They examine any significant changes in accounting standards and present their recommendations concerning choices with a material impact to the Audit, Risk and Compliance Committee;

- They present the relevant entity and the Finance department with their findings, observations and recommendations for the purpose of improving certain aspects of the internal control system for the preparation of accounting and financial information, reviewed in the course of their audit.

The Audit, Risk and Compliance Committee of the Board of Directors is informed concerning accounting choices that have material impact on the financial statements so they can submit these choices further to the Board of Directors for final decision making.

Conflict of Interests

In addition to the legal provisions on Conflicts of Interest in the Companies Code, the company has to comply with a number of circular letters issued by the CBFA and aiming at avoiding conflicts of interest between Fortis Bank and its directors or executive management, amongst others in relation to external functions and credits.

Further, the Company has a general conflicts of interest policy and code of conduct in place which states that the achievement of commercial, financial, professional or personal objectives must not stand in the way of compliance with these principles:

- Act fairly, honestly and transparently;
- Respect others;
- Comply with the law, the regulations and professional standards;
- Comply with instructions;
- Work in the customers' best interests;
- Ensure that market integrity is respected;
- Manage conflicts of interests;
- Behave professionally;
- Protect Fortis Bank's interests; and
- Report any irregularities observed

Finally, directors and executive management of Fortis Bank have been assessed by the CBFA before their formal appointment and this in accordance with the Banking Act. Before issuing an approval or '*nihil obstat*', the CBFA conducts an inquiry which covers also the absence of certain conflicts of interest.

Fortis Bank Consolidated Financial Statements 2010

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Profit and loss account for the year ended 31 December 2010

In millions of euros	Note	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Interest income	2.a	8,234	9,947
Interest expense	2.a	(4,573)	(6,866)
Commission income	2.b	1,625	1,496
Commission expense	2.b	(470)	(440)
Net gain/loss on financial instruments at fair value through profit or loss	2.c	320	514
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value	2.d	72	(155)
Income from other activities	2.e	211	201
Expense on other activities	2.e	(40)	(117)
REVENUES		**5,379**	**4,580**
Operating expense		(3,823)	(3,573)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	5.m	(303)	(275)
GROSS OPERATING INCOME		**1,253**	**732**
Cost of risk	2.f	3	(1,839)
OPERATING INCOME		**1,256**	**(1,107)**
Share of earnings of associates		125	30
Net gain on non-current assets		8	51
Goodwill	5.n	(10)	(3)
PRE-TAX INCOME		**1,379**	**(1,029)**
Corporate income tax	2.g	(199)	1,611
NET INCOME BEFORE DISCONTINUED OPERATIONS		**1,180**	**582**
Net result of discontinued operations	8.c	970	(1,292)
NET INCOME		**2,150**	**(710)**
Net income attributable to minority interests		243	(45)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**1,907**	**(665)**

Statement of net income and changes in fair value of assets and liabilities recognised directly in equity

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Net income for the period	**2,150**	**(710)**
Changes in fair value of assets and liabilities recognised directly in equity	(347)	3,931
- Items related to exchange rate movements	110	(61)
- Changes in fair value of available-for-sale financial assets	(434)	(1,789)
- Changes in fair value of available-for-sale assets reported in net income	22	5,665
- Deferred gains and losses on hedging instruments	67	
- Changes in value of hedging instruments reported in net income		(9)
- Items related to equity-accounted companies	(112)	125
TOTAL	**1,803**	**3,221**
Attributable to equity shareholders	1,548	3,130
Attributable to minority interests	255	91

Balance sheet at 31 December 2010

In millions of euros	Note	31 December 2010	31 December 2009
ASSETS			
Cash and amounts due from central banks and post office banks		2,989	4,332
Financial assets at fair value through profit or loss	5.a	78,239	61,503
Derivatives used for hedging purposes	5.b	503	939
Available-for-sale financial assets	5.c	53,138	63,566
Loans and receivables due from credit institutions	5.f	28,358	35,943
Loans and receivables due from customers	5.g	152,107	164,905
Remeasurement adjustment on interest-rate risk hedged portfolios		537	430
Held-to-maturity financial assets	5.i	3,073	3,525
Current and deferred tax assets	5.j	3,898	3,693
Accrued income and other assets	5.k	8,076	32,645
Investments in associates	5.l	4,454	1,771
Investment property	5.m	68	657
Property, plant and equipment	5.m	1,442	2,202
Intangible assets	5.m	86	57
Goodwill	5.n	24	292
Assets classified as held for sale	8.c	10,975	51,825
TOTAL ASSETS		**347,967**	**428,285**
LIABILITIES			
Due to central banks and post office banks		25	93
Financial liabilities at fair value through profit or loss	5.a	89,308	67,359
Derivatives used for hedging purposes	5.b	1,321	1,439
Due to credit institutions	5.f	32,134	57,168
Due to customers	5.g	152,821	171,117
Debt securities	5.h	27,325	45,812
Remeasurement adjustment on interest-rate risk hedged portfolios		359	251
Current and deferred tax liabilities	5.j	290	354
Accrued expenses and other liabilities	5.k	1,022	8,239
Technical reserves of insurance companies		48	53
Provisions for contingencies and charges	5.o	3,821	3,916
Subordinated debt	5.h	10,626	11,727
Liabilities classified as held for sale	8.c	9,265	42,304
TOTAL LIABILITIES		**328,365**	**409,832**
CONSOLIDATED EQUITY			
Share capital and additional paid-in capital		9,605	29,651
Retained earnings		7,092	(11,874)
Net income for the period attributable to shareholders		1,907	(665)
Total capital, retained earnings and net income for the period attributable to shareholders		**18,604**	**17,112**
Unrealised or deferred gains and losses attributable to shareholders		(2,012)	(1,653)
Shareholders' equity		**16,592**	**15,459**
Retained earnings and net income for the period attributable to minority interests		3,054	3,050
Change in fair value of assets and liabilities recognised directly in equity		(44)	(56)
Total minority interests		**3,010**	**2,994**
TOTAL CONSOLIDATED EQUITY		**19,602**	**18,453**
TOTAL LIABILITIES AND EQUITY		**347,967**	**428,285**

Statement of changes in shareholders' equity between 1 Jan. 2009 and 31 Dec. 2010

In millions of euros	Capital and retained earnings			Changes in fair value assets and liabilities recognised directly in equity			
	Ordinary shares non voting shares and additional paid - in capital	Non distributed reserves	Total Capital and Retained Earnings	Exchange rate	Financial Assets Available for sale	Derivatives used for hedging purposes	Total equity
Capital and retained earnings at 31 December 2008	**29,651**	**(11,840)**	**17,811**	**(400)**	**(5,048)**		**12,363**
Appropriation of net income for 2008							
Other movements		(34)	(34)				(34)
Net gain/loss on non-current assets							
Change in fair value of assets and liabilities recognised directly in equity				(60)	3,864	(9)	3,795
Net income for 2009		(665)	(665)				(665)
Capital and retained earnings at 31 December 2009	**29,651**	**(12,539)**	**17,112**	**(460)**	**(1,184)**	**(9)**	**15,459**
Appropriation of net income for 2009							
Other movements	(20,046)	19,631	(415)				(415)
Dividends							
Change in fair value of assets and liabilities recognised directly in equity				124	(551)	68	(359)
Net income for 2010		1,907	1,907				1,907
Capital and retained earnings at 31 December 2010	**9,605**	**8,999**	**18,604**	**(336)**	**(1,735)**	**59**	**16,592**

Minority interests between 1 Jan. 2009 and 31 Dec. 2010

In millions of euros	Capital and retained earnings	Changes in fair value of assets and liabilities recognised directly in equity	Total Minority Interests
Capital and retained earnings at 31 December 2008	**2,972**	**(192)**	**2,780**
Appropriation of net income for 2008			
Interim dividends paid out of net income for the period			
Other movements	123		123
Change in fair value of assets and liabilities recognised directly in equity		136	136
Net income for 2009	(45)		(45)
Capital and retained earnings at 31 December 2009	**3,050**	**(56)**	**2,994**
Appropriation of net income for 2009	(175)		(175)
Interim dividends paid out of net income for the period	(1)		(1)
Other movements	(63)		(63)
Change in fair value of assets and liabilities recognised directly in equity		12	12
Net income for 2010	243		243
Capital and retained earnings at 31 December 2010	**3,054**	**(44)**	**3,010**

Statement of cash flows for the year ended 31 December 2010

In millions of euros	Note	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Pre-tax net income of continuing activities		1,379	(1,029)
Pre-tax net income of discontinued activities		930	(1,502)
Non-monetary items included in pre-tax net income and other adjustments of continuing activities		**11,145**	**31,127**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		314	335
Impairment of goodwill and other non-current assets		70	3
Net addition to provisions		30	2,193
Share of earnings of associates		(125)	(30)
Net income from investing activities		2,675	54
Net income from financing activities			476
Other movements		8,181	28,096
Net increase (decrease) in cash related to assets and liabilities generated by continuing operating activities		**(13,104)**	**(10,522)**
Cash related to transactions with credit institutions		(666)	(15,062)
Cash related to transactions with customers		(33,224)	(19,361)
Cash related to transactions involving other financial assets and liabilities		20,349	23,901
Cash related to transactions involving non-financial assets and liabilities		437	
Taxes paid		(98)	(173)
CASH AND EQUIVALENTS GENERATED BY CONTINUING OPERATING ACTIVITIES		(678)	19,403
CASH AND EQUIVALENTS GENERATED BY DISCONTINUED OPERATING ACTIVITIES [1]	8.c	4,920	(8,800)
Cash related to acquisitions and disposals of consolidated entities	8.b	1,663	(1,045)
Cash related to property, plant and equipment and intangible assets		(297)	(228)
CASH AND EQUIVALENTS RELATED TO CONTINUING INVESTING ACTIVITIES		1,366	(1,273)
CASH AND EQUIVALENTS RELATED TO DISCONTINUED INVESTING ACTIVITIES [1]	8.c	(1,503)	(1,185)
Cash and equivalents related to transactions with shareholders			
Cash and equivalents generated by other financing activities		(7,223)	(4,958)
CASH AND EQUIVALENTS RELATED TO CONTINUING FINANCING ACTIVITIES		(7,223)	(4,958)
CASH AND EQUIVALENTS RELATED TO DISCONTINUED FINANCING ACTIVITIES [1]	8.c	(5,498)	7,691
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS OF CONTINUING ACTIVITIES		23	9
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS OF DISCONTINUED ACTIVITIES [1]		9	(27)
Balance of cash and equivalent accounts at the start of the period of continuing activities		**2,490**	**(10,691)**
Cash and amounts due from central banks and post office banks		3,982	3,456
Due to central banks and post office banks		(93)	(9,093)
Demand deposits with credit institutions	5.f	3,634	2,842
Demand loans from credit institutions	5.f	(5,033)	(7,896)
Balance of cash and equivalent accounts at the end of the period of continuing activities		**(4,022)**	**2,490**
Cash and amounts due from central banks and post office banks		2,989	3,982
Due to central banks and post office banks		(25)	(93)
Demand deposits with credit institutions	5.f	607	3,634
Demand loans from credit institutions	5.f	(7,593)	(5,033)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS OF CONTINUING ACTIVITIES		(6,512)	13,181
Balance of cash and equivalent accounts at the start of the period of discontinued activities		**2,487**	**4,808**
Balance of cash and equivalent accounts at the end of the period of discontinued activities		**415**	**2,487**
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS OF DISCONTINUED ACTIVITIES [1]		(2,072)	(2,321)

[1] Cash flow statement as at 31 December 2009 has been adjusted in accordance with the requirement of IFRS 5. Fortis lease group, Fortis Bank Turkey, Fastnet Belgium and Luxembourg, SADE as well as Fortis Bank's branches in Athens, Madrid, Budapest and Zurich have qualified as "discontinued operations" during the year 2010 and the operating, investing and financing activities of the year 2009 relating to these entities were also reclassified and presented in the lines "discontinued activities".

Notes to the consolidated financial statements

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

1 Summary of significant accounting policies applied by Fortis Bank

1.a Applicable accounting standards

The consolidated financial statements of Fortis Bank are prepared in accordance to the international accounting standards (International Financial Reporting Standards -IFRS) which are adopted within the European Union[1]. As such certain provisions of IAS 39 on hedge accounting have been excluded and some recent texts have not yet been the subject of adoption proceedings.

Fortis Bank has applied the provisions of IFRS 3 revised "Business Combinations" and IAS 27 revised "Consolidated and Separate Financial Statements". These revised standards are applicable prospectively and therefore had no effect on the accounting treatment of transactions completed prior to 1 January 2010.

The introduction of other standards which are mandatory as of 1 January 2010 had no effect on the 2010 financial statements.

[1] *The full set of standards adopted for use in the European Union can be consulted on the website of the European Commission at: http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission.*

Fortis Bank did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union and whose application in 2010 was optional, except for the revised IAS 24 Related party disclosures (publication date 4 November 2009, EU endorsement date 19 July 2010). This revised Standard provides an exemption from disclosure requirements for transactions between entities, jointly controlled or significantly influenced by the same state ('state –controlled entities'). Fortis Bank is exempt from certain disclosure requirements with the Belgian State, Belgian State-controlled enterprises and other state-related organisations listed in chapter 8.e Related Parties.

The accounting policies, accounting estimates and classifications used to prepare the Consolidated Financial Statements of 2010 are consistent with those applied to the year ended 31 December 2009, except for the change described below.

In the context of the Global Integration Project of Fortis Bank in the BNP Paribas group, certain activities of Fortis Bank and BNP Paribas were transferred and assets were re-allocated between the various group entities. As business combinations under common control are not in the scope of IFRS 3 Business Combinations or other IFRS standards, Fortis Bank has decided to adopt a predecessor basis of accounting method for business combinations under common control. (For more information, see section 1.c.4 Business combinations and measurement of goodwill).

1.b Segment reporting

The organisation, the operating model and governance structure of Fortis Bank have been significantly changed after the acquisition of a 75% participation in Fortis Bank by BNP Paribas and the start of the integration project, crystallised in the industrial plan. These changes have also a major impact on the way to assess performance and allocate resources of the segments and on the format and the content of the segment reporting by Fortis Bank.

It is considered that within the legal and regulatory scope of Fortis Bank ("controlled perimeter"), the nature and financial effects of the business activities in which it engages and the economic environments in which it operates, are best reflected through operating segments based on geographical components, being:

- Fortis Bank in Belgium
- Fortis Bank in Luxemburg
- Other countries

Operating segments are components of Fortis Bank:

- that engage in business activities from which it may earn revenues and incur expenses
- whose operating results are regularly reviewed by the Board of Directors of Fortis Bank to make decisions about resources to be allocated to the segment and assess its performance
- for which discrete financial information is available.

The Board of Directors of Fortis Bank is in the context of IFRS 8, Operating Segments, considered as the chief operating decision maker (CODM), jointly overseeing the activities, performance and resources of Fortis Bank.

Fortis Bank, as many other companies with diverse operations, organises and reports financial information to the CODM in more than one way.

The combined activities of Fortis Bank in Belgium, Luxembourg and other countries are being integrated in the global operating model of BNP Paribas. This integration of Fortis Bank activities in the organisational structure of businesses and support functions of BNP Paribas ensures that adequate levers exist to effectively implement the BNP Paribas group strategy within all entities being part of Fortis Bank.

However, Fortis Bank group and the legal entities being part of this group, must continue to exercise management control over the full legal and regulatory scope, the so-called "controlled perimeter", including the set up of the appropriate governance structures and control processes.

Within this organisational structure, with the presence of significant minority shareholders, and in the context of the regulatory scope ("controlled perimeter") of Fortis Bank, operating segments based on geographical areas and regulatory environments are mostly in line with the core principles and criteria to determine operating segments as defined in IFRS 8 Operating Segments.

Transactions or transfers between the operating segments are entered into under normal commercial terms and conditions as would be available to unrelated third parties.

1.c Consolidation

1.c.1 Scope of consolidation

The consolidated financial statements of Fortis Bank include all entities under the exclusive or joint control of Fortis Bank or over which Fortis Bank exercises significant influence, with the exception of those entities whose consolidation is regarded as immaterial to Fortis Bank. The consolidation of an entity is regarded as immaterial if it fails to meet any of the following thresholds: a contribution of more than EUR 8 million to consolidated Revenues, more than EUR 1 million to consolidated gross operating income or net income before tax, or more than EUR 40 million to total consolidated assets. Companies that hold shares in consolidated companies are also consolidated.

Subsidiaries are consolidated from the date on which Fortis Bank obtains effective control. Entities under temporary control are included in the consolidated financial statements until the date of disposal.

Fortis Bank also consolidates special purpose entities (SPEs) formed specifically to manage a transaction or a group of transactions with similar characteristics, even where Fortis Bank has no equity interest in the entity, provided that the substance of the relationship indicates that Fortis Bank exercises control as assessed by reference to the following criteria:

- the activities of the SPE are being conducted exclusively on behalf of Fortis Bank, such that Fortis Bank obtains benefits from those activities;
- Fortis Bank has the decision-making and management powers to obtain the majority of the benefits of the ordinary activities of the SPE (as evidenced, for example, by the power to dissolve the SPE, to amend its bylaws, or to exercise a formal veto over amendments to its bylaws);
- Fortis Bank has the ability to obtain the majority of the benefits of the SPE, and therefore may be exposed to risks incident to the activities of the SPE. These benefits may be in the form of rights to some or all of the SPE's earnings (calculated on an annual basis), to a share of its net assets, to benefit from one or more assets, or to receive the majority of the residual assets in the event of liquidation;
- Fortis Bank retains the majority of the risks taken by the SPE in order to obtain benefits from its activities. This would apply, for example, if Fortis Bank remains exposed to the initial losses on a portfolio of assets held by the SPE.

1.c.2 Consolidation methods

Enterprises under the exclusive control of Fortis Bank are fully consolidated. Fortis Bank has exclusive control over an enterprise where it is in a position to govern the financial and operating policies of the enterprise so as to obtain benefits from its activities. Exclusive control is presumed to exist when Fortis Bank owns, directly or indirectly, more than half of the voting rights of an enterprise. It also exists when Fortis Bank has power to govern the financial and operating policies of the enterprise under an agreement; to appoint or remove the majority of the members of the Board of Directors or equivalent governing body; or to cast the majority of votes at meetings of the Board of Directors or equivalent governing body.

Currently exercisable or convertible potential voting rights are taken into account when determining the percentage of control held.

Jointly-controlled companies are consolidated by the proportional method. Fortis Bank exercises joint control when, under a contractual arrangement, strategic financial and operating decisions require the unanimous consent of the parties that share control.

Enterprises over which Fortis Bank exercises significant influence (associates) are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decision-making of an enterprise without exercising control. Significant influence is presumed to exist when Fortis Bank holds, directly or indirectly, 20% or more of the voting power of an enterprise. Interests of less than 20% are excluded from consolidation unless they represent a strategic investment and Fortis Bank effectively exercises significant influence. This applies to companies developed in partnership with other groups, where Fortis Bank participates in the strategic decision-making of the enterprise through representation on the Board of Directors or equivalent governing body, exercises influence over the enterprise's operational management by supplying management systems or decision-making tools, and provides technical assistance to support the enterprise's development.

Changes in the net assets of associates (companies accounted for under the equity method) are recognised in "Investments in associates" on the assets side of the balance sheet, and in the relevant component of shareholders' equity. Goodwill on associates is also included in "Investments in associates".

If Fortis Bank's share of losses of an associate equals or exceeds the carrying amount of its investment in the associate, Fortis Bank discontinues including its share of further losses. The investment is reported at nil value. Additional losses of the associate are provided for only to the extent that Fortis Bank has a legal or constructive obligation to do so, or has made payments on behalf of the associate.

Minority interests are presented separately in the consolidated profit and loss account and balance sheet. The calculation of minority interests takes account of outstanding cumulative preferred shares classified as equity instruments and issued by subsidiaries, when such shares are held outside Fortis Bank.

Transactions resulting in a loss of control completed prior to 1 January 2010 give rise to the recognition of a gain or loss equal to the difference between the sale price and the share of Fortis Bank in the underlying equity. For transactions completed after 1 January 2010, IAS 27 revised now requires any equity interest retained by Fortis Bank to be remeasured at its fair value through profit or loss.

Realised gains and losses on investments in consolidated undertakings are recognised in the profit and loss account under "Net gain on non-current assets".

1.c.3 Consolidation procedures

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between consolidated enterprises, and the transactions themselves (including income, expenses and dividends), are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired. Unrealised gains and losses included in the value of available-for-sale assets are maintained in the consolidated financial statements.

Translation of financial statements expressed in foreign currencies

The consolidated financial statements of Fortis Bank are prepared in euros.

The financial statements of enterprises whose functional currency is not the euro are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average rate for the period.

The same method is applied to the financial statements of enterprises located in hyperinflationary economies, after adjusting for the effects of inflation by applying a general price index.

Differences arising on the translation of balance sheet items and profit and loss items are recorded in shareholders' equity under "Cumulative translation adjustment" for the portion attributable to shareholders, and in "Minority interests" for the portion attributable to outside investors. Under the optional treatment permitted by IFRS 1, Fortis Bank has reset at zero, by transfer to retained earnings, all cumulative translation differences attributable to shareholders and to minority interests in the opening balance sheet at 1 January 2004.

On liquidation or disposal of all or part of an interest in a foreign operation, the cumulative translation adjustment recognised in equity in respect of that interest is transferred to profit or loss in full if the disposal results in a loss of control or in proportion to the percentage interest sold if the disposal does not result in a loss of control.

1.c.4 Business combinations and measurement of goodwill

Business combinations completed prior to 1 January 2010

Business combinations are accounted for by the purchase method. Under this method, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the IFRS recognition criteria are measured at fair value at the acquisition date except for non-current assets classified as assets held for sale, which is accounted for at fair value less costs to sell. Fortis Bank may recognise any adjustments to the provisional accounting within 12 months of the acquisition date.

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities assumed, and equity instruments issued to obtain control of the acquiree, plus any costs directly attributable to the combination.

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree at the acquisition date. Positive goodwill is recognised in the acquirer's balance sheet, while badwill is recognised immediately in profit or loss, on the acquisition date.

Goodwill is recognised in the functional currency of the acquiree and translated at the closing exchange rate.

When a business combination is achieved in stages (step acquisition), each stage is treated separately using the consideration transferred and the fair value of identifiable assets, liabilities and contingent liabilities acquired in each stage to determine the goodwill. The change in fair value of identifiable assets, liabilities and contingent liabilities corresponding to the previously held equity interest is recognised in other comprehensive income.

As permitted under IFRS 1, business combinations that took place before 1 January 2004 and were recorded in accordance with the previously applicable accounting standards (Belgian GAAP), have not been restated in accordance with the principles set out above.

Business combinations completed after 1 January 2010

IFRS 3 revised has introduced the following main changes to the policies described above:

- The acquiree's contingent liabilities are not recognised in the consolidated balance sheet unless they represent a present obligation (and no longer a present or possible obligation as before) on the acquisition date and their fair value can be reliably estimated.

- Costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss.

- Any contingent consideration is included in the consideration transferred at its acquisition-date fair value (and no longer when it is probable and can be reliably measured as before). After the fair value measurement period of 12 months following the business combination, changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

- On the acquisition date, any previously held equity interest in the acquiree is remeasured at its fair value through profit or loss. In the case of a step acquisition, the goodwill is therefore determined by reference to the acquisition-date fair value and no longer by reference to the fair value of the assets and liabilities acquired in each stage.

Measurement of goodwill

The Fortis Bank tests goodwill for impairment on a regular basis.

Cash-generating units

Fortis Bank has split all its activities into cash-generating units[2], representing the reporting entities of Fortis Bank. This split is consistent with Fortis Bank's organisational structure and management methods, and reflects the independence of each reporting entity in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

Testing cash-generating units for impairment

Goodwill allocated to cash-generating units is tested for impairment annually and whenever there is an indication that a unit may be impaired, by comparing the carrying amount of the unit with its recoverable amount. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit and its value in use.

Fair value is the price that would be obtained from selling the unit at the market conditions prevailing at the date of measurement, as determined mainly by reference to actual prices of recent transactions involving similar entities or on the basis of stock market multiples for comparable companies.

Value in use is based on an estimate of the future cash flows to be generated by the cash-generating unit, derived from the annual forecasts prepared by the unit's management and approved by the Executive Committee and from analyses of changes in the relative positioning of the unit's activities on their market. These cash flows are discounted at a rate that reflects the return that investors would require from an investment in the business sector and region involved.

Transactions under common control

Transfers of assets or exchange of shares between entities under common control are not in the scope of IFRS 3 Business Combinations or other IFRS standards. Therefore, based on IAS 8 requiring management to use its judgement in developing and applying an accounting policy that provides relevant and reliable financial statement information, Fortis Bank has decided to adopt a predecessor basis of accounting. Under this method, Fortis Bank, as acquiring party, recognises those assets and liabilities at their carrying amount as determined by the transferring entity at the date of the transfer. Consequently, no new goodwill (other than the existing goodwill relating to either of the combining entities) is recognised. Any difference between the consideration paid/transferred and the share capital acquired is presented as an adjustment in equity. This predecessor basis of accounting for the business combinations under common control is applied prospectively from the date of the acquisition.

[2] *As defined by IAS 36.*

1.d Financial assets and financial liabilities

1.d.1 Loans and receivables

Loans and receivables include credit provided by Fortis Bank, Fortis Banks share in syndicated loans, and purchased loans that are not quoted in an active market, unless they are held for trading purposes. Loans that are quoted in an active market are classified as "Available-for-sale financial assets" and measured using the methods applicable to this category.

Loans and receivables are initially measured at fair value, which is usually the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (participation fees, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees/commission included in the initial value of the loan, is calculated using the effective interest method and taken to profit or loss over the life of the loan.

Commission earned on financing commitments prior to the inception of a loan is deferred and included in the value of the loan when the loan is made.

Commission earned on financing commitments where the probability of drawdown is low, or there is uncertainty as to the timing and amount of drawdowns, is recognised on a straight-line basis over the life of the commitment.

1.d.2 Securities

Categories of securities

Securities held by Fortis Bank are classified in one of four categories.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise:

- financial assets held for trading purposes;
- financial assets that Fortis Bank has opted, on initial recognition, to recognise and measure at fair value through profit or loss using the fair value option available under IAS 39. The conditions for applying the fair value option are set out in section 1.d.10.

Securities in this category are measured at fair value at the balance sheet date. Transaction costs are directly posted in the profit and loss account. Changes in fair value (excluding accrued interest on fixed-income securities) are presented in the profit and loss account under "Net gain/loss on financial instruments at fair value through profit or loss", along with dividends from variable-income securities and realised gains and losses on disposal.

Income earned on fixed-income securities classified in this category is shown under "Interest income" in the profit and loss account.

Fair value incorporates an assessment of the counterparty risk on these securities.

Loans and receivables

Securities with fixed or determinable payments that are not traded on an active market, apart from securities for which the owner may not recover almost all of its initial investment due to reasons other than credit deterioration, are classified as "Loans and receivables" if they do not meet the criteria to be classified as "Financial assets at fair value through profit or loss." These securities are measured and recognised as described in section 1.d.1.

Held-to-maturity financial assets

Held-to-maturity financial assets are investments with fixed or determinable payments and fixed maturity that Fortis Bank has the intention and ability to hold until maturity. Hedges contracted to cover assets in this category against interest rate risk do not qualify for hedge accounting as defined in IAS 39.

Assets in this category are accounted for at amortised cost using the effective interest method, which builds in amortisation of premium and discount (corresponding to the difference between the purchase price and redemption value of the asset) and incidental acquisition costs (where material). Income earned from this category of assets is included in "Interest income" in the profit and loss account.

Available-for-sale financial assets

Available-for-sale financial assets are fixed-income and variable-income securities other than those classified as "fair value through profit or loss" or "held-to-maturity" or "loans and receivables".

Assets included in the available-for-sale category are initially recorded at fair value plus transaction costs where material. At the balance sheet date, they are remeasured to fair value, with changes in fair value (excluding accrued interest) shown on a separate line in shareholders' equity, "Unrealised or deferred gains or losses". On disposal, these unrealised gains and losses are transferred from shareholders' equity to the profit and loss account, where they are shown on the line "Net gain/loss on available-for-sale financial assets".

Income recognised using the effective interest method derived from fixed-income available-for-sale securities is recorded in "Interest income" in the profit and loss account. Dividend income from variable-income securities is recognised in "Net gain/loss on available-for-sale financial assets" when Fortis Bank's right to receive payment is established.

Repurchase agreements and securities lending/ borrowing

Securities temporarily sold under repurchase agreements continue to be recorded in Fortis Bank balance sheet in the category of securities to which they belong. The corresponding liability is recognised in the appropriate debt category in the balance sheet except in the case of repurchase agreements contracted for trading purposes, where the corresponding liability is classified in "Financial liabilities at fair value through profit or loss".

Securities temporarily acquired under reverse repurchase agreements are not recognised in Fortis Bank's balance sheet. The corresponding receivable is recognised in "Loans and receivables" except in the case of reverse repurchase agreements contracted for trading purposes, where the corresponding receivable is recognised in "Financial assets at fair value through profit or loss".

Securities lending transactions do not result in derecognition of the loaned securities, and securities borrowing transactions do not result in recognition of the borrowed securities in the balance sheet, except in cases where the borrowed securities are subsequently sold by Fortis Bank. In such cases, the obligation to deliver the borrowed securities on maturity is recognised in the balance sheet under "Financial liabilities at fair value through profit or loss".

Date of recognition for securities transactions

Securities classified as at fair value through profit or loss, held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (at fair value through profit or loss, loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

Securities transactions are carried on the balance sheet until Fortis Bank rights to receive the related cash flows expire, or until Fortis Bank has transferred substantially all the risks and rewards incident to ownership of the securities.

1.d.3 Foreign currency transactions

The methods used to account for assets and liabilities relating to foreign currency transactions entered into by Fortis Bank, and to measure the foreign exchange risk arising on such transactions, depends upon whether the asset or liability in question is classified as a monetary or a non-monetary item.

Monetary assets and liabilities[3] expressed in foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the profit and loss account, except for those arising on financial instruments designated as a cash flow hedge or a net foreign investment hedge, which are recognised in shareholders' equity.

Non-monetary assets and liabilities expressed in foreign currencies

Non-monetary assets may be measured either at historical cost or at fair value. Non-monetary assets expressed in foreign currencies are translated using the exchange rate at the date of the transaction if they are measured at historical cost, and at the closing rate if they are measured at fair value.

Translation differences on non-monetary assets expressed in foreign currencies and measured at fair value (variable-income securities) are recognised in the profit and loss account if the asset is classified in "Financial assets at fair value through profit or loss", and in shareholders' equity if the asset is classified in "Available-for-sale financial assets", unless the financial asset in question is designated as an item hedged against foreign exchange risk in a fair value hedging relationship, in which case the translation difference is recognised in the profit and loss account.

[3] *Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.*

1.d.4 Impairment of financial assets

Impairment of loans and receivables and held-to-maturity financial assets, provisions for financing and guarantee commitments

An impairment loss is recognised against loans and held-to-maturity financial assets where (i) there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset; (ii) the event affects the amount or timing of future cash flows; and (iii) the consequences of the event can be measured reliably. Loans are assessed for evidence of impairment initially on an individual basis, and subsequently on a portfolio basis. Similar principles are applied to financing and guarantee commitments given by Fortis Bank, with the probability of drawdown taken into account in any assessment of financing commitments.

At individual level, objective evidence that a financial asset is impaired includes observable data about the following events:

- the existence of accounts more than three months past due (six months past due for real estate loans and loans to local authorities);
- knowledge or indications that the borrower is in significant financial difficulty, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;
- concessions in respect of the credit terms granted to the borrower that the lender would not have considered had the borrower not been in financial difficulty.

The amount of the impairment is the difference between the carrying amount before impairment and the present value, discounted at the original effective interest rate of the asset, of those components (principal, interest, collateral, etc.) regarded as recoverable. Changes in the amount of impairment losses are taken to the profit and loss account under "Cost of risk". Any subsequent decrease in an impairment loss that can be related objectively to an event occurring after the impairment loss was recognised is credited to the profit and loss account, also under "Cost of risk". Once an asset has been impaired, the notional interest earned on the carrying amount of the asset (calculated at the original effective interest rate used to discount the estimated recoverable cash flows) is recognised in "Interest income" in the profit and loss account.

Impairment losses taken against loans and receivables are usually recorded in a separate provision account which reduces the amount for which the loan or receivable was recorded in assets upon initial recognition. Provisions relating to off-balance sheet financial instruments, financing and guarantee commitments or disputes are recognised in liabilities. Impaired receivables are written off in whole or in part and the corresponding provision reversed for the amount of the loss when all other means available to the Bank for recovering the receivables or guarantees have failed, or when all or part of the receivables has been waived.

Counterparties that are not individually impaired are risk-assessed on the basis of portfolios of loans with similar characteristics. This assessment draws upon an internal rating system based on historical data, adjusted as necessary to reflect circumstances prevailing at the balance sheet date. It enables Fortis Bank to identify groups of counterparties which, as a result of events occurring since inception of the loans, have collectively acquired a probability of default at maturity that provides objective evidence of impairment of the entire portfolio, but without it being possible at that stage to allocate the impairment to individual counterparties. This assessment also estimates the amount of the loss on the portfolios in question, taking account of trends in the economic cycle during the assessment period. Changes in the amount of portfolio impairments are taken to the profit and loss account under "Cost of risk".

Based on the experienced judgement of the Bank's divisions or Risk Management, Fortis Bank may recognise additional collective impairment provisions in respect of a given economic sector or geographic area affected by exceptional economic events. This may be the case when the consequences of these events cannot be measured with sufficient accuracy to adjust the parameters used to determine the collective provision recognised against affected portfolios of loans with similar characteristics.

Impairment of available-for-sale financial assets

Impairment of available-for-sale financial assets (which mainly comprise securities) is recognised on an individual basis if there is objective evidence of impairment as a result of one or more events occurring since acquisition.

In the case of variable-income securities quoted in an active market, the control system identifies securities that may be permanently impaired based on criteria such as a significant decline in quoted price below the acquisition cost or a prolonged decline, which prompts Fortis Bank to carry out an additional individual qualitative analysis. This may lead to the recognition of an impairment loss calculated on the basis of the quoted price.

Apart from the identification criteria, Fortis Bank has determined three indications of impairment, one being a significant decline in price, defined as a fall of more than 50% of the acquisition price, another one being a prolonged decline over five consecutive years and the last one being a prolonged decline of at least 30% over an average period of one year. The period of five years of which Fortis Bank believes is necessary for a moderate decline in price below the purchase cost to be considered as something more than just the effect of random volatility inherent in the stock markets or a cyclical change lasting a few years, but which represents a lasting phenomenon justifying an impairment.

A similar method is applied for unlisted variable-income securities.

In the case of fixed-income securities, impairment is assessed based on the same criteria as applied to individually impaired loans and receivables.

Impairment losses taken against variable-income securities are recognised as a component of Revenues on the line "Net gain/loss on available-for-sale financial assets", and may not be reversed through the profit and loss account until the securities in question are sold. Any subsequent decline in fair value constitutes an additional impairment loss, recognised in the profit and loss account.

Impairment losses taken against fixed-income securities are recognised in "Cost of risk", and may be reversed through the profit and loss account in the event of an increase in fair value that relates objectively to an event occurring after the last impairment was recognised.

1.d.5 Reclassification of financial assets

The only authorised reclassifications of financial assets are the following:

- for a non-derivative financial asset that is held for the purposes of selling it in the near-term, out of "Financial assets at fair value through profit or loss" and into:
  - "Loans and receivables" if the asset meets the definition for this category and Fortis Bank has the intention and ability to hold the asset for the foreseeable future or until maturity, or
  - other categories only under rare circumstances where justified and provided that the reclassified assets meet the conditions applicable to the host portfolio;

- out of "Available-for-sale financial assets" and into:
  - "Loans and receivables" on the same conditions as set out above for "Financial assets at fair value through profit or loss,
  - "Held-to-maturity financial assets," for assets that have a maturity, or "Financial assets at cost," for unlisted variable-income assets.

Financial assets are reclassified at fair value, or the value calculated by a model, on the reclassification date. Any derivatives embedded in the reclassified financial assets are recognised separately and changes in fair value are recognised through profit or loss.

After reclassification, assets are recognised according to the provisions applicable to the host portfolio. The transfer price on the reclassification date is deemed to be the initial cost of the asset for the purpose of determining any impairment.

In the event of reclassification from "available-for-sale financial assets" to another category, gains or losses previously recognised through equity are amortised to profit or loss over the residual life of the instrument using the effective interest rate method.

Any upward revisions to the estimated recoverable amounts are recognised through an adjustment to the effective interest rate as of the date on which the estimate is revised. Downward revisions are recognised through an adjustment to the financial asset's carrying amount.

1.d.6 Issues of debt securities

Financial instruments issued by Fortis Bank are qualified as debt instruments if Fortis Bank, when issuing the instruments, has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if Fortis Bank may be obliged to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to Fortis Bank, or to deliver a variable number of Fortis Bank's own equity instruments.

Issues of debt securities are initially recognised at the issue value including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Bonds redeemable for or convertible into equity instruments of Fortis Bank are accounted for as hybrid instruments with a debt component and an equity component, determined on initial recognition.

1.d.7 Own equity instruments and own equity instrument derivatives

The term "own equity instruments" refers to shares issued by the parent company (BNP Paribas) or by its fully consolidated subsidiaries.

Own equity instruments held by Fortis Bank, also known as treasury shares, are deducted from consolidated shareholders' equity irrespective of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated profit and loss account.

When Fortis Bank acquires equity instruments issued by subsidiaries under the exclusive control of Fortis Bank, the difference between the acquisition price and the share of net assets acquired is recorded in retained earnings attributable to Fortis Bank shareholders. Similarly, the liability corresponding to put options granted to minority shareholders in such subsidiaries, and changes in the value of that liability, are offset initially against minority interests, with any surplus offset against retained earnings attributable to Fortis Bank shareholders. Until these options have been exercised, the portion of net income attributable to minority interests is allocated to minority interests in the profit and loss account. A decrease in Fortis Bank interest in a fully consolidated subsidiary is recognised in Fortis Bank accounts as a change in shareholders' equity.

Own equity instrument derivatives are treated as follows, depending on the method of settlement:

- as equity instruments if they are settled by physical delivery of a fixed number of own equity instruments for a fixed amount of cash or other financial asset. Such instruments are not revalued;
- as derivatives if they are settled in cash, or through a choice of whether they are settled by physical delivery of the shares or in cash. Changes in value of such instruments are taken to the profit and loss account.

If the contract includes an obligation, whether contingent or not, for the bank to repurchase its own shares, the bank must recognise the present value of the debt with an offsetting entry in equity.

1.d.8 Derivative instruments and hedge accounting

All derivative instruments are recognised in the balance sheet on the trade date at the transaction price, and are remeasured to fair value on the balance sheet date.

Derivatives held for trading purposes

Derivatives held for trading purposes are recognised in the balance sheet in "Financial assets at fair value through profit or loss" when their fair value is positive, and in "Financial liabilities at fair value through profit or loss" when their fair value is negative. Realised and unrealised gains and losses are taken to the profit and loss account on the line "Net gain/loss on financial instruments at fair value through profit or loss".

Derivatives and hedge accounting

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

Fair value hedges are used in particular to hedge interest rate risk on fixed rate assets and liabilities, both for identified financial instruments (securities, debt issues, loans, borrowings) and for portfolios of financial instruments (in particular, demand deposits and fixed rate loans).

Cash flow hedges are used in particular to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risk on highly probable forecast foreign currency revenues.

At the inception of the hedge, Fortis Bank prepares formal documentation of the hedging relationship identifying the instrument (or portion of the instrument or portion of risk) that is being hedged; the hedging strategy and the type of risk covered; the hedging instrument; and the methods used to assess the effectiveness of the hedging relationship.

On inception and at least quarterly, Fortis Bank assesses, consistently with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship. Retrospective effectiveness tests are designed to assess whether actual changes in the fair value or cash flows of the hedging instrument and the hedged item are within a range of 80% to 125%. Prospective effectiveness tests are designed to ensure that expected changes in the fair value or cash flows of the derivative over the residual life of the hedge adequately offset those of the hedged item. For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

Under IAS 39 as adopted by the European Union (which excludes certain provisions on portfolio hedging), interest rate risk hedging relationships based on portfolios of assets or liabilities qualify for fair value hedge accounting as follows:

- the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);
- the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlyings;
- the hedging instruments used consist exclusively of "plain vanilla" swaps;
- prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlyings. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlyings specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

The accounting treatment of derivatives and hedged items depends on the hedging strategy.

In a fair value hedging relationship, the derivative instrument is remeasured at fair value in the balance sheet, with changes in fair value taken to profit or loss in "Net gain/loss on financial instruments at fair value through profit or loss", symmetrically with the remeasurement of the hedged item to reflect the hedged risk. In the balance sheet, the fair value remeasurement of the hedged component is recognised in accordance with the classification of the hedged item in the case of a hedge of identified assets and liabilities, or under "Remeasurement adjustment on interest rate risk hedged portfolios" in the case of a portfolio hedging relationship.

If a hedging relationship ceases or no longer fulfils the effectiveness criteria, the hedging instrument is transferred to the trading book and accounted for using the treatment applied to this asset category. In the case of identified fixed-income instruments, the remeasurement adjustment recognised in the balance sheet is amortised at the effective interest rate over the remaining life of the instrument. In the case of interest rate risk hedged fixed-income portfolios, the adjustment is amortised on a straight-line basis over the remainder of the original term of the hedge. If the hedged item no longer appears in the balance sheet, in particular due to prepayments, the adjustment is taken to the profit and loss account immediately.

In a cash flow hedging relationship, the derivative is stated at fair value in the balance sheet, with changes in fair value taken to shareholders' equity on a separate line, "Unrealised or deferred gains or losses". The amounts taken to shareholders' equity over the life of the hedge are transferred to the profit and loss account under "Net interest income" as and when the cash flows from the hedged item impact profit or loss. The hedged items continue to be accounted for using the treatment specific to the asset category to which they belong.

If the hedging relationship ceases or no longer fulfils the effectiveness criteria, the cumulative amounts recognised in shareholders' equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts profit or loss, or until it becomes clear that the transaction will not occur, at which point they are transferred to the profit and loss account.

If the hedged item ceases to exist, the cumulative amounts recognised in shareholders' equity are immediately taken to the profit and loss account.

Whatever the hedging strategy used, any ineffective portion of the hedge is recognised in the profit and loss account under "Net gain/loss on financial instruments at fair value through profit or loss".

Hedges of net foreign currency investments in subsidiaries and branches are accounted for in the same way as cash flow hedges. Hedging instruments may be currency hedges or any other non-derivative financial instrument.

Embedded derivatives

Derivatives embedded in hybrid financial instruments are extracted from the value of the host contract and accounted for separately as a derivative if the hybrid instrument is not recorded as a financial asset or liability at fair value through profit or loss and if the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

1.d.9 Determination of fair value

Financial assets and liabilities classified as fair value through profit or loss, and financial assets classified as available-for-sale, are measured and accounted for at fair value upon initial recognition and at subsequent dates. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. On initial recognition, the value of a financial instrument is generally the transaction price (i.e. the value of the consideration paid or received).

Fair value is determined:

- on the basis of quoted prices in an active market; or
- using valuation techniques involving:
  - mathematical calculation methods based on accepted financial theories, and
  - parameters derived in some cases from the prices of instruments traded in active markets, and in others from statistical estimates or other quantitative methods because of the absence of an active market.

Whether or not a market is active is determined on the basis of a variety of factors. Characteristics of an inactive market include a significant decline in the volume and level of trading activity in identical or similar instruments, the available prices vary significantly over time or among market participants or observed transaction prices are not current.

Use of quoted prices on active markets

If quoted prices in an active market are available, they are used priority to determine fair value. These are the directly quoted prices for identical instruments.

Use of valuation models for non-quoted financial instruments

The majority of over-the-counter derivatives are traded in active markets. Valuations are determined using generally accepted models (discounted cash flows, Black & Scholes model, interpolation techniques) based on quoted market prices for similar instruments or underlyings.

Some financial instruments, although not traded on an active market, are measured using methods based on parameters which are observable on the market.

The models use market parameters calibrated from observable date such as yield curves, the layers of implicit volatility, default rates and loss assumptions or from over the counter active markets.

The valuation derived from these models is adjusted for liquidity and credit risk.

Starting from valuations derived from median market prices, price adjustments are used to value the net position in each financial instrument at bid price in the case of short positions, or at asking price in the case of long positions. Bid price is the price at which a counterparty would buy the instrument, and asking price is the price at which a seller would sell the same instrument.

A counterparty risk adjustment is included in the valuation derived from the model in order to reflect the credit quality of the derivative instrument.

The margin generated when financial instruments, measured according methods based on observable parameters, are traded is taken to the profit and loss account immediately.

Other illiquid complex financial instruments are valued using internally-developed techniques and techniques that are based on data non-observable or only partially observable on active markets.

In the absence of observable data, these instruments are measured on initial recognition in a way that reflects the transaction price, regarded as the best indication of fair value. Valuations derived from these models are adjusted for liquidity risk and credit risk.

The margin generated when these complex financial instruments are traded (day one profit) is deferred and taken to the profit and loss account over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated by comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the profit and loss account.

Finally, in the specific case of unlisted equity securities, the fair value is measured by comparison with recent transactions in the equity of the company in question carried out with an independent third party on an arm's length basis. If no such reference is available, the valuation is determined either on the basis of generally accepted practices (EBIT or EBITDA multiples) or of Fortis Bank's share of net assets as calculated using the most recently available information.

1.d.10 Financial assets and liabilities designated at fair value through profit or loss (fair value option)

The amendment to IAS 39 relating to the "fair value option" was adopted by the European Union on 15 November 2005, with effect from 1 January 2005.

This option allows entities to designate any financial asset or financial liability on initial recognition as measured at fair value, with changes in fair value recognised in profit or loss, in the following cases:

- hybrid financial instruments containing one or more embedded derivatives which otherwise would have been extracted and accounted for separately;
- where using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would arise if they were to be classified in separate categories;
- where a group of financial assets and/or financial liabilities is managed and measured on the basis of fair value, under a properly documented management and investment strategy.

1.d.11 Income and expenses arising from financial assets and financial liabilities

Income and expenses arising from financial instruments measured at amortised cost and from fixed-income securities classified in "Available-for-sale financial assets" are recognised in the profit and loss account using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes account of (i) all fees received or paid that are an integral part of the effective interest rate of the contract, (ii) transaction costs, and (iii) premiums and discounts.

The method used by Fortis Bank to recognise service-related commission income and expenses depends on the nature of the service. Commission treated as an additional component of interest is included in the effective interest rate, and is recognised in the profit and loss account in "Net interest income". Commission payable or receivable on execution of a significant transaction is recognised in the profit and loss account in full on execution of the transaction, under "Commission income and expense". Commission payable or receivable for recurring services is recognised over the term of the service, also under "Commission income and expense".

Commission received in respect of financial guarantee commitments is regarded as representing the fair value of the commitment. The resulting liability is subsequently amortised over the term of the commitment, under commission income in Revenues.

External costs that are directly attributable to an issue of new shares are deducted from equity net of all related taxes.

1.d.12 Cost of risk

Cost of risk includes movements in provisions for impairment of fixed-income securities and loans and receivables due from customers and credit institutions, movements in financing and guarantee commitments given, losses on irrecoverable loans and amounts recovered on loans written off. This caption also includes impairment losses recorded in respect of default risk incurred on counterparties for over-the-counter financial instruments, as well as expenses relating to fraud and to disputes inherent to the financing business.

1.d.13 Derecognition of financial assets and financial liabilities

Fortis Bank derecognises all or part of a financial asset either (i) when the contractual rights to the cash flows from the asset expire or (ii) when Fortis Bank transfers the contractual rights to the cash flows from the asset and substantially all the risks and rewards of ownership of the asset. Unless these conditions are fulfilled, Fortis Bank retains the asset in its balance sheet and recognises a liability for the obligation created as a result of the transfer of the asset.

Fortis Bank derecognises all or part of a financial liability when the liability is extinguished in full or in part.

1.d.14 Netting of financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, Fortis Bank has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Repurchase agreements and derivatives traded with clearing houses that meet the two criteria set out in IAS 39 are netted in the balance sheet.

1.e Accounting standards specific to insurance business

The specific accounting policies relating to assets and liabilities generated by insurance contracts and financial contracts with a discretionary participation feature written by fully consolidated insurance companies are retained for the purposes of the consolidated financial statements. These policies comply with IFRS 4.

All other insurance company assets and liabilities are accounted for using the policies applied to the assets and liabilities of Fortis Bank generally, and are included in the relevant balance sheet and profit and loss account headings in the consolidated financial statements.

1.e.1 Assets

Financial assets and non-current assets are accounted for using the policies described elsewhere in this note. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date with changes in fair value taken to profit or loss.

Financial assets representing technical provisions related to unit-linked business are shown in "Financial assets at fair value through profit or loss", and are stated at the realisable value of the underlying assets at the balance sheet date.

1.e.2 Liabilities

Fortis Bank's obligations to policyholders and beneficiaries are shown in "Technical reserves of insurance companies" and comprise liabilities relating to insurance contracts carrying a significant insurance risk (e.g., mortality or disability) and to financial contracts with a discretionary participation feature, which are covered by IFRS 4. A discretionary participation feature is one which gives life policyholders the right to receive, as a supplement to guaranteed benefits, a share of actual profits.

Liabilities relating to other financial contracts, which are covered by IAS 39, are shown in "Due to customers". Unit-linked contract liabilities are measured by reference to the fair value of the underlying assets at the balance sheet date.

The technical reserves of life insurance subsidiaries consist primarily of mathematical reserves, which generally correspond to the surrender value of the contract.

The benefits offered relate mainly to the risk of death (term life insurance, annuities, loan repayment, guaranteed minimum on unit-linked contracts) and, for borrowers' insurance, to disability, incapacity and unemployment risks. These types of risks are controlled by the use of appropriate mortality tables (certified tables in the case of annuity-holders), medical screening appropriate to the level of benefit offered, statistical monitoring of insured populations, and reinsurance programmes.

Non-life technical reserves include unearned premium reserves (corresponding to the portion of written premiums relating to future periods) and outstanding claims reserves, inclusive of claims handling costs.

The adequacy of technical reserves is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period. A capitalisation reserve is set up in individual statutory accounts on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, the bulk of this reserve is reclassified to "Policyholders' surplus" on the liabilities side of the consolidated balance sheet; a deferred tax liability is recognised on the portion taken to shareholders' equity.

This item also includes the policyholders' surplus reserve resulting from the application of shadow accounting. This represents the interest of policyholders inunrealised gains and losses on assets where the benefit paid under the policy is linked to the return on those assets. This interest is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

In the event of an unrealised loss on shadow accounted assets, a policyholders' loss reserve is recognised on the assets side of the consolidated balance sheet in an amount equal to the probable deduction from the policyholders' future profit share. The recoverability of the policyholders' loss reserve is assessed prospectively, taking account of policyholders' surplus reserves recognised elsewhere, capital gains on financial assets that are not shadow accounted due to accounting elections made (held-to-maturity financial assets and property investments measured at cost) and the company's ability and intention to hold the assets carrying the unrealised loss. The policyholders' loss reserve is recognised symmetrically with the corresponding assets and shown on the assets side of the balance sheet under the line item "Accrued income and other assets".

1.e.3 Profit and loss account

Income and expenses arising on insurance contracts written by Fortis Bank are recognised in the profit and loss account under "Income from other activities" and "Expenses on other activities".

Other insurance company income and expenses are included in the relevant profit and loss account item. Consequently, movements in the policyholders' surplus reserve are shown on the same line as gains and losses on the assets that generated the movements.

1.f Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets shown in the consolidated balance sheet comprise assets used in operations and investment property.

Assets used in operations are those used in the provision of services or for administrative purposes, and include non-property assets leased by Fortis Bank as lessor under operating leases.

Investment property comprises property assets held to generate rental income and capital gains.

Property, plant and equipment and intangible assets are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service.

Software developed internally by Fortis Bank that fulfils the criteria for capitalisation is capitalised at direct development cost, which includes external costs and the labour costs of employees directly attributable to the project.

Subsequent to initial recognition, property, plant and equipment and intangible assets are measured at cost less accumulated depreciation or amortisation and any impairment losses. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date, with changes in fair value taken to profit or loss.

The depreciable amount of property, plant and equipment and intangible assets is calculated after deducting the residual value of the asset. Only assets leased by Fortis Bank as lessor under operating leases are presumed to have a residual value, as the useful life of property, plant and equipment and intangible assets used in operations is generally the same as their economic life.

Property, plant and equipment and intangible assets are depreciated or amortised using the straight-line method over the useful life of the asset. Depreciation and amortisation expense is recognised in the profit and loss account under "Depreciation, amortisation and impairment of property, plant and equipment and intangible assets".

Where an asset consists of a number of components that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, each component is recognised separately and depreciated using a method appropriate to that component. Fortis Bank has adopted the component-based approach for property used in operations and for investment property.

The maximum depreciation periods used for office property are as follows: 80 years or 60 years for the shell (for prime and other property respectively); 30 years for facades; 20 years for general and technical installations;and 10 years for fixtures and fittings.

Software is amortised, depending on its type, over periods of no more than 8 years in the case of infrastructure developments and 3 years or 5 years in the case of software developed primarily for the purpose of providing services to customers.

Software maintenance costs are expensed as incurred. However, expenditure that is regarded as upgrading the software or extending its useful life is included in the initial acquisition or production cost.

Depreciable property, plant and equipment and intangible assets are tested for impairment if there is an indication of potential impairment at the balance sheet date. Non-depreciable assets are tested for impairment at least annually, using the same method as for goodwill allocated to cash-generating units.

If there is an indication of impairment, the new recoverable amount of the asset is compared with the carrying amount. If the asset is found to be impaired, an impairment loss is recognised in the profit and loss account. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment losses are taken to the profit and loss account in "Depreciation, amortisation and impairment of property, plant and equipment and intangible assets".

Gains and losses on disposals of property, plant and equipment and intangible assets used in operations are recognised in the profit and loss account in "Net gain on non-current assets".

Gains and losses on disposals of investment property are recognised in the profit and loss account in "Income from other activities" or "Expenses on other activities".

1.g Leases

Group companies may be either the lessee or the lessor in a lease agreement.

1.g.1 Lessor accounting

Leases contracted by Fortis Bank as lessor are categorised as either finance leases or operating leases.

Finance leases

In a finance lease, the lessor transfers substantially all the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable. The net income earned from the lease by the lessor is equal to the amount of interest on the loan, and is taken to the profit and loss account under "Interest income". The lease payments are spread over the lease term, and are allocated to reduction of the principal and to interest such that the net income reflects a constant rate of return on the net investment outstanding in the lease. The rate of interest used is the rate implicit in the lease.

Individual and portfolio impairments of lease receivables are determined using the same principles as applied to other loans and receivables.

Operating leases

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor's balance sheet and depreciated on a straight-line basis over the lease term. The depreciable amount excludes the residual value of the asset. The lease payments are taken to the profit and loss account in full on a straight-line basis over the lease term. Lease payments and depreciation expense are taken to the profit and loss account under "Income from other activities" and "Expenses on other activities".

1.g.2 Lessee accounting

Leases contracted by Fortis Bank as lessee are categorised as either finance leases or operating leases.

Finance leases

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of its fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease. A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets, after deducting the residual value from the amount initially recognised, over the useful life of the asset. The lease obligation is accounted for at amortised cost.

Operating leases

The asset is not recognised in the balance sheet of the lessee. Lease payments made under operating leases are taken to the profit and loss account of the lessee on a straight-line basis over the lease term.

1.h Non-current assets held for sale and discontinued operations

Where Fortis Bank decides to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, on the line "Non-current assets held for sale". Any liabilities associated with these assets are also shown separately in the balance sheet, on the line "Liabilities associated with non-current assets held for sale".

Once classified in this category, non-current assets and groups of assets and liabilities are measured at the lower of carrying amount or fair value less costs to sell.

Such assets are no longer depreciated. If an asset or group of assets and liabilities becomes impaired, an impairment loss is recognised in the profit and loss account. Impairment losses may be reversed.

Where a group of assets and liabilities held for sale represents a major business line, it is categorised as a "discontinued operation". Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resale.

All gains and losses related to discontinued operations are shown separately in the profit and loss account, on the line "Post-tax gain/loss on discontinued operations and assets held for sale". This line includes the post-tax profits or losses of discontinued operations, the post-tax gain or loss arising from remeasurement at fair value less costs to sell, and the post-tax gain or loss on disposal of the operation.

1.i Employee benefits

Employee benefits are classified in one of four categories:

- short-term benefits such as salary, annual leave, incentive plans, profit-sharing and additional payments;
- long-term benefits, including compensated absences, long-service awards, and other types of cash-based deferred compensation;
- termination benefits;
- post-employment benefits.

1.i.1 Short-term benefits

Fortis Bank recognises an expense when it has used services rendered by employees in exchange for employee benefits.

1.i.2 Long-term benefits

These are benefits (other than post-employment benefits and termination benefits) that are not due to be settled within 12 months after the end of the period in which the employees render the associated service. This relates in particular to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that actuarial gains and losses are recognised immediately as is the effect of any plan amendments.

1.i.3 Termination benefits

Termination benefits are employee benefits payable as a result of a decision by Fortis Bank to terminate a contract of employment before the legal retirement age or a decision by an employee to accept voluntary redundancy in exchange for a benefit. Termination benefits falling due more than 12 months after the balance sheet date are discounted.

1.i.4 Post-employment benefits

In accordance with IFRS, Fortis Bank draws a distinction between defined-contribution plans and defined-benefit plans.

Defined-contribution plans do not give rise to an obligation for Fortis Bank and consequently do not require a provision. The amount of employer's contributions payable during the period is recognised as an expense.

Only defined-benefit schemes give rise to an obligation for Fortis Bank. This obligation must be measured and recognised as a liability by means of a provision.

The classification of plans into these two categories is based on the economic substance of the plan, which is reviewed to determine whether Fortis Bank has a legal or constructive obligation to pay the agreed benefits to employees.

Post-employment benefit obligations under defined-benefit plans are measured using actuarial techniques that take account of demographic and financial assumptions.

The amount of the obligation recognised as a liability is measured on the basis of the actuarial assumptions applied by Fortis Bank, using the projected unit credit method. This method takes account of various parameters such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate. The value of any plan assets is deducted from the amount of the obligation.

Where the value of the plan assets exceeds the amount of the obligation, an asset is recognised if it represents a future economic benefit for Fortis Bank in the form of a reduction in future contributions or a future partial refund of amounts paid into the plan.

The amount of the obligation under a plan, and the value of the plan assets, may show significant fluctuations from one period to the next due to changes in actuarial assumptions, thereby giving rise to actuarial gains and losses. Fortis Bank applies the "corridor" method in accounting for actuarial gains and losses. Under this method, Fortis Bank is allowed to recognise, as from the following period and over the average remaining service lives of employees, only that portion of actuarial gains and losses that exceeds the greater of (i) 10% of the present value of the gross defined-benefit obligation or (ii) 10% of the fair value of plan assets at the end of the previous period.

At the date of first-time adoption, Fortis Bank elected for the exemption allowed under IFRS 1, under which all unamortised actuarial gains and losses at 1 January 2004 are recognised as a deduction from equity at that date.

The effects of plan amendments on past service cost are recognised in profit or loss over the full vesting period of the amended benefits.

The annual expense recognised in the profit and loss account under "Salaries and employee benefits" in respect of defined-benefit plans comprises the current service cost (the rights vested in each employee during the period in return for service rendered), interest cost (the effect of discounting the obligation), the expected return on plan assets, amortisation of actuarial gains and losses and past service cost arising from plan amendments, and the effect of any plan curtailments or settlements.

1.j Share-based payment

Share-based payment transactions are payments based on shares issued by BNP Paribas, whether the transaction is settled in the form of equity or cash of which the amount is based on trends in the value of BNP Paribas shares.

Fortis Bank has elected to apply IFRS 2 to all share options and restricted shares outstanding as of 1 January 2004 and all options issued subsequent to 1 January 2004.

Employees are granted stock subscription option plans and deferred share-base compensation plans and also are offered the possibility of subscribing for specially-issued BNP Paribas shares at a discount on condition that they retain the shares for a specified period.

1.j.1 Stock option and share award plans

The expense related to stock option and share award plans is recognised over the vesting period if the benefit is conditional upon the grantee's continued employment.

Stock option and share award expense is recorded in salaries and employee benefits, and its credit entry is posted to shareholders' equity. It is calculated on the basis of the overall plan value, determined at the date of grant by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take account of any performance conditions related to the BNP Paribas share price. The total expense of a plan is determined by multiplying the unit value per option or share awarded by the estimated number of options or shares awarded that will vest at the end of the vesting period, taking account of conditions regarding the grantee's continued employment.

The only assumptions revised during the vesting period, and hence resulting in a remeasurement of the expense, are those relating to the probability that employees will leave Fortis Bank and those relating to performance conditions that are not linked to the value of BNP Paribas shares.

1.j.2 Share subscriptions or purchases offered to employees under the company savings plan

Share subscriptions or purchases offered to employees under the company savings plan at lower-than-market rates over a specified period do not include a vesting period. However, employees are prohibited by law from selling shares acquired under this plan for a period of five years. This restriction is taken into account in measuring the benefit to the employees, which is reduced accordingly. The benefit therefore equals the difference, at the date the plan is announced to employees, between the fair value of the share (after allowing for the restriction on sale) and the acquisition price paid by the employee, multiplied by the number of shares acquired.

The cost of the mandatory five-year holding period is equivalent to the cost of a strategy involving the forward sale of shares subscribed at the time of the capital increase reserved for employees and the cash purchase of an equivalent number of BNP Paribas shares on the market, financed by a loan repaid at the end of a five-year period out of the proceeds from the forward sale transaction. The interest rate on the loan is the rate that would be applied to a five-year general purpose loan taken out by an individual with an average risk profile. The forward sale price for the shares is determined on the basis of market parameters.

1.k Provisions recorded under liabilities

Provisions recorded under liabilities (other than those relating to financial instruments, employee benefits and insurance contracts) mainly relate to restructuring, claims and litigation, fines and penalties, and tax risks.

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of such obligations is discounted, where the impact of discounting is material, in order to determine the amount of the provision.

1.l Current and deferred taxes

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which Fortis Bank operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences other than:

- taxable temporary differences on initial recognition of goodwill;
- taxable temporary differences on investments in enterprises under the exclusive or joint control of Fortis Bank, where Fortis Bank is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused carryforwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

Deferred tax assets and liabilities are offset when they arise within a group tax election under the jurisdiction of a single tax authority, and there is a legal right of offset.

Current and deferred taxes are recognised as tax income or expense in the profit and loss account, except deferred taxes relating to unrealised gains or losses on available-for-sale assets or to changes in the fair value of instruments designated as cash flow hedges, which are taken to shareholders' equity.

When tax credits on revenues from receivables and securities are used to settle corporate income tax payable for the period, the tax credits are recognised on the same line as the income to which they relate. The corresponding tax expense continues to be carried in the profit and loss account under "Corporate income tax".

1.m Statement of cash flows

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks and post office banks, and the net balance of interbank demand loans and deposits.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by Fortis Bank operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable certificates of deposit.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to bonds and subordinated debt, and debt securities (excluding negotiable certificates of deposit).

1.n Use of estimates in the preparation of the financial statements

Preparation of the financial statements requires managers of core businesses and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the profit and loss account and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements.

This requires the managers in question to exercise their judgement and to make use of information available at the date of preparation of the financial statements when making their estimates. The actual future results from operations in respect of which managers have made use of estimates may in reality differ significantly from those estimates, mainly according to market conditions. This may have a material effect on the financial statements.

This applies in particular to:

- impairment losses recognised to cover credit risks inherent in banking intermediation activities;
- the use of internally-developed models to measure positions in financial instruments that are not quoted in organised markets;
- calculations of the fair value of unquoted financial instruments classified in "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss", and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- whether a market is active or inactive for the purposes of using a valuation technique;
- impairment losses on variable-income financial assets classified as "available-for-sale";
- impairment tests performed on intangible assets;
- the appropriateness of the designation of certain derivative instruments as cash flow hedges, and the measurement of hedge effectiveness;
- estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;
- the measurement of provisions for contingencies and charges.

This is also the case for assumptions applied to assess the sensitivity of each type of market risk and the sensitivity of valuations to non-observable parameters.

2 Notes to the profit and loss account for the year ended 31 December 2010

2.a Net interest income

Fortis Bank includes in "Interest income" and "Interest expense" all income and expense from financial instruments measured at amortised cost (interest, fees/commissions, transaction costs), and from financial instruments measured at fair value that do not meet the definition of a derivative instrument. These amounts are calculated using the effective interest method. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised in "Net gain/loss on financial instruments at fair value through profit or loss".

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item. In like manner, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

	Year to 31 Dec. 2010			Year to 31 Dec. 2009		
In millions of euros	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Customer items	**4,492**	**(1,879)**	**2,613**	**5,499**	**(2,572)**	**2,927**
- Deposits, loans and borrowings	4,379	(1,772)	2,607	5,102	(2,131)	2,971
- Repurchase agreements	113	(107)	6	395	(441)	(46)
- Finance leases				2		2
Interbank items	**1,215**	**(1,252)**	**(37)**	**1,284**	**(1,686)**	**(402)**
- Deposits, loans and borrowings	1,150	(1,155)	(5)	1,032	(1,090)	(58)
- Repurchase agreements	65	(97)	(32)	252	(596)	(344)
Debt securities issued		**(1,130)**	**(1,130)**		**(1,934)**	**(1,934)**
Cash flow hedge instruments	**1**		**1**			
Interest rate portfolio hedge instruments	**113**	**(6)**	**107**	**39**	**(6)**	**33**
Trading book	**276**	**(306)**	**(30)**	**326**	**(668)**	**(342)**
- Fixed-income securities	97		97	253		253
- Repurchase agreements	57	(77)	(20)			
- Loans / Borrowings	122	(205)	(83)	73	(593)	(520)
- Debt securities		(24)	(24)		(75)	(75)
Available-for-sale financial assets	**2,021**		**2,021**	**2,638**		**2,638**
Held-to-maturity financial assets	**116**		**116**	**161**		**161**
TOTAL INTEREST INCOME / (EXPENSE)	**8,234**	**(4,573)**	**3,661**	**9,947**	**(6,866)**	**3,081**

Interest income on individually impaired loans amounted to EUR 37 million at 31 December 2010 and EUR 119 million at 31 December 2009.

2.b Commission income and expense

Net commission income and expenses for the year ended 31 December is specified in the table below:

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Guarantees, commitments and credit operations	159	141
Payment services	219	193
Securities and derivatives operations	245	205
Asset management	429	405
Insurance	277	285
Intermediaries	(170)	(180)
Other	(4)	7
TOTAL NET COMMISSION INCOME AND EXPENSE	**1,155**	**1,056**

2.c Net gain/loss on financial instruments at fair value through profit or loss

Net gain/loss on financial instruments at fair value through profit or loss includes all profit and loss items relating to financial instruments managed in the trading book and financial instruments (including dividends) that Fortis Bank has designated as at fair value through profit or loss under the fair value option, other than interest income and expense which are recognised in "Net interest income" (Note 2.a).

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Trading book	**(132)**	**792**
Debt instruments	(103)	765
Equity instruments	(42)	148
Other derivatives	5	(107)
Repurchase agreements	8	(14)
Financial instruments designated at fair value through profit and loss	**294**	**(321)**
Impact of hedge accounting	**38**	**(37)**
Hedging instruments	(243)	51
Items covered by fair value hedges	281	(88)
Remeasurement of currency positions	**120**	**80**
TOTAL	**320**	**514**

2.d Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Loans and receivables, fixed-income securities [1]	**40**	**(125)**
Equities and other variable-income securities	**32**	**(30)**
Dividend income	28	22
Additions to impairment provisions	(19)	(64)
Net disposal gains	23	12
TOTAL	**72**	**(155)**

[1] *Interest income from available-for-sale fixed-income securities is included in "Net interest income" (Note 2.a), and impairment losses related to potential issuer default are included in "Cost of risk" (Note 2.f).*

Unrealised gains and losses, previously recorded under "Change in assets and liabilities recognised directly in shareholders' equity" and taken to pre-tax income, amounted to a gain of EUR 187 million for the year ended 31 December 2010 compared with a loss of EUR 2,630 million for the year ended 31 December 2009.

2.e Net income from other activities

	Year to 31 Dec. 2010			Year to 31 Dec. 2009		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities				13	(14)	(1)
Net income from investment property	15	(2)	13	20	(3)	17
Net income from assets held under operating leases	145	(28)	117	80	(72)	8
Net income from property development activities						
Other	51	(10)	41	88	(28)	60
TOTAL NET INCOME FROM OTHER ACTIVITIES	**211**	**(40)**	**171**	**201**	**(117)**	**84**

Operating leases and investment property

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Future minimum lease payments receivable under non-cancellable leases	-	**860**
Payments receivable within 1 year	-	393
Payments receivable after 1 year but within 5 years	-	206
Payments receivable beyond 5 years	-	261

Future minimum lease payments receivable under non-cancellable leases comprise payments that the lessee is required to make during the lease term.

Due to the dilution on shareholding of Fortis Lease Group that took place on 1 July 2010, the consolidation method of Fortis Lease Group changed from full consolidation to equity method. This implies that as at 31 December 2010, the balance sheet of Fortis Lease Group was no longer stated item by item but shown under one single line "investments in associates" in the consolidated balance sheet.

Further details on the transaction related to Fortis Lease Group can be found in the note 8.b Business combinations.

2.f Cost of risk

Cost of risk represents the net amount of impairment losses recognised in respect of credit risks inherent in the banking intermediation activities, plus any impairment losses in the case of known counterparty risks on over-the-counter financial instruments.

Cost of risk includes movements in provisions for impairment of fixed-income securities and loans and receivables due from customers and credit institutions, movements in financing and guarantee commitments given, losses on irrecoverable loans and amounts recovered on loans written off. This caption also includes impairment losses recorded in respect of default risk incurred on counterparties for over-the-counter financial instruments, as well as expenses relating to fraud and to disputes inherent to the financing business.

Cost of risk for the period

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Net additions to impairment provisions	(30)	(1,858)
Recoveries on loans and receivables previously written off	34	19
Irrecoverable loans and receivables not covered by impairment provisions	(1)	
TOTAL COST OF RISK FOR THE PERIOD	**3**	**(1,839)**

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Loans and receivables due from credit institutions	9	(79)
Loans and receivables due from customers	(54)	(1,941)
Available-for-sale financial assets	69	302
Financial instruments on trading activities		
Other assets	24	(15)
Off-balance sheet commitments and other items	(45)	(106)
TOTAL COST OF RISK FOR THE PERIOD	**3**	**(1,839)**

Provisions for impairment: credit risks

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
TOTAL IMPAIRMENT PROVISIONS AT START OF PERIOD	5,455	12,156
Discontinued operations	1,057	1,630
TOTAL IMPAIRMENT PROVISIONS OF CONTINUING OPERATIONS AT START OF PERIOD	4,398	10,526
Net additions to impairment provisions	30	1,858
Net additions to impairment provisions related to - entities qualified as discontinued operations in 2010		415
Utilisation of impairment provisions	(192)	(7,936)
Effect of exchange rate movements and other items	464	592
TOTAL IMPAIRMENT PROVISIONS OF CONTINUING OPERATIONS AT END OF PERIOD	4,700	5,455

The main changes in provision for impairment in 2010 and 2009 are related to loans and receivables due from customers.

In millions of euros	31 December 2010	31 December 2009
Impairment of assets		
Loans and receivables due from credit institutions (Note 5.f)	339	373
Loans and receivables due from customers (Note 5.g)	3,462	3,797
Financial instruments on trading activities		
Available-for-sale financial assets (Note 5.c)	429	354
Other assets	116	497
TOTAL IMPAIRMENT PROVISIONS AGAINST FINANCIAL ASSETS	4,346	5,021
Provisions recognised as liabilities		
Provisions for off-balance sheet commitments		
- to credit institutions		
- to customers	307	434
Other items subject to provisions	47	
TOTAL PROVISIONS RECOGNISED AS LIABILITIES	354	434
TOTAL IMPAIRMENT PROVISIONS	4,700	5,455

2.g Corporate income tax

	Year to 31 Dec. 2010		Year to 31 Dec. 2009	
	In millions of euro	In Percentage	In millions of euro	In Percentage
Corporate income at standard tax rate expense in Belgium	**(430)**	**33.99%**	**789**	**33.99%**
Differential effect in tax rates applicable to foreign entities	90	(7.0%)	(28)	(4.0%)
Effect of dividends and asset disposals taxed at reduced rate	14	(1.1%)	24	3.5%
Tax effect linked to capitalisation of tax loss carryfoward- and prior temporary differences	158	(12.3%)	1,066	154.1%
Tax effect of using tax losses not capitalised	10	(0.8%)	80	11.6%
Other items	(41)	3.2%	(319)	(46.1%)
Corporate income tax expense	**(199)**	**16.0%**	**1,612**	**n.a.**
Of which				
Current tax expense of the period	(90)		(78)	
Net (Loss) profit of deferred taxes of the period (note 5.j)	(109)		1,690	

3 Segment information

The organisation, the operating model and governance structure of Fortis Bank have been significantly changed after the acquisition of a 75% participation in Fortis Bank by BNP Paribas and the start of the integration project, crystallised in the industrial plan. These changes have also a major impact on the way to assess performance and allocate resources of the segments and on the format and the content of the segment reporting by Fortis Bank.

It is considered that within the legal and regulatory scope of Fortis Bank ("controlled perimeter"), the nature and financial effects of the business activities in which it engages and the economic environments in which it operates, are best reflected through operating segments based on geographical components, being:

- Fortis Bank in Belgium
- Fortis Bank in Luxembourg
- Other countries.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available.

The Board of Directors of Fortis Bank is in the context of IFRS 8, Operating Segments, considered as the CODM, jointly overseeing the activities, performance and resources of Fortis Bank.

Fortis Bank, as many other companies with diverse operations, organises and reports financial information to the CODM in more than one way.

The combined activities of Fortis Bank in Belgium, Luxembourg and other countries are being integrated in the global operating model of BNP Paribas. This integration of Fortis Bank activities in the organisational structure of businesses and support functions of BNP Paribas ensures that adequate levers exist to effectively implement the BNP Paribas group strategy within all entities being part of Fortis Bank.

However, Fortis Bank group and the legal entities being part of this group, must continue to exercise management control over the full legal and regulatory scope, the so-called "controlled perimeter", including the set up of the appropriate governance structures and control processes.

Within this organisational structure, with the presence of significant minority shareholders, and in the context of the regulatory scope ("controlled perimeter") of Fortis Bank, operating segments based on geographical areas and regulatory environments are mostly in line with the core principles and criteria to determine operating segments as defined in IFRS 8 Operating Segments.

The basis of segmentation has changed since the Consolidated Financial Statements for the year ended 31 December 2009, induced by the deployment of the integration process within the BNP Paribas group and the related industrial plan and this with respect of the requirements arising from the "controlled perimeter", including the setting up of adapted governance structures and control and reporting processes.

Transactions between segments are entered under normal commercial terms and conditions as is the case with non-related parties.

The segment profit or loss, segment assets and segment liabilities are prepared in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of Fortis Bank, as this is the measure used in the reportings to the CODM.

3.a Operating segments

Fortis Bank in Belgium

Under the brand name BNP Paribas Fortis, Fortis Bank offers a comprehensive package of financial services for private individuals, the self-employed, professionals and SMEs. The Bank also provides high net worth individuals, corporations and public and financial institutions with customised solutions for which it can draw on its mother company BNP Paribas' know-how and international network.

In Retail & Private Banking (RPB), Fortis Bank has a solid footprint, serving 3.7 million individuals, professionals, SMEs and private banking customers. It has a very strong presence in the local market, through an extensive network of more than 1,000 branches as well as other channels such as ATMs, online and phone banking. For its retail banking activities, Fortis Bank operates under three complementary brands: the main brand BNP Paribas Fortis, Fintro and Banque de La Poste (Bank van De Post).

In Corporate & Public Bank, Belgium (CPBB), a comprehensive range of local and international financial services is offered to Belgian enterprises, public entities and local authorities. The offering includes domestic banking products, specialist financial skills, and securities, insurance and real estate services. Skills include specialist trade services, cash management, factoring and leasing, as well as M&A and capital markets. A central team of corporate bankers, relationship managers and skills officers ensures that Fortis Bank stays close to the market. This team, combined with the European network of business centers managed within Corporate & Investment Banking, enables the Bank to offer unified commercial management to its Belgian clients locally and abroad.

Corporate & Investment Banking (CIB) offers its clients (in Belgium and throughout Europe) full access to BNP Paribas CIB's product portfolio. It consists of six business lines: Capital Markets, Structured Finance, Corporate Finance, Private Equity, Institutional Banking Group Europe, and Corporate & Transaction Banking Europe.

In the insurance sector, Fortis Bank works closely together with the Belgian market leader AG Insurance.

Fortis Bank in Luxembourg

BGL BNP Paribas ranks among the leading banks on the Luxembourg financial market place. It has made a significant contribution to the country's emergence as a major international financial centre and is deeply rooted in Luxembourg's economic, cultural, sporting and social life.

As a partner with a longstanding commitment to the national economy, BGL BNP Paribas offers an especially wide range of products on the market not only for individuals but also for professional and institutional clients. The bank is Luxembourg's number-one provider of banking services to professionals and small- and medium-sized companies, and number two in services for individuals. It is also the leader in bancassurance, providing combined offerings of insurance and banking services.

Other countries

The segment 'other countries' covers all activites performed by Fortis Bank outside its domestic markets, being Belgium and Luxembourg.

In Poland, Fortis Bank Polska is a universal bank providing savings, investment products and loans to individuals and integrated solutions to companies in order to finance their businesses in local and international markets. It has a customer base of 338,900 individuals, 2,400 corporate clients and 24,300 SME's and professionals, served by 2,600 employees at 229 retail branches and 8 business centers. The Bank is ranked 16th among banks in Poland (in terms of assets).

Fortis Bank operates in Turkey via Fortis Bank Turkey, of which it is the majority shareholder with 94.11% of shares. Retail Banking offerings consist of debit and credit cards, personal loans, and investment and insurance products distributed through 294 branches and via internet and phone banking. Corporate banking services include international trade finance, asset and cash management, credit services, factoring and leasing. Through its commercial and SME banking departments, the bank offers an array investment services to small and medium-sized enterprises.

In June 2010, BNP Paribas Fortis, the controlling shareholder of Fortis Bank Turkey, and BNP Paribas and the Colakoglu Group, the controlling shareholders of Turk Ekonomi Bankasi (TEB), announced their decision to merge the 2 banks. After having received the approval of the competent Turkish authorities, the two banks completed the legal merger on 14 February 2011. The merged bank will rank 9th in the Turkish banking sector in terms of loans and deposits market share. The operational merger is expected to be completed by the end of 2011.

The branches of Fortis Bank SA/NV located outside Belgium are also reported under the segment 'other countries'.

3.b Information by operating segment

Income by operating segment

In millions of euros	Year to 31 Dec. 2010 Fortis Bank in Belgium	Fortis Bank in Luxembourg	Other Countries	Total	Year to 31 Dec. 2009 Fortis Bank in Belgium	Fortis Bank in Luxembourg	Other Countries	Total
Revenues	**3,634**	**839**	**906**	**5,379**	**3,406**	**936**	**238**	**4,580**
Operating expense	(3,229)	(432)	(465)	(4,126)	(3,219)	(345)	(284)	(3,848)
Cost of risk	53	(22)	(28)	3	(1,842)	(22)	25	(1,839)
Operating Income	**458**	**385**	**413**	**1,256**	**(1,655)**	**569**	**(21)**	**(1,107)**
Non Operating items	87	34	2	123	40	35	3	78
Pre-tax income	**545**	**419**	**415**	**1,379**	**(1,615)**	**604**	**(18)**	**(1,029)**

Assets and liabilities by operating segment

In millions of euros	31 December 2010 Fortis Bank in Belgium	Fortis Bank in Luxembourg	Other Countries	Total	31 December 2009 Fortis Bank in Belgium	Fortis Bank in Luxembourg	Other Countries	Total
Assets	**270,591**	**35,376**	**42,000**	**347,967**	**335,240**	**20,659**	**72,386**	**428,285**
- of which goodwill on acquisitions during the period								
- of which investments in associates and Joint ventures	*3,196*	*509*	*749*	*4,454*	*1,623*	*43*	*105*	*1,771*
Liabilities	**260,617**	**30,530**	**37,218**	**328,365**	**327,560**	**16,395**	**65,877**	**409,832**

4 Risk management and capital adequacy

Introduction

The information presented in this chapter reflects the risks carried by Fortis Bank. It provides a comprehensive description of Fortis Bank's risk management organisation, as well as a quantitative and qualitative overview of Fortis Bank's risk exposure at year end 2010.

The year 2009 was marked by the start of the integration of the Fortis entities in the perimeter of BNP Paribas Group and by the start of convergence projects of the rating systems applied within BNP Paribas Group. Given their size or complexity, these projects will not be completed until 2012. The convergence of the methodologies is subject to a strict procedure provided by the ACP (Autorité de Contrôle Prudentiel), the French 'home' supervisor, being in charge of reaching a joint decision with the 'host' supervisors, mainly the Belgian and Luxembourg supervisors. In this context, for the sake of convergence with BNP Paribas group's disclosures on risk management and capital adequacy, Fortis Bank's risk measures are presented according to the Basel II Pillar 3 principles. These risks are calculated using methods approved by the Belgian banking regulator (the CBFA) and are measured and managed as consistently as possible with BNP Paribas' Group Risk Management methodologies.

Further details on BNP Paribas group's approach to the measuring and managing of risks resulting from banking activities can be found in the Registration Document and the Annual Financial Report 2010 of BNP Paribas.

4.a Risk management organisation

4.a.1 Mission and organisation

Risk management is key in the business of banking. At BNP Paribas, operating methods and procedures throughout the organisation are geared towards effectively addressing this matter. The entire process is supervised primarily by the Group Risk Management Department (GRM), which is responsible for measuring and controlling risks at Group level. GRM is independent from the divisions, business lines and territories and reports directly to Group Executive Management. The Group Compliance department (GC) monitors operational and reputation risk as part of its responsibility for permanent controls.

The guiding principles of the mission and organisation of the Fortis Bank's Risk department are aligned:

- with the mission of BNP Paribas' Group Risk Management (GRM):
  - Advise the bank's management on risk appetite and policy;
  - Provide a "second pair of eyes" so that risks taken by the bank are aligned with its policies and compatible with its profitability and solvency objectives;
  - Report to and alert bank management, core business heads and the specialised committee of the Board of Directors on the status of the risks to which the bank is exposed;
  - Ensure compliance with banking regulations in the risk area, in liaison with other relevant functions.

- and its organisational principles:

    - Single integrated risk entity, responsible for risk aspects across all businesses;
    - Independent of business–line management;
    - Organised with local and global reporting lines (matrix principle).

The Risk department of Fortis Bank is integrated within BNP Paribas' GRM function since November 2009. The Chief Risk Officer (CRO) of Fortis Bank is a member of the Executive Board and has also a reporting line to the Head of Group Risk Management (GRM) of the BNP Paribas group. The CRO has no hierarchical link to the heads of businesses or countries. The goal of this positioning is to:

- ensure objective risk control;
- ensure that swift, objective and complete information is provided in the event of increased risk;
- maintain a single set of high-quality risk management standards throughout the bank;
- ensure that risk professionals implement and further develop methods and procedures of the highest quality in line with international competitors' best practices.

The CRO heads the different Risk functions:

- Risk Information, Modelling & Reporting is responsible for the Basel II program, credit modelling, model certification, business architecture, risk performance and for credit reporting, strategic risk analysis, provisioning and country risk.

- Risk Capital Markets is responsible for monitoring market and liquidity risk, counterparty risk and credit risk on financial institutions and sovereign borrowers.

- Credit Risk Retail & Private Banking Belgium is responsible for the retail and private banking credit risk in the domestic market.

- Corporate Credit Risk is responsible for the management of credit risks arising from corporate, public and commercial banking in Belgium as well as the Corporate & Investment Bank.

- Strategy & Organisation entity is responsible for permanent operational control (ensuring second-line control of the risk function and of business continuity), the Risk Operating Office (coordinating the non-core support functions), change management projects and Communication.

Outside Belgium, and alongside the existing local and global reporting lines, the CROs of companies that remain within the Fortis Bank scope will continue to report to the CRO of Fortis Bank in order to ensure adequate compliance with internal and external rules.

The key principle of the overall risk governance (covering all risk types including credit, market, counterparty, liquidity risk etc.) is the double-walled defence (as stated in the BNP Paribas-Fortis Risk Policy reviewed by the Executive Board and the Audit, Risk & Compliance Committee).

The primary responsibility for risk lies with the Businesses (first line of defence), who are responsible for the approval, monitoring and management of the risks arising from their activities.

The Risk Function contributes, as a second pair of eyes, in ensuring that the risks taken by the Bank are compliant and compatible with its policies and as such, represents the second line of defence in line with the mission stated above, contributing strongly to joint decision making with the Business and increasing its emphasis on risk monitoring and controls.

Starting in October 2010, further steps were taken towards the target organisation with the roll-out of the concepts of the first (Business) and second (Risk) lines of defence. Businesses have gradually assumed their first line of defence role, whereby they hold the primary responsibility for risks arising from their activities encompassing approval, monitoring and management. To assist the Heads of the Businesses in this expanded role, the analysis, intensive care and recovery functions have moved to become an integral part of the Business. In line with this thinking, activities of an operational nature, such as the contracting and servicing of risks have joined Operations, also situated within the Business.

4.a.2 Fortis Bank's Risk committees

Fortis Bank Risk Committee Structure

Risk Committees

- Fortis Bank Audit, Risk and Compliance Committee (ARCC) The role of the ARCC is to assist the Board in fulfilling its supervisory and monitoring responsibilities with respect to internal control in the broadest sense within Fortis Bank, including risk strategy and internal control over financial reporting and risk.

- Central Credit Committee (highest Credit Committee of Fortis Bank acting within the authority of the delegations held by its members [CEO and Heads of Business Lines together with the CRO and other senior Risk representatives]): ensures that client-level credit decisions are taken within the desired credit risk appetite, formulated credit policies and legal lending limits of the Bank.

- Capital Markets Risk Committee: defines and enforces the risk strategy, policies, methods and thresholds for capital markets, including investment portfolios, at activity and at transaction level.

- Risk Policy Committee: defines the risk appetite, approves the main risk policies and methodologies, reviews exposures, concentrations and cost of risk, examines current and potential risks in view of market conditions, business strategy as well as profitability prospects and enforces risk decisions at the portfolio level.

- Bank Assets and Liabilities Committee: manages liquidity, interest rate and forex risk on the balance sheet, manages the Bank's funding and manages the Bank's capital.

- Committee on Impairments and Provisions: consolidates provisions and impairments.

- Exceptional Transactions Committee: validates and approves exceptional transactions.

- New Activity Committee: validates and approves new activities and products, including significant changes in current activities.

4.b Risk measurement and categories

4.b.1 Risk measurement

Risk Measurement is a crucial step in the risk management process.

To assess and measure risks, Fortis Bank uses several qualitative and/or quantitative methodologies. These range from regular reporting on matters like concentration and quantitative and qualitative portfolio overviews, to more sophisticated quantitative risk models for estimating internal risk parameters. The latter include Probability of Default, Loss Given Default, Exposure at Default and Expected Loss (for Credit Risk) and Value at Risk (for Market Risk).

The development and review of these models, as well as their validation, are subject to bank-wide standards to ensure adequacy and consistency.

The monitoring of the observed risk parameters, stress tests and model based expectations are then compared to a framework of limits and risk guidelines.

Ultimately, all these risk measurements, together with stress tests, are then consolidated in Risk Dashboards, which provide a general overview for senior management. These aggregation documents are intended to support well-founded decisions and are subject to ongoing improvement.

4.b.2 Risk taxonomy

The risk categories reported below evolve in line with methodological developments at BNP Paribas and regulatory requirements.

Credit and counterparty risk

Credit risk is the risk of incurring a loss on loans and receivables (existing or potential due to commitments given) resulting from a change in the credit quality of the Bank's debtors, which can ultimately result in default. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment.

Credit risk is measured at portfolio level, taking into account correlations between the values of the loans and receivables making up the portfolio concerned.

Counterparty risk is the manifestation of credit risk in market, investment and/or payment transactions that potentially expose the Bank to the risk of default by the counterparty. It is a bilateral risk on a counterparty with whom one or more market transactions have been concluded. The amount of this risk may vary over time in line with market parameters that impact the value of the underlying market instrument.

Market risk

Market risk is the risk of incurring a loss of value due to adverse trends in market prices or parameters, whether directly observable or not.

Observable market parameters include, but are not limited to, exchange rates, interest rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, prices of other goods, and other parameters that can be directly inferred from them, such as credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analysis, non confirmed by market information.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

Operational risk

Operational Event risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal and compliance risk, but excludes strategic and reputation risk. Event risk is often internally driven (internal and external fraud involving employees, clients, products and business practices, as well as technological and infrastructure failures and other related malfunctions) and can be limited through management processes and controls.

Business risk is the risk of 'being in business', which affects any enterprise, financial or nonfinancial. It is the risk of loss due to changes in the competitive environment that damage the business's franchise or operating economics. Typically, the fluctuation originates with variations in volume, pricing or margins against a fixed cost base. Business risk is thus mostly externally driven (by regulatory, fiscal, market and or competition changes, as well as strategic, reputation risks and other related risks), but it can be mitigated by effective management practices.

Compliance and reputation risk

By definition, compliance risk is a sub-category of operational risk. However, as certain implications of compliance risk involve more than a purely financial loss and may actually damage the institution's reputation, the Bank treats compliance risk separately.

Reputation risk is the risk of damaging the trust placed in a corporation by its customers, counterparties, suppliers, employees, shareholders, regulators and any other stakeholder whose trust is an essential condition for the corporation to carry out its day-to-day operations.

Reputation risk is primarily contingent on all the other risks borne by the Bank.

Asset-liability management risk

Asset-liability management risk is the risk of incurring a loss as a result of mismatches in interest rates, maturities or nature between assets and liabilities. For banking activities, asset-liability management risk arises in non-trading portfolios and primarily relates to global interest rate risk.

Liquidity and refinancing risk

Liquidity and refinancing risk is the risk of the Bank being unable to fulfil its obligations at an acceptable price in a given place and currency.

Additional information on risk types and risk definitions can be found in the Annual Financial Report 2010 of BNP Paribas.

4.c Capital adequacy

Framework

As a credit institution, Fortis Bank is subject to regulatory supervision.

At a consolidated and statutory level, Fortis Bank is supervised by the CBFA (Banking, Finance and Insurance Commission). Fortis Bank's subsidiaries can also be subject to regulations of various supervisory authorities in the countries where the subsidiaries operate.

Regulators require banks to hold a minimum level of qualifying capital (8% of the risk weighted assets). Since 2008, Fortis Bank computes its qualifying capital and its risk weighted assets under the Basel 2 Framework.

The CBFA has granted Fortis Bank its approval for using the most advanced approaches for calculating the risk weighted assets under Basel 2: Advanced Internal Ratings Based Approach for credit risk and Advanced Measurement Approach for operational risk.

Breakdown of regulatory capital

Qualifying capital for regulatory purpose is at consolidation level calculated based on IFRS accounting rules and taking into account prudential filters imposed by the CBFA, as described in the Circulaire PPB 2007-1-CPB of the CBFA.

The table below details the composition of the regulatory capital of Fortis Bank:

In millions of euros	31 December 2010	31 December 2009
Shareholders' equity	**21,377**	**20,048**
Share capital, retained earnings and similar	17,806	16,512
of which dividend payment (*)	(387)	
Super subordinated notes and similar securities	3,571	3,536
Minority interests	**2,827**	**3,124**
Regulatory deductions and other items	**(4,541)**	**(4,975)**
Intangible assets deductions	(268)	(1,846)
of which goodwill	(179)	(1,706)
Other regulatory items	(4,273)	(3,129)
of which deduction from Tier 1 capital at 50%	(2,142)	(822)
TIER 1 CAPITAL	**19,663**	**18,197**
Total Tier 2 capital	**9,623**	**10,784**
of which positive difference between provisions and expected losses over 1 year	424	585
Tier 2 regulatory deductions	**(2,322)**	**(848)**
Allocated Tiers 3 capital		
REGULATORY CAPITAL	**26,964**	**28,133**

** Dividend to be recommended at the Annual General Meeting of shareholders*

The table below shows the key capital indicators

In millions of euros	31 December 2010	31 December 2009
Tier 1 capital	19,663	18,197
Total capital	26,964	28,133
Risk weighted commitments		
Credit risk	107,188	130,087
Market risk	3,536	6,767
Operational risk	8,619	11,194
TOTAL RISK WEIGHTED COMMITMENTS	**119,343**	**148,048**
Tier 1 ratio	16.5%	12.3%
Total capital ratio	22.6%	19.0%

Internal Capital Adequacy Assessment Process (ICAAP)

The second pillar of Basel II capital framework prescribes how supervisory authorities and banks can effectively assess the appropriate level of regulatory capital. BNP Paribas has developed a group-wide ICAAP framework which covers all the risk incurred, their sensitivity to crisis scenarios, and how they expect to evolve in light of changes in the business going forward.

When managing the capital adequacy ratios, Fortis Bank aims to ensure that they remain at all times above the external constraints defined by the regulators while preserving high quality credit ratings.

4.d Credit and counterparty risk

The following table shows all the Fortis Bank's financial assets, including fixed-income securities, which are exposed to credit risk. Credit risk exposure does not include collateral and other security taken by the Bank in its lending business or purchases of credit protection. The exposure to credit risk disclosed in this note includes the financial data related to discontinued operations. Excluding the data related to discontinued operations, would result in lower risk exposure.

Exposure to credit risk by Basel asset class

	31 December 2010			31 December 2009		
In millions of euros	IRBA	Standardised Approach	Total	IRBA	Standardised Approach	Total
Central governments and central banks	60,080	6,595	66,676	74,206	8,255	82,461
Corporates	91,857	18,895	110,752	134,780	19,299	154,079
Institutions (*)	59,793	9,097	68,890	42,212	3,560	45,772
Retail	58,713	8,614	67,327	54,969	9,407	64,376
Securitisation positions	31,336		31,336	35,217		35,217
Other non-credit-obligation assets (**)		2,549	2,549	261	3,863	4,124
TOTAL EXPOSURE	**301,779**	**45,750**	**347,530**	**341,645**	**44,384**	**386,029**

** The Basel II Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.*

*** Other non credit-obligation assets include tangible assets and accrued income and other assets.*

The table above shows the entire prudential scope based on the asset classes defined in accordance to article VI.2 of the regulation of 17 October 2006 of the Banking, Finance and Insurance Commission (CBFA) on capital requirements for credit institutions and investment firms.

Notwithstanding the inclusion of assets related to discontinued operations, the total credit risk exposure was 10% below the level of 31 December 2009. This evolution was most noticeable in the asset class 'Corporates' where exposure dropped by 28% mainly due to the scaling down of Fortis activities in non-home markets (principally in France, UK, Italy, US and Asia) and to the dilution on shareholding of Fortis Lease Group that took place on 1 July 2010, as a result of which the consolidation method of Fortis Lease Group changed from full consolidation to equity method. This implies that as at 31 December 2010, the balance sheet of Fortis Lease Group was no longer stated item by item but shown under one single line "investments in associates" in the consolidated balance sheet.

The exposure to 'Governments and central banks' did also significantly contribute to the downward drift. It mainly resulted from the downsizing of the bond portfolio in Belgium.

On the other hand, 'Institutions' did significantly peak up. This is explained by the large amount of group funding provided to other entities of the BNP Paribas group, of which the former Leasing entities of Fortis Bank that do no longer belong to the bank's scope of consolidation. The 'Retail' business showed a remarkable growth in the bank's home markets, particularly in Belgium with a growth of 6 billion. This increase was however balanced by the sale of the Retail activities in France, Italy and UK to BNP Paribas.

The table below shows exposure to counterparty risk (measured as exposure at the time of default) by Basel asset class on derivatives contracts and securities lending/borrowing transactions, after the impact of any netting agreements.

Exposure at default to counterparty risk by Basel asset class

	31 December 2010			31 December 2009		
In millions of euros	IRBA	Standardised Approach	Total	IRBA	Standardised Approach	Total
Central governments and central banks	621	6	627	1,102		1,102
Corporates	1,998	1,078	3,076	4,034	2,367	6,401
Institutions (*)	14,421	95	14,516	18,520	192	18,712
Retail		9	9		14	14
TOTAL EXPOSURE	**17,040**	**1,188**	**18,228**	**23,656**	**2,573**	**26,229**

** The Basel II Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.*

The sharp decrease of the exposure to counterparty risk over the year is explained by the downsizing of the trading activities in the foreign branches of Fortis Bank as well as by the lower net trading positions held on derivative instruments at the bank's head office level.

4.d.1 Credit risk

4.d.1.1 General credit policy and control and provisioning procedures

Fortis Bank's lending activities are governed by the Global Credit Policy that applies to all BNP Paribas Group entities. It is approved by the Risk Policy Committee of BNP Paribas, chaired by the Chief Executive Officer and endorsed by the Executive Board of Fortis Bank, chaired by its Chief Executive Officer. The policy is underpinned by core principles related to compliance with the Group's ethical standards, clear definition of responsibilities (Business and Risk), the existence and implementation of procedures and thorough analysis of risks. It is rolled down in the form of specific policies tailored to each type of business or counterparty. The framework for the governance of credit risks within the bank is further detailed in a specific, transversal approach which elaborates on key credit routing principles, rules governing the granting of delegations of authority and the role of the Central Credit Committee which is the highest credit committee within the Bank. It also reiterates and reinforces the key principle that the Risk Function is independent from the Business.

4.d.1.2 The credit lifecycle

Decision-making procedures

The basis for effective credit risk management is the identification of the existing and potential credit risk inherent in any product or activity. This process includes the gathering of all relevant information concerning the products offered, the counterparties involved and all other elements that may influence credit risk. In particular, before making any commitments Fortis Bank carries out an in-depth review of any known development plans of the borrower, and ensures that it has thorough knowledge of all the structural aspects of the borrower's operations and that adequate monitoring will be possible.

Assessing the credit risk of a proposed transaction consists of:

- Analysis of the probability that the counterparty will fail to meet its obligations, also translated into a risk classification on the Bank's rating scale;
- Analysis of the possibilities of fulfilling the counterparty's obligations by other means in the event that the counterparty fails to meet its obligations by itself;
- Formulation of a credit proposal which brings together all these facets to the attention of the decision makers.

Authorised persons or committees composed of designated Business and Risk representatives make a joint credit decision based on the credit proposal. Credit proposals must comply with the Bank's Global Credit Policy and with any specific policies, and must in all cases comply with the applicable laws and regulations.

A system of discretionary lending limits has been established, under which all lending decisions must be approved by formally designated members of Business and Risk. The underlying principle is the need to achieve an appropriate balance (in terms of overall profitability) between two opposite drivers, i.e. maximising the decision-making autonomy of the businesses on the one hand and reducing unexpected counterparty risk on the other.

Approvals are systematically evidenced in writing, either by means of a signed approval form or in the minutes of formal meetings of a Credit Committee. Discretionary lending limits correspond to aggregate commitments by business group and vary according to internal credit ratings and the specific nature of the business concerned. In addition, an industry expert or designated specialist may also be required to sign off on the loan application for certain sectors/industries. In retail banking, simplified procedures are applied, based on statistical decision-making aids, for standard products and limited amounts.

Monitoring procedures

All Fortis Bank's entities are subject to comprehensive risk monitoring and reporting. This is carried out by Control and Reporting units which are responsible for ensuring that lending commitments comply with the loan approval decision, that credit risk reporting data are reliable and that risks accepted by the Bank are effectively monitored. Exception reports are produced (at varying intervals as a function of the business) and various tools are used to provide early warnings of potential escalations of credit risks. Monitoring is carried out at different levels, generally reflecting the organisation of discretionary lending limits. The monitoring teams report to the Risk Department. Monitoring teams are closely involved in the organization of the Watchlist and Impairment Committees which meet at monthly intervals to examine all higher risk, sensitive or problem loans in excess of a certain amount. Its responsibilities include guidance on strategy and opining on any adjustments to impairment provisions, based on the recommendations of the Business line and the Risk Department.

Impairment procedures

The Risk Department reviews all corporate, bank and sovereign loans in default at monthly intervals to confirm the amount of any impairment loss to be recognised. The review concerns all material decisions taken within the appropriate decision levels as defined in related policies. The amount of the impairment loss is based on available collateral as well as on the present value of probable net recoveries.

In addition, a collective impairment is established for each business on a statistical basis. The Fortis Bank Committee on Impairments and Provisions gathers on a quarterly basis to determine the amount of the impairment. This is based on simulations of losses to maturity on portfolios of loans whose credit quality is considered as impaired, but where the customers in question have not been identified as in default (i.e. loans not covered by specific impairment). The simulations carried out by the Risk Department use the parameters of the internal rating system described below.

The mentioned Committee takes the final decision on all elements of Cost of Risk, including Specific Provisions for Impairment and Collective Impairments. Decisions on the Structured Credits portfolio are taken in the same Committee.

4.d.1.3 Internal rating system

Fortis Bank has chosen to adopt the most advanced approach – the so-called Advanced Internal Ratings Based Approach (AIRBA) as described by the Basel II accord – and received approval from the CBFA on the 3rd of March 2008 for using this approach in view of the calculation of the own funds requirements under Basel II. This approach has been implemented throughout the whole banking group in a consistent way. Convergence projects with the BNP Paribas group are currently in progress with a view to harmonising methods, processes and systems while remaining compliant with regulatory requirements.

The Bank has a comprehensive internal rating system for determining risk-weighted assets used to compute capital adequacy ratios. A periodic assessment and control process has been deployed to ensure that the system is appropriate and correctly implemented. For corporate loans, the system is based on three parameters: the counterparty's probability of default expressed via a rating, loss given default, which depends on the structure of the transaction, and the credit conversion factor (CCF), which estimates the portion of off-balance sheet exposure at risk.

There are twenty counterparty ratings. Seventeen cover performing clients with credit assessments ranging from "excellent" to "very concerning", and three relate to clients classified as in default, as per the definition by the banking supervisor.

Ratings are determined at least once a year, in connection with the loan annual review, drawing on the combined expertise of Business line staff and Senior Credit Officers from Risk, the latter having the final say. High quality tools have been developed to support the rating process, including analysis aids and credit scoring systems. The decision to use these tools and the choice of technique depends on the nature of the risk.

Various quantitative and other methods are used to check rating consistency and the rating system's robustness. Loans to private customers and very small businesses are rated using statistical analyses of groups of risks with the same characteristics. The Risk department has overall responsibility for the quality of the entire system. This responsibility is fulfilled either by defining the system directly, validating it or verifying its performance.

Loss given default is determined either using statistical models for books with the highest degree of granularity or using expert judgment based on comparative values. Basel II defines loss given default as the loss that the Bank would suffer in the event of the counterparty's default in times of economic crisis.

For each transaction, it is measured using the recovery rate for a senior unsecured exposure to the counterparty concerned, adjusted for any effects related to the transaction structure (e.g. subordination) and for the effects of any risk mitigation techniques (collateral and other security). Amounts recoverable against collateral and other security are estimated each year on a prudent basis and discounts are applied for realising security in a stressed environment.

Various credit conversion factors have been modelled by the Bank where permitted (i.e. excluding high-risk transactions where the conversion factor is 100%), either using historical internal default data or other techniques when there is insufficient historical data. Conversion factors are used to measure the off-balance sheet exposure at risk in the event of borrower default. Unlike rating and recovery rate, this parameter is assigned automatically depending on the transaction type and is not determined by the Credit Committee.

Each of the three credit risk parameters are backtested and benchmarked annually to check the system's performance for each of the Bank's business segments. Backtesting consists of comparing estimated and actual results for each parameter. Benchmarking consists of comparing the parameters estimated internally with those of external organisations.

For backtesting ratings, the default rate of populations in each rating category, or each group of risks with similar characteristics for retail banking operations is compared with the actual default rate observed on a year by year basis. An analysis by rating policy, rating, geographical area and rating method is carried out to identify any areas where the models might be underperforming. The stability of the rating and its population is also verified. The Bank has also developed backtesting techniques tailored to low default portfolios to assess the appropriateness of the system, even where the number of actual defaults is very low, such as sovereigns and banks, for example. The impacts of economic cycles are also taken into account. This backtesting work has proved that the ratings assigned by the Bank are consistent with "mid-cycle" ratings and that the forecast default rate is conservative.

Backtesting of global recovery rates is based mainly on analysing recovery flows on exposures in default. When an exposure has been written off, each amount recovered is discounted back to the default date and calculated as a percentage of the exposure. When an exposure has not yet been written off, the amount of provisions taken is used as a proxy for future recoveries. The recovery rate determined in this way is then compared with the initially forecasted rate. As for the rating, recovery rates are analysed on an overall basis and by rating policy and geographical area. Variances on an item by item and average basis are analysed taking into account the bimodal distribution of recovery rates. The results of these tests show that the Bank's estimates are consistent with economic downturn conditions and are conservative on an average basis. Benchmarking of recovery rates is based on data pooling initiatives in which the Bank takes part.

The credit conversion factor is also backtested annually, although in less detail given the small volumes of available data.

The result of all backtesting and benchmarking work is presented annually to the Chief Risk Officer and to the bodies responsible for overseeing the rating system and risk practitioners worldwide. These results and ensuing discussions are used to help set priorities in terms of developing methodology and deploying tools.

Internal estimates of risk parameters are used in the Bank's day-to-day management in line with Basel II recommendations. For example, apart from calculating capital requirements, they are used when making new loans or reviewing existing loans to measure profitability, determine collective impairment and for internal and external reporting purposes.

4.d.1.4 Portfolio policy

In addition to carefully selecting and evaluating individual risks, Fortis Bank follows a portfolio-based policy designed to diversify risks among borrowers, industries and countries. As part of this policy, Fortis Bank may use credit risk transfer instruments (such as securitisation programmes or credit derivatives) to hedge individual risks, reduce portfolio concentration or cap potential losses from crisis scenarii.

4.d.1.5 Risk mitigation techniques

Collateral and other security

Risk mitigation is the result of reducing the credit risk by hedging or by obtaining collateral. Hedging is any financial technique designed to reduce or eliminate the financial risk engendered by products and/or activities. Security (collateral) is any commitment made or privilege given by a counterparty or third party to which the Bank can seek recourse in the event of the counterparty's default in order to reduce loan losses, or any other agreement or arrangement having a similar effect. The lending activity is never based purely on collateral or hedging. The risk mitigation factors are always regarded as an alternative way out.

The BNP Paribas Global Credit Policy, which also applies to the Bank, sets out how transactions should be structured in order to mitigate risk. Collateral and other security are taken into account at fair value, and only accepted as the main source of repayment in exceptional cases such as commodities financing for example; cash generated by operations is regarded as the primary source of the borrower's ability to repay. Guarantors are subject to the same rigorous upfront assessment process as primary debtors.

Banking regulations set clear guidelines for assessing the risk-mitigating effect of collateral and other security under the Basel II advanced approaches. The Bank's diversified business base means that loans are secured by many different types of collateral and security charge over inventory, accounts receivable or real estate for example. Risk assessments also take into account direct guarantees issued by the counterparty's parent company or other guarantors such as financial institutions. Other guarantees assessed by the Bank include credit derivatives, export credit agencies and credit enhancers. Acceptance of these types of guarantees is governed by strict criteria. A guarantee is considered as mitigating a risk only when the guarantor is rated higher than the counterparty. The value of collateral or other security is only taken into account in measuring exposure if there is no strong correlation with the risk on the first-rank debtor.

Purchases of credit protection

Optimisation of credit portfolio management requires the use of efficient hedging techniques to avoid concentration or unwanted exposure in the loan or debt security portfolio. For this purpose, Fortis Bank uses mainly single name Credit Default Swaps (CDS). CDS counterparties are carefully selected and virtually all contracts benefit from collateral agreements.

Asset securitisation

Asset securitisation is the process of creating a marketable financial instrument that is backed by the cash flow or value of specific financial assets. During the securitisation process, assets (e.g. consumer loans, receivables, mortgages) are selected and pooled together into a special purpose vehicle (SPV) which issues are securities sold to investors. Detailed information on asset securitisation is provided in the section 4.d.3 'Securitisation' of this chapter and in note 8.g 'Structured Credit Instruments'.

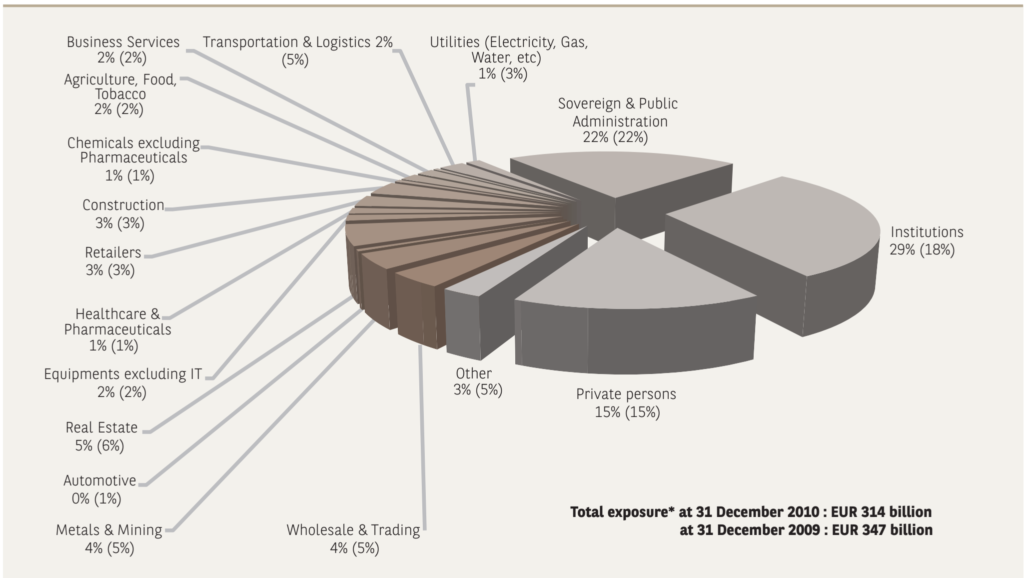
Diversification of exposure to credit risk

Credit risk concentration is any exposure to a counterparty or an aggregate of exposures to a number of positively correlated counterparties (i.e. tendency to default under similar circumstances) with the potential to produce a significant amount of capital loss due to a bankruptcy or failure to pay. Avoidance of concentrations is therefore fundamental to Fortis Bank's credit risk strategy of maintaining granular, liquid and diversified portfolios.

To identify potential linkages between exposures to single counterparties, Fortis Bank applies the concept of 'total one obligor'. This implies that groups of connected counterparties are considered to be a "Business Group" in the management of credit risk exposure.

To manage the diversity of credit risk, Fortis Bank's credit risk management policy aims to spread the credit risk across different sectors and countries. The table below shows the industry concentration of Fortis Bank's customer credit portfolio at 31 December 2010.

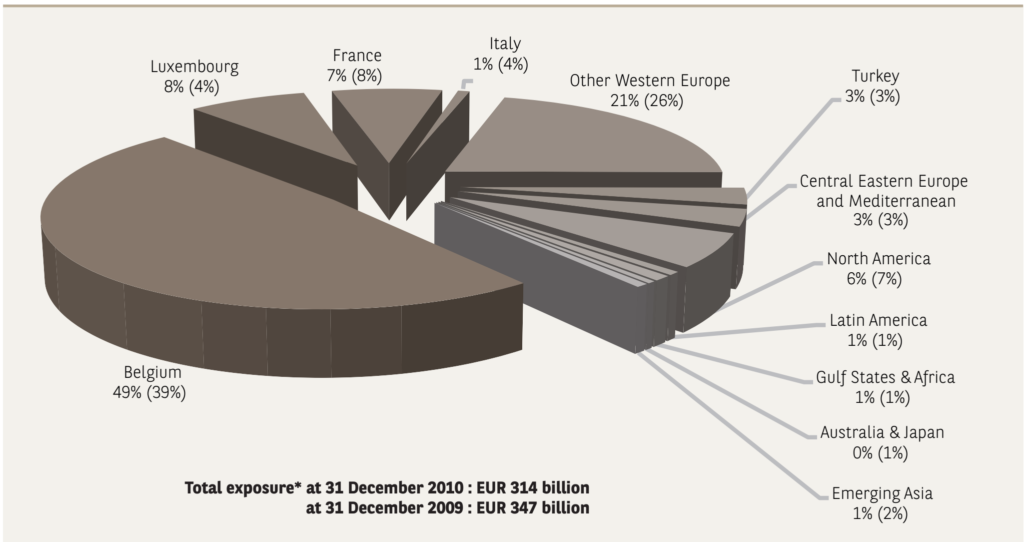
Breakdown of credit risk by industry at 31 December 2010



** Total exposures excluding counterparty risk, equity, other non credit obligation assets and securitisation positions. Percentages in brackets reflect the breakdown at 31 December 2009.*

Country concentration risk is the sum of all exposures to obligors in the country concerned. The table below shows the geographical concentration of Fortis Bank's customer credit portfolio at 31 December 2010.

Geographical breakdown of credit risk at 31 December 2010 by counterparty's country of location



** Total exposure excludes counterparty risk, equity, other non credit obligation assets and securitisation positions. Percentages in brackets reflect the breakdown at 31 December 2009.*

4.d.1.6 Credit risk rating

Credit risk rating is a classification that results from the Risk Rating Assignment Process, which is based on a qualified assessment and formal evaluation. This classification is the result of an analysis of each obligor's financial history and estimate of its ability to meet debt obligations in the future.

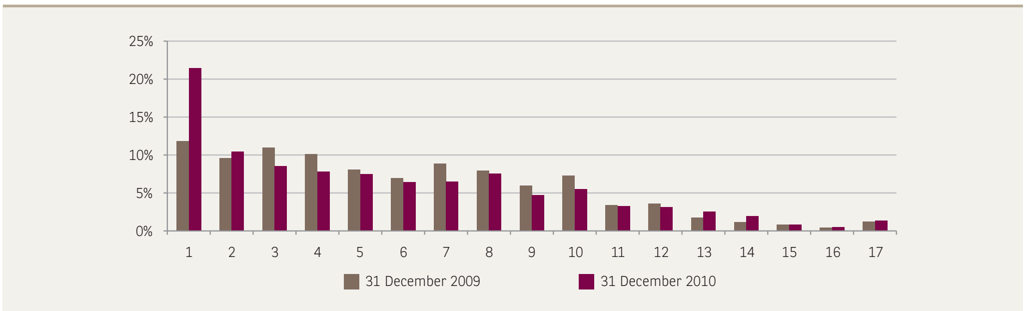
To that end, Fortis Bank has drawn up a 'Master Scale', which ranges from 0 to 20 and provides an indication of the probability that a counterparty will default within one year. Master Scale ratings from 0 to 6 are considered investment grade, from 7 to 17 sub-investment grade and from 18 to 20 impaired loans.

IRBA Corporate exposures by credit rating

The chart below shows a breakdown by credit rating of performing loans and commitments in the Corporate loan book for all the Bank's business lines, measured using the internal ratings-based approach. This exposure represents EUR 86.5 billion of the gross credit risk at 31 December 2010 compared with EUR 126.7 billion at 31 December 2009.

The majority of commitments are towards borrowers rated as good even excellent quality, reflecting the heavy weighting of large multinational groups and financial institutions in the Bank's client base. A significant proportion of commitments to non-investment grade borrowers are highly structured or secured by high quality guarantees implying a high recovery rate in the event of default. They include export financing covered by export credit insurance written by international agencies, project finance, structured finance and transaction financing.

Breakdown of IRBA - individually rated - Corporate exposures by credit rating



Compared to 2009, the relative increase in the exposures rated 1 is mainly due to intergroup funding provided to BNP Paribas non-banking entities; principally towards the former Lease entities of Fortis Bank which have been sold to the BNP Paribas group.

Retail banking operations

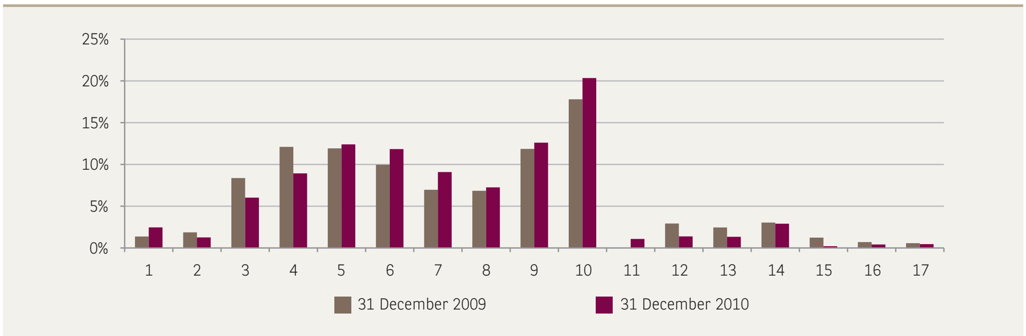
Retail banking operations are carried out by the Fortis Bank branches, and by the Alpha Credit subsidiary. The Belgian operation field is embedded in structured and automated credit processes, complying with the Basel II Internal Rating Based Advanced approach endorsed in March 2008.

All the advanced Basel II parameters estimates (PD, EAD, LGD) are yearly reviewed and/or updated. The explanatory variables for the Retail part of the portfolio rely on internal behavioural data. These parameters are computed monthly on the basis of the latest available information, and made available without any manual intervention.

Classical scoring techniques are used for screening the customers at application time, staying always in line with the Basel II parameters.

The chart below shows a breakdown by credit rating of performing loans and commitments in the Retail loan book for all the Bank's business lines, measured using the internal ratings-based approach. This exposure represents EUR 57.3 billion of the gross credit risk at 31 December 2010 compared with EUR 53.5 billion at 31 December 2009.

Breakdown of IRBA - individually rated - Retail exposures by credit rating

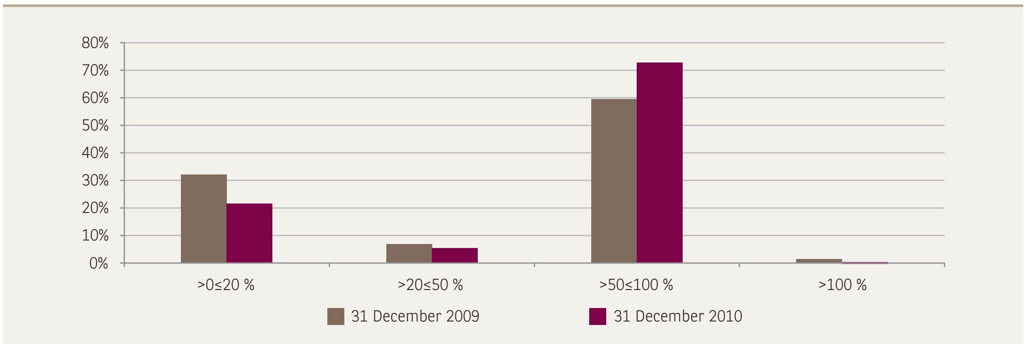


Standardised approach

Fortis Bank also applies the standardised approach or the so-called "Unrated Standardised Approach" (USTA) to legal entities or business units, amongst others those that are classified under "Permanent exemptions".

The entities classified under "Permanent exemptions" are those legal entities or business units that are earmarked as non-material based on the eligibility criteria or processes defined by Fortis Bank. Permanent exemptions will remain as long as the eligibility criteria or processes for non-materiality continue to be met.

Breakdown of Corporate (*) exposure by weighting in the standardised approach



** The "Corporate" loan book shown in the chart above includes corporates, central governments and central banks, and institutions*

The increase in the proportion of exposure with a weighting between 50% and 100% is mainly due to the integration of TEB Mali.

4.d.1.7 Loans with past-due instalments, whether impaired or not, and related collateral or other security

The following table presents, the carrying amounts of financial assets that are past due but not impaired (by age of past due), impaired assets and related collateral or other security. The amounts shown are stated before any provision on a portfolio basis.

									31 December 2010
	Maturities of unimpaired past-due loans								
In millions of euros	Total	Up to 90 days	Between 90 days and 180 days	Between 180 days and 1 year	More than 1 year	Impaired assets and commitments covered by provisions	Total loans and commitments	Collateral received in respect of unimpaired past-due loans	Collateral received in respect of impaired assets
Financial assets at fair value through profit or loss (excl. variable-income securities)									
Available-for-sale financial assets (excl. variable-income securities)						29	29		
Loans and receivables due from credit institutions	134	134				310	445	105	267
Loans and receivables due from customers	3,146	3,140	7			3,644	6,791	2,180	2,596
Past-due assets, net of individual impairment	**3,281**	**3,274**	**7**			**3,983**	**7,264**	**2,285**	**2,863**
Financing commitments given						361	361		123
Guarantee commitments given						388	388		335
Off-balance sheet non-performing net of provisions						**749**	**749**		**458**
TOTAL EXPOSURE	**3,281**	**3,274**	**7**			**4,733**	**8,014**	**2,285**	**3,321**

									31 December 2009
	Maturities of unimpaired past-due loans								
In millions of euros	Total	Up to 90 days	Between 90 days and 180 days	Between 180 days and 1 year	More than 1 year	Impaired assets and commitments covered by provisions	Total loans and commitments	Collateral received in respect of unimpaired past-due loans	Collateral received in respect of impaired assets
Fixed income securities						755	755		1
Due from credit institutions	7	7				1,271	1,278		254
Due from customers	4,510	4,510				8,472	12,982	2,547	5,232
Other assets	34	34				57	91		16
Past-due assets, net of individual impairment	**4,551**	**4,551**				**10,555**	**15,106**	**2,547**	**5,503**
Off-balance sheet non-performing net of provisions						**1,124**	**1,124**		**655**
TOTAL EXPOSURE	**4,551**	**4,551**				**11,679**	**16,230**	**2,547**	**6,158**

Figures as at 31 December 2009 are based on the presentation of the Annual report of 2009.

4.d.2 Counterparty risk

Fortis Bank is exposed to counterparty risk on its capital markets transactions. This risk is managed through the widespread use of standard close-out netting and collateral agreements and through a dynamic hedging policy. Changes in the value of the Bank's exposure are taken into account in the measurement of over-the-counter financial instruments through a credit adjustment process.

Netting agreements

Netting is a technique used by the Bank to mitigate counterparty risks on derivatives transactions. The Bank primarily uses close-out netting, which enables it to close out all positions at current market value in the event of default by the counterparty. All amounts due to and from the counterparty are then netted, to arrive at the net amount payable or receivable. The net amount may be secured by collateral in the form of cash, securities or deposits.

The Bank also uses bilateral payment flow netting to mitigate counterparty risk on foreign currency payments. Bilateral payment flow netting consists of replacing payment streams in a given currency by a cumulative balance due to or from each party, representing a single net sum in each currency to be settled on a given day between the Bank and the counterparty.

The transactions are executed according to the terms of bilateral or multilateral master agreements that comply with the general provisions of national or international master agreements. The main bilateral agreement models used are those of the National Bank of Belgium (BNB-NBB), or those of the International Swaps and Derivatives Association (ISDA) for international agreements.

Measurement of exposure

Exposure at Default (EAD) for counterparty risk is measured using an internal assessment procedure which is subsequently integrated within the credit risk assessment tool. This tool has been used by the Bank for the past ten years and is updated on an ongoing basis. It is based on Monte Carlo simulations which allow analysts to identify likely movements in exposure amounts. The stochastic processes used are sensitive to parameters (including volatility and correlation) calibrated on historical market data. Potential future exposures to counterparty risk are captured using ValRisk, an internal model allowing to simulate several thousand possible market trend scenarii and revalue transactions carried out with each counterparty at several hundred future points in time (from 1 day to more than 30 years for very long-term transactions). Changes in exposure amounts are calculated up to the maturity of the corresponding transactions. To aggregate transactions on each counterparty, ValRisk takes into account the legal jurisdiction in which each counterparty operates, and any netting or margin call agreements.

For internal monitoring of counterparty risk exposures on positions that are located in the books of Fortis Bank and BGL BNP Paribas but not yet mirrored in the systems of BNP Paribas, the exposure at default is not calculated on the basis of an internal model.

Counterparty risk exposures fluctuate significantly over time due to constant changes in the market parameters affecting the value of the underlying transactions. Accordingly, any assessment of counterparty risk must consider possible future changes in the value of these transactions as well as their present value.

For regulatory purposes Fortis Bank does not use a VaR calculated by the internal model described above, as the CBFA hasn't yet approved the use of this model.

Monitoring and control of counterparty risk

Every day, potential future exposures calculated by ValRisk are checked against the approved limits per counterparty. ValRisk allows analysts to simulate new transactions and measure their impact on the counterparty portfolio, making it an essential tool in the risk approval process. Limits are set by the following committees (in increasing order of authority): Regional Credit Committee, Global Credit Committee and General Management Credit Committee, according to their level of delegated authority.

Credit adjustments to over-the-counter financial instruments

The fair values of financial instruments traded over-the-counter by the Fixed Income and Global Equity & Commodity Derivatives units include credit value adjustments. A credit value adjustment (CVA) is an adjustment to the value of the trading book to take account of counterparty risk. It reflects the expected fair value loss on the existing exposure to a counterparty based on the potential positive value of the contract, the probability of default, migration of credit quality and the estimated global recovery rate.

Dynamic counterparty risk management

The CVA varies according to changes in the existing exposure and in the prices quoted for the counterparty's credit risk, which may be reflected in particular in the credit default swap (CDS) spread variations used to calculate the probability of default.

For Corporate and Investment Banking (CIB) customers, the CVA varies according to changes in the existing exposure and in the prices quoted for the counterparty's credit risk as well as its global recovery rate (GRR), which may be reflected in particular in the credit default swap (CDS) spread variations used to calculate the probability of default.

For Corporate and Public Banking Belgium (CPBB) customers, the CVA varies according to changes in the existing exposure and in the internal rating and GRR used to calculate the probability of default.

To reduce the risk resulting from deterioration in the inherent credit quality of a portfolio of financial instruments, Fortis Bank may use a dynamic hedging strategy based on the purchase of market instruments such as credit derivatives.

4.d.3 Securitisation

Asset securitisation is the process of creating a marketable financial instrument that is backed by the cash flow or value of specific financial assets. During the securitisation process, assets (e.g. consumer loans, receivables, mortgages) are selected and pooled together into a special purpose vehicle (SPV) which issues securities sold to investors.

Proprietary securitisation (originator under Basel II)

In order to support its business development, while meeting regulatory capital requirements, Fortis Bank has launched securitisation programmes. Securitisation of own assets can provide long term funding, liquidity or a capital management tool depending on the requirements. The related securitisation vehicles are fully consolidated and, hence, the securitised assets are reported on-balance in the Consolidated Financial Statements.

Fortis Bank has also created a special purpose vehicle called Bass Master Issuer NV/SA to securitise mortgage loans, originally granted by Fortis Bank and a SPV Esmée Master Issuer NV/SA to securitise loans to self-employed people and small and medium-sized enterprises, originally granted by Fortis Bank. Additional information on both securitisation transactions is included in the part "Other Information" of the Fortis Bank Consolidated Financial Statements.

Securitisation as sponsor on behalf of clients

In 2010, securitisation was a financing alternative for the bank's clients. In particular, financing via Scaldis Capital Limited ('Scaldis'), an asset backed commercial paper (ABCP) vehicle sponsored by Fortis Bank, gave Fortis Bank's corporate and institutional clients access to an alternative source of funding from the capital markets. On 31 December 2010, the total face amount of the CP issuance of Scaldis was USD 8.2 billion (EUR 6.1 billion). The proceeds of the CP issuance was used to invest USD 4.6 billion (EUR 3.4 billion) in highly rated eligible securities and USD 3.6 billion (EUR 2.7 billion) in eligible financial assets from clients of Fortis Bank as well as from the bank itself.

Scaldis' eligible asset purchases are structured to justify an A-1+/F1+/P1 rating level. Throughout 2010, Scaldis' commercial paper was rated the highest short term rating from each of Standard & Poor's, Moody's and Fitch Ratings: A-1+/ F1+/P1.

As a result of the implementation of Basel II which looks through the liquidity line to the actual rating of each asset pool funded by Scaldis, there are no longer any regulatory capital charge differences between fully- and partially-supported liquidity facilities supporting each securitisation transaction.

Securitisation as investor

Fortis Bank has made investments in a wide variety of ABS/MBS asset classifications, with a clear focus on the differentiation of deal ticket size and diversification by asset type and geographic distribution, ranging from European Prime RMBS, to US Student Loans, Credit Cards, Commercial MBSs, CLOs, Consumer ABSs, SMEs and Small Business Loans to US RMBS. Redemptions from these assets are no longer reinvested in the ABS/MBS portfolio.

Fortis Bank's structured credits are overweight in investment grade securities (94% of the portfolio is investment grade). Fortis Bank's credit risk exposures arising from the abovementioned transactions as of year-end 2010 and the valuation methods applied are described in note 8.g 'Structured Credit Instruments'.

The Bank's activities in each of these roles are described below:

In millions of euros	31 December 2010	31 December 2009
Fortis Bank role		
Originator (*)	639	500
Sponsor	5,340	6,455
Investor	25,478	28,261
TOTAL EXPOSURE	**31,457**	**35,216**

** exposure in Bass Master Issuer NV/SA and Esmée Issuer NV/SA are excluded as bonds issued under these programmes have not been sold to 3rd parties so far*

Securitisation risk management

Securitisation transactions arranged by Fortis Bank on behalf of clients are highly technical and specific in nature. They are therefore subject to a specific risk management system:

- independent analysis and monitoring by dedicated teams within the Risk Department;
- specific processes (with specific committees, approval procedures, credit and rating policies) to ensure a consistent, tailored approach.

4.e Market risk

4.e.1 Market risk related to financial instruments

4.e.1.1 Definitions

The risk taking framework has undergone a fundamental review as part of the integration process and the redefinition of Fortis Bank's activities as set out by the Industrial Plan.

Fortis Bank risk activities are now to a large extent integrated within the BNP Paribas Group Risk Management (GRM) Function, based on the GRM organisational principles: a single integrated Risk entity responsible for risk aspects across all businesses and territories, independent of the business lines and functions, and applying a matrix principle, with local and global reporting lines.

Market risk is the risk of incurring a loss due to adverse changes in prices or market parameters, whether directly observable or not. Market risks arise mainly from trading book transactions carried out by the Fixed Income and Equity teams with Corporate Investment Banking. The parameters are as follows:

- Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.
- Currency risk is the risk that the value of an instrument will fluctuate due to changes in foreign exchange rates.
- Equity risk arises from changes in the market prices and volatilities of equities and changes in the prices of equity indices.
- Commodities risk arises from changes in the market prices and volatilities of commodities and changes in the prices of commodities indices.
- Credit spread risk arises from the change in the credit quality of an issuer and is reflected in changes in the cost of purchasing protection on that issuer.
- Options give rise to an intrinsic volatility and correlation risk, whose parameters can be determined from observable prices of options traded in an active market.

4.e.1.2 Governance

The market risk management system aims to track and control market risks whilst ensuring that the control functions remain totally independent from the business lines.

The system is structured around several committees:

- The CMRC (Capital Markets Risk Committee, formerly Merchant Banking Risk Committee) is the principal committee governing risks related to capital market activities. Its mission is to tackle market and counterparty risk issues in a consistent way. The committee meets every two months. The CMRC decides the highest level of trading limits in Fortis Bank, together with the risk decision and risk delegation processes. Losses above a certain threshold are on the CMRC's agenda, as well as stress-testing scenarios and their loss outcome.
- At business unit level, the Valuation Review Committee (VRC) meets monthly to examine and approve the results of MAP (Market Parameters) Reviews and any changes in reserves. The committee is chaired by the Senior Trader and other members include representatives from trading, GRM, Group Product Control, and Group Development and Finance. The Valuation Review Committee also acts as the referee in any disagreements between trading and control functions.

4.e.1.3 Limit setting and tracking

The definition of and management framework for the limits validated by the CMRC are structured on three levels of delegation:

- CMRC limits – under the exclusive authority of CMRC;
- Limits by business – under the authority of the head of the business;
- Limits by activity - under the authority of the Head of Trading.

Limits may be changed either temporarily or permanently, authorised in accordance with the level of delegation and the prevailing procedures.

GRM's mission in terms of market risks is as follows:

- To define, measure and analyse sensitivities and risk factors, and to measure and control Value at Risk (VaR) as global indicator of potential losses, to ensure that the activity remains within the limits approved in the different committees;
- Approval of new activities and of the largest transactions;
- Review and approval of pricing models for trading positions;
- Periodic review of market parameters ("MAP") in cooperation with Group Product Control.

GRM reports to Executive Management and business lines Senior Management on its risk analysis work.

The BNP Paribas Group uses an integrated system called Market Risk eXplorer (MRX) to follow the trading positions on a daily basis and manage VaR calculations. MRX not only tracks VaR, but also detailed positions and sensitivities to market parameters based on various simultaneous criteria (currency, product, counterparty, etc.). MRX is also configured to include trading limits, reserves and stress tests.

This system is already deployed in Fortis Bank but coexists with the official tool Market Risk MrMa as long as the Regulators (ACP and CBFA) have not given approval for extension of MRX to the Fortis perimeter.

4.e.1.4 Control processes

Via the integration process, Fortis Bank benefits from the enhancements implemented since 2007 at the Group level on its portfolio valuation controls, i.e. with the creation of a Group Product Control (GPC) team. This team works under a charter outlining its responsibilities (towards GRM, Group Development and Finance, the front-office, IT, and Operations) in terms of financial instrument valuations, gains or losses on capital market activities, and control processes.

The team's main areas of involvement are:

- Transaction accounting;
- Market Parameter (MAP) Reviews (monthly reviews of book valuations);
- Model reviews; and
- Reserve calculations.

The procedures for these controls are discussed below.

Transaction accounting controls

Operations (middle-office) is responsible for controlling the transaction accounting process, although GRM checks the process for more structured transactions requiring special attention.

Market Parameter (MAP) Review

GRM and Group Product Control are jointly responsible for MAP Review. This review entails a formal verification of all market parameters and are generally performed monthly; the more liquid parameters are reviewed daily. Group Product Control checks the parameters where processes can be automated, while GRM checks the risk and market parameters requiring an in-depth analysis and an informed opinion. The information used for MAP Reviews is obtained from brokers and suppliers of consensus market prices.

The MAP Review methodology is outlined in separate procedures for each major product line, which also set out the responsibilities of GRM and Group Product Control. All MAP Review conclusions are documented, and the corresponding adjustments are made in the middle-office books. MAP Review results are presented to business managers during Valuation Review Committee meetings.

Models review

The front-office quantitative analysts are mainly responsible for proposing new methodologies aiming to improve product valuation and risk calculation. The Research and IT teams then put them into practice.

GRM is responsible for controlling and analysing these models. The main review processes are as follows:

- Model approval, which consists of performing a formal review when changes are made to a model's methodology ("model event"). The approval process may be swift or it may be comprehensive, in which case the results of the review are documented in a Model Approval Report explaining the basis of and conditions for the approval;
- Model testing, designed to test a model's quality and robustness. Other models may be used for calibration and comparison. The results of the testing are documented;
- Product/model mapping, a process that examines whether pricing models are suited to their products and being used properly within the system, including checking the necessary configurations.

Reserve calculations

GRM defines and calculates "reserves", which correspond to fair value adjustments and are accounted for as deductions from earnings. Reserves can be considered, depending on the case, either as the price for closing a position or as a premium for a risk that cannot be diversified or hedged.

Reserves mainly cover:

- Liquidity risk and bid/offer spreads;
- Uncertainty and modelling risk.

The reserve mechanisms are documented in detail and GRM is responsible for implementing them. Reserves for uncertainty and modelling risk are compatible with the "prudent valuation" regulatory approach but may not always be strictly in line with accounting standards such as penalties for large positions. In this case, the reserves are eliminated from the financial statements.

The methodology for calculating reserves is regularly reviewed and improved as part of the MAP and models review processes.

Day-one-profit

Some structured transactions require the use of parameters considered unobservable, which means that the day-one profit cannot be recognised under IAS 39.

GRM works with Group Development and Finance, middle-offices, and business units to calculate the day-one profit, and most notably performs the following:

- Determines whether a parameter is observable;
- Documents evidence of observability and
- Determines whether a transaction is observable whenever this determination cannot be performed by the middle-office's automated processes.

The middle-office calculates the necessary adjustments to the day-one profit and checks the observability criteria of each transaction.

During 2010, no transactions in Fortis Bank were subject to Day-one-profit.

4.e.1.5 Reporting and information for the General Management

Regular reporting is provided by a dedicated team (Global Risk Analysis and Reporting).

It is articulated around the following analyses:

- Weekly reports ("Main Position Reports") for the heads of businesses. These reports provide a summary of all positions, as well as items requiring special attention;

- The 'events summary ' and 'Counterparty Risk' reports used as a basis for discussion in CMRC meetings, every other month;

- Quarterly Risk Dashboard covering the key market, credit, liquidity and counterparty risks covered by Risk-Capital Markets.

4.e.1.6 Measurement of market risk

The evaluation of market risks relies on three main types of indicators: VaR, sensitivity and stress-test. These are designed to capture the full spectrum of risks, including those arising from sudden and dramatic changes in market conditions.

Analysis of sensitivities to market parameters

Market risk is first analysed by systematically measuring portfolio sensitivity to various market parameters. The information thus obtained is used to set tolerance ranges for maturities and option strike prices. The results of these sensitivity analyses are compiled at various aggregate position levels and compared with market limits.

Measurement for normal market conditions

The central market risk calculator MrMa (Market Risk Management Application) computes the VaR (Value at Risk). The VaR is the outcome of the internal model for market risks approved by the Belgian regulator. It measures potential variations in the trading portfolio value in normal market conditions, for a one-day holding period, based on the evolution of the previous 250 days with 99% confidence.

Fortis Bank's VaR is based on Dynamic EVD (Extreme Value Distribution), i.e. a mix of two extreme value distributions calibrated on the outcome of historical simulations with full revaluation of derivative products. The model has been validated by the Belgian regulator for general market risks as well as specific risk for equities. This validation covers, among other things, the following factors:

- Usual risk factors: interest rates, currency rates, equity and commodity prices and their volatility;

- Correlation between risk factors and the related diversification effects implied in the historical simulation.

Once the VaR has been calculated, the validity of the output is tested. This is performed using the back-testing module, where VaR forecasts are compared with the calculated mark-to-market change using the observed daily market data variation.

Back-testing is a formal statistical framework that tests on a daily basis the efficiency of the VaR model (and thus the reliability of the resulting VaR figures) by verifying that the observed changes in the value of the positions lies within the range predicted by the VaR.

Exceptions are recorded and used so that the model can be continuously fine-tuned. They also impact the level of the regulatory capital. Regulatory back-testing analysis showed that Fortis Bank remained in the green zone (fewer than five exceeds) in 2010.

The replacement of MrMa by the target application MRX, used at Group level and validated by the French Regulator, is foreseen in 2011. An authorisation request for the deployment of MRX in Fortis Bank has been sent to the ACP, and communicated to the CBFA.

Measurement for extreme market conditions

Stress-tests are simulated in order to assess potential variations in the trading portfolio value in extreme market conditions.

Extreme market conditions are defined by rupture scenarios, for which the assumptions are reviewed according to the economic conditions. The results obtained from the tests are further detailed for different levels of the Capital Markets activities. Stress-testing is intended to make management aware of the risks (and the implications for the income statement) of these extreme and abnormal movements, and so 'early warning signals' have been set up to enable all stakeholders to:

- adopt the same approach towards the entity's risk appetite;
- be warned simultaneously;
- decide on remedial actions.

If stress-testing results exceed the early warning signals, they are considered to be triggers for management action. The scope of stress-testing for Global Markets is identical to the coverage in MrMa and follows the course of MrMa development. This ensures comparability of stress-test results with other figures and results calculated using MrMa.

The Risk department runs the stress-testing programme once a month. The different scenarios are assessed on a regular basis and, where appropriate, updated and extended.

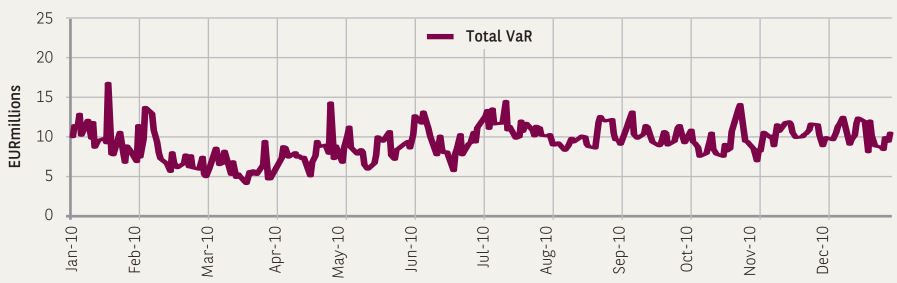
In alignment with the Group, Fortis Bank also uses 15 macro-stress test scenarios defined globally, covering all market activities: fixed-income, currency, equity derivatives, commodities and treasury. These scenarios are presented to and reviewed by the CMRC on a bi-monthly basis.

GRM may also outline specific scenarios to manage some types of risks with extra care, most notably the more complex risks requiring a full revaluation rather than an estimate based on sensitivity indicators. The results of these stress tests may be presented to business line managers and stress test limits may be set.

Evolution of the one-day, 99% VaR in 2010

The VaR graph shown below covers the trading activities under the regulatory framework, in conformity with the BNP Paribas approach. It is extracted from the input data used for the Common solvency ratio reporting (CoReps), from which regulatory Basel II capital is computed for internal model based market risks.

After a sharp increase following the Lehman demise and a very volatile fourth quarter of 2008, de-risking actions together with the progressive reduction of market turbulences resulted in significant decrease in the VaR in 2010.



As mentioned above, Fortis Bank back-tests the VaR used in the internal model to assess its predictive quality. In 2010, thanks to relatively quieter market conditions and risk reduction initiatives, the number of back-testing exceptions remained inside the green zone corresponding with the minimum "penalty" in the regulatory capital computation: the minimum multiplication factor of three was applied to the ten day VaR in the RegCap computation formula.

Historical VaR (10 days, 99%) in 2010

The Values at Risk (VaRs) set out below are calculated from an internal model, which uses parameters that comply with the method recommended by the Basel Committee for determining estimated value at risk ("Supplement to the Capital Accord to Incorporate Market Risks"). They are based on a ten-day time horizon and a 99% confidence interval.

In 2010, total average VaR is EUR 32 million (with a minimum of EUR 16 million and a maximum of EUR 62 million), after taking into account the EUR 12 million netting effect between the different types of risks. These amounts break down as follows:

Value at risk (10 days - 99%): breakdown by risk type

	Year to 31 Dec. 2010				Year to 31 Dec. 2009	
Type of risk	**Average**	**Minimum**	**Maximum**	**End of year**	**Average**	**End of year**
Interest rate risk	27.4	10.3	44.3	29.2	53.5	16.7
Foreign exchange risk	4.4	0.7	10.7	4.1	9.2	6.4
Equity price risk	10.9	5.1	29.2	6.5	31.0	12.8
Commodity price risk	1.6	0.7	6.3	1.2	7.7	3.3
Netting effect	(12.0)	(1.4)	(28.8)	(3.1)	(22.6)	(14.7)
TOTAL VALUE AT RISK	**32.3**	**15.4**	**61.7**	**37.9**	**78.8**	**24.5**

4.e.2 Market risk related to banking activities

The market risk related to banking activities encompasses the risk of loss on interest rate and currency risks stemming from banking intermediation activities. Only the currency risk gives rise to a weighted assets calculation under Pillar 1. The interest rate risk falls under Pillar 2.

Interest rate and currency risks related to banking intermediation activities and investments mainly concern retail banking activities, the specialised financing and savings management subsidiaries, the CIB financing businesses, and investments made by Fortis Bank. These risks are managed by the ALM&Treasury Department.

At Group level, ALM&Treasury reports directly to the Group Functions. Group ALM&Treasury has functional authority over the ALM and Treasury staff of each subsidiary. Strategic decisions are made by the Asset and Liability Committee (ALCO), which oversees ALM&Treasury's activities. These committees have been set up at Group, division and operating entity level.

4.e.2.1 Equity risk

Equity interests held by the Bank outside the trading book are securities that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance. They include:

- listed and unlisted equities and units in investment funds;
- options embedded in convertible and mandatory convertible bonds;
- equity options;
- super subordinated notes;
- commitments given and hedges related to equity interests; and
- interests in companies accounted for by the equity method.

Modelling equity risk

In accordance to the Capital Requirement Directive, banks using the Internal Risk Based Approach are required to apply a separate treatment to the equity exposures held in their banking book. Fortis Bank applies therefore the Simple Risk Weight approach (except for (i) equity exposure held prior to 2008 or held in non material entities, for which the Standardised approach is applied, and (ii) participations which are deducted from own funds).

The Simple Risk Weight approach is based on long term market observations and sets out separate risk weights covering unexpected losses:

- 190% of exposure value for private equity exposures in sufficiently diversified portfolios;
- 290% of exposure value for exchange traded equity exposure;
- 370% of exposure value for other equity exposures.

In addition, expected losses for equity exposure are deducted from own funds. The model has been validated by the CBFA for measuring the capital requirement for equity risk as part of the Basel II approval process.

Exposure* to equity risk

In millions of euros (Exposure *)	31 December 2010	31 December 2009
Simple risk weight method	**757**	**1,270**
190% weighted	571	623
290% weighted	5	278
370% weighted	181	369
Standardised approach	**1,099**	**1,321**
TOTAL VALUE AT RISK	1,856	2,591

** fair value (on and off balance sheet)*

4.e.2.2 Currency risk (Pillar 1)

Calculation of risk-weighted assets

Currency risk relates to all transactions whether part of the trading book or not. This risk is treated in the same way under both Basel I and Basel II.

Except for Fortis Bank Belgium's currency exposure, which is calculated using the Fortis Bank internal model approved by the CBFA, exposure to currency risk is now determined under the standardised approach, using the option provided by the banking supervisor to limit the scope to operational currency risk.

Fortis Bank's entities calculate their net position in each currency, including the euro. The net position is equal to the sum of all asset items less all liability items plus off-balance sheet items (including the net forward currency position and the net delta-based equivalent of the currency option book), minus structural, non-current assets (long-term equity interests, property, plant and equipment, and intangible assets). These positions are converted into Euros at the exchange rate prevailing on the reporting date and aggregated to give the Bank's overall net open position in each currency. The net position in a given currency is long when assets exceed liabilities and short when liabilities exceed assets. For each entity, the net currency position is balanced in the relevant currency (i.e. its reporting currency) such that the sum of long positions equals the sum of short positions.

The rules for calculating the capital requirement for currency risk are as follows:

- Matched positions in currencies of Member States participating in the European Monetary System are subject to a capital requirement of 1.6% of the value of the matched positions.
- Positions in closely correlated currencies are subject to a capital requirement of 4% of the matched amount.
- Other positions, including the balance of unmatched positions in the currencies mentioned above, are subject to a capital requirement of 8% of their amount.

Currency risk and hedging of earnings generated in foreign currencies

Fortis bank's exposure to operational currency risks stems from the net earnings in currencies other than the euro. Fortis bank's policy is to hedge on a monthly basis all its non-EUR earnings against EUR. Earnings generated locally in a currency other than the operation's functional currency are hedged locally. Net earnings generated by foreign subsidiaries and branches and positions relating to portfolio impairment are managed centrally.

Currency risk and hedging of net investments in foreign operations

Fortis Bank's currency position on investments in foreign operations arises mainly on branch capital allocations and equity interests denominated in foreign currencies.

Fortis Bank's policy is usually to borrow the investment currency in order to protect the investment against currency risk. Such borrowings are documented as hedges of net investments in foreign operations. However, for most soft currencies, the investment may also be financed by purchasing the currency in question.

4.e.2.3 Interest rate risk (Pillar 2)

Interest rate risk management framework

Interest rate risk on the commercial transactions of the retail banking, the specialised financing subsidiaries, the savings management business lines in the Investment Solutions and CIB's Corporate Banking divisions are managed centrally by ALM&Treasury through the client intermediation book. Interest rate risk on the Bank's equity and investments is also managed by ALM&Treasury, in the equity intermediation and investments book.

Transactions initiated by each Fortis Bank business line are transferred to ALM&Treasury via internal contracts booked in the management accounts or via loans and borrowings. ALM&Treasury is responsible for managing the interest rate risk inherent in these transactions.

The main decisions concerning positions arising from banking intermediation activities are taken at monthly or quarterly committee meetings. These meetings are attended by the management of the business line, ALM&Treasury, Group Development and Finance and GRM.

The four main sources of interest rate risk are:

- repricing risk, due to a mismatch of interest rate repricing between assets and liabilities (usual mismatch)
- changes in the structure of yield curves (parallel, flattening or steepening shifts)
- basis risk resulting from the imperfect correlation between different reference rates (for example swap rates and government bond yields)
- optionality: on the asset side, certain financial instruments carry embedded options (hidden or explicit) that will be exercised depending on movements in interest rates.

Measurement of interest rate risk

Fortis Bank measures, monitors and controls its banking book interest rate risk using the following indicators:

- duration of equity
- interest rate sensitivity of the fair value of equity
- Earnings at Risk (EaR).

Duration of equity - Duration is a measure of the average timing of cash flows from an asset or a liability portfolio. Duration of equity is an application of duration analysis and measures Fortis Bank's consolidated interest rate sensitivity. It is measured as the difference between the present value of the future weighted cash flows generated by the assets and the present value of the future weighted cash flows from the liabilities. The duration of equity is an overall indicator of the mismatch in duration of assets and liabilities.

Interest rate sensitivity of the Fair Value of equity - This approach consists of applying +/- 100bp to the fair value of an instrument or portfolio.

Earnings at Risk - In the case of retail banking activities, structural interest rate risk is also measured on a going-concern basis, through an earnings sensitivity indicator. Due to the existence of partial or even zero correlations between customer interest rates and market rates, and the volume sensitivity caused by behavioural options, rotation of balance sheet items generates a structural sensitivity of revenues to interest rate changes. Lastly, for products with underlying behavioural options, a specific option risk indicator is analysed in order to fine-tune hedging strategies.

The choice of indicators and risk modelling, as well as the production of indicators, are controlled by independent Product Control teams and by dedicated Group Risk Management teams. The results of these controls are presented regularly to specialist committees and once a year to the Board of Directors.

These indicators are systematically presented to the ALM committees, and serve as the basis for hedging decisions taking into account the nature of the risk involved.

Risk limits

For the customer banking intermediation books, overall interest rate risk for Retail Banking entities is subject to a primary limit, based on the sensitivity of revenues to changes in interest rates over the next 12 months. The limit is based on recurring revenues, in order to control uncertainty about future fluctuations in revenues caused by changes in interest rates. The specialized financing subsidiaries are exposed to very low levels of interest rate risk, considering the centralization of risks at ALM&Treasury level. The residual risk is controlled by technical interest rate gap limits that are monitored by the ALM committee of the relevant business line.

At Fortis Bank, a limit for the duration of equity is defined per entity. Duration of equity is the duration that should be attributed to the difference between the value of assets and the value of liabilities in order to make the total balance sheet insensitive to interest rate changes. The bank has a positive duration of equity. This means that an increase in interest rates leads to a decrease in value for the bank. This limit is reviewed and approved by ALM Committee on annual basis.

Sensitivity of the value of banking books

Since the books of financial instruments resulting from the banking activities are not intended to be sold, they are not managed on the basis of their value. To comply with the financial reporting rules prescribed by IFRS, Fortis Bank determines the value of the financial instruments that make up these books and the sensitivity of that value to interest rate fluctuations.

The sensitivity analysis takes into account all future cash flows generated by transactions outstanding at the reporting date, irrespective of maturity. The sensitivity data take account of the replication portfolios and models used to generate theoretical maturities, especially on the Bank's equity.

The sensitivity of the value of banking books to an instantaneous change of one basis point in interest rates was an increase in value in the event of a fall and a decrease in value in the event of a rise of approximately EUR 11,255,354 at 31 December 2010, compared with EUR 9,343,872 at 31 December 2009.

Hedging of interest rate and currency risks

Hedging relationships initiated by the Bank mainly consist of interest rate or currency hedges in the form of swaps, options, forwards or futures.

Depending on the hedging objective, derivative financial instruments used for hedging purposes are qualified as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy, identifies the hedged item and the hedging instrument and the nature of the hedged risk, and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

Interest rate risk in the banking book

The Bank's strategy for managing global interest rate risk is based on closely monitoring the sensitivity of the Bank's earnings to changes in interest rates. In this way, it can determine how to achieve an optimum level of offset between different risks. This procedure requires an extremely accurate assessment of the risks incurred so that the Bank can determine the most appropriate hedging strategy, after taking into account the effects of netting the different types of risk.

These hedging strategies are defined and implemented for each portfolio - customer activities and own funds - and currency.

As was already the case in the second half of 2009, there was a strong inflow of customer savings-deposits throughout 2010, recapturing the lost market share in 2008 (and the beginning of 2009). As the loans origination in the Belgian economy, especially at fixed rate, did not grow at the same pace as the deposit base there was an important decrease in the (fixed rate) loans to (fixed rate) deposits ratio. Residential mortgage production was particularly successful in 2010 for capped variable rated formulas due to the very low short term rates which offered a window of opportunity to the clients.

Due to the different production pace in liabilities versus assets the structural interest rate hedges put in place by the Bank in 2010 are based mainly on a fixed-rate lender strategy; they include derivatives accounted for as fair value hedges and Government securities which are recorded in the "Available for sale" category.

Interest rate risk is mitigated using a range of different instruments, the most important of which are derivatives, primarily interest rate swaps and options. Interest rate swaps are used to change the linear risk profile mainly caused by long-term assets and liabilities. Options are used to reduce the non-linear risk, which is mainly caused by embedded options sold to clients, e.g. caps and prepayment options.

Structural currency risk

Currency hedges are contracted by the ALM department in respect of the Bank's investments in foreign currencies and its future foreign currency revenues. Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy, identifies the hedged item and the hedging instrument, and the nature of the hedged risk and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

A hedging relationship is applied and documented for investments financed by foreign currency loans so that impacts of movements in exchange rates can be recorded in a symmetrical fashion and have no impact on the profit and loss account. These instruments are designated as net investment hedges.

A similar hedging relationship is set up to hedge the currency risk on net foreign currency assets of consolidated branches and subsidiaries. Fair value hedges are used to hedge the currency risk on equity investments in non-consolidated companies. No hedging relationship was disqualified from hedge accounting in 2010.

The Bank hedges the variability of components of its earnings, in particular the highly-probable future revenue streams (mainly interest income and fees) denominated in currencies other than the euro generated by the Bank's main businesses, subsidiaries or branches.

Hedging of financial instruments recognised in the balance sheet (fair value hedges)

Fair value hedges of interest rate risks relate either to identified fixed-rate assets or liabilities, or to portfolios of fixed-rate assets or liabilities. Derivatives are contracted to reduce the exposure of the fair value of these instruments to changes in interest rates. Identified assets consist mainly of available-for-sale securities. Hedges of portfolios of financial assets and liabilities relate to both fixed-rate mortgages and fixed rated debt issues.

To identify the hedged amount, the residual balance of the hedged item is split into maturity bands, and a separate amount is designated for each band. The maturity split is determined on the basis of the contractual terms of the transactions and historical observations of customer behaviour (prepayment assumptions and estimated default rates). No hedging relationship was disqualified from hedge accounting in 2010.

For each hedging relationship, expected hedge effectiveness is measured by ensuring that for each maturity band, the fair value of the hedged items is greater than the fair value of the designated hedging instruments. The Hedge effectiveness testing is based upon the results of the regression tests. These results are translated into the Hedging constraints (such as Maturity, Notional amount and Floating rate index).

Effectiveness tests are conducted at the beginning of each month prospectively and at the month-end retrospectively by using the same hedged items and hedging instruments at the beginning of the month increased by the hedging instruments during the month.

The prospective test consists in demonstrating that all constraints are met and that, at the beginning of each month and per time bucket, the balance of the hedging instruments are lower than the hedged items, which means that prospectively there is underhedging. Due to the strict rules governing the use of hedge accounting, not all economic hedges covering the Bank's interest rate risk exposure qualify as hedges under IFRS. For example, options used for economic hedging do not qualify as hedges. This means that, although an economic hedge exists, for accounting purposes the Bank will bear the impact of the changes in the fair value of these options in profit or loss. This is the case, for example, for floating-rate mortgages where the sold caps are hedged using options. The fact that these options do not qualify as hedges under IFRS leads to additional accounting volatility in profit or loss.

Cash Flow Hedge

In terms of interest rate risk, the Bank uses derivative instruments to hedge fluctuations in income and expenses arising on floating-rate assets and liabilities. Highly probable forecast transactions are also hedged. Hedged items are split into maturity bands by currency and benchmark interest rate. After factoring in prepayment assumptions and estimated default rates, the Bank uses derivatives to hedge some or all of the risk exposure generated by these floating-rate instruments.

In terms of currency risk, the Bank hedges against variability in components of consolidated earnings. In particular, the Bank may hedge future revenue flows (especially interest and fee/commission income) derived from operations carried out by its main subsidiaries and/or branches in a currency other than their functional currencies. As in the case of interest rate hedges, the effectiveness of these hedging relationships is documented and assessed on the basis of forecast maturity bands.

In the year ended 31 December 2010, no hedges of forecast transactions were re-qualified as ineligible for hedge accounting on the grounds that the related future event would be no longer highly probable.

4.f Operational risk

Risk management framework

Regulatory framework

Fortis Bank has opted for an all-embracing, single, operational risk management framework for the entire bank, which complies with the Basel II criteria laid down in the Advanced Measurement Approach ('AMA'). This approach supports the organisation by offering better management of risk through heightened operational risk awareness. It ensures effective measurement and monitoring of the operational risk profile and an adequate level of own fund requirements.

Key players and governance

An appropriate risk management structure has been created around a model with three levels of defence, which places the primary responsibility for operational risk management and mitigation with the businesses. The second line of defence role is assumed by the risk management functions. Their role is to ensure that the operational risk management framework is properly embedded, that the operational risks that are identified, assessed, measured and managed reflect the true risk profile and that the resulting levels of own funds are adequate. In its third line of defence role, internal audit provides assurance on the proper implementation of the risk structures and policies.

The main governance bodies for the matters of Operational Risk & Internal Control are the Internal Control Committees (ICCs).

Fortis Bank has 5 ICCs, each presided by a member of the ExCo. Complementary, there is also an ICC at the level of the Executive Committee.

The role of the ICC covers the management of the operational permanent control framework and the management of operational risks and risks of non-compliance[1]. This role includes, but is not limited to:

- creating an organized and global view on the operational permanent control framework and the management of operational risks and risks of non-compliance of Fortis Bank SA/NV;
- analyzing and deciding on these subjects;
- constituting a level of warning, alert and escalation for weaknesses observed;
- demonstrating and evidencing the involvement of the Executive Board and Executive Committee in the management of these issues and the follow up of actions concerned.

The objective of the ICC is to allow the business and functions to signal the most significant operational risks, risks of non-compliance and weaknesses in the permanent control environment, highlight the associated action plan, and provide an overview on the status of measures taken.

A framework encompassing the four elements required for an advanced measurement approach:

- Loss data collections is the first building block of the operational risk management framework. Operational losses that occur throughout the organisation are systematically collected in a central database.
- Fortis Bank supplements this internal loss data, with external loss data sources. Fortis Bank uses both consortium and public databases to supplement its internal loss database for risk analysis.
- A central element of the framework consists of forward-looking risk assessments, which define the bank's risk profile and are used as primary input for calculating the own fund requirements.
- Risk assessment combines bottom-up Risk Self Assessments (RSA) and top-down Scenario Analysis. The bottom-up Risk Self Assessment provides an insight into operational risks that are closely related to the internal organisation and control environment. RSA's are conducted within each business and support function at a reasonable level of detail and result in a description of the identified risks, an analysis of the causal drivers of these risks and in a description and an assessment of the control environment. Finally, the residual risk exposure is quantified.

[1] *Operational risks and risks of non-compliance (including reputational risk, fraud risk, financial reporting risk, tax risk, legal risk, risk of not complying with laws, regulations and policies, operational risks related to people, process, systems and the external environment, business risk). Please note that credit risk, market risk, liquidity risk and counterparty risk are addressed in separate committees.*

- Top-down Scenario Analysis complements the operational risk profile for the more systemic or low frequency – high impact operational risks. It captures the operational risks to which the organisation is subject because of the type of activities in which it engages and the business environment in which it operates. Scenario Analyses is conducted at senior management level and is based primarily on the analysis of external loss data. Scenario documentation details the type of risk, the quality of the control environment and the quantification of the risk exposure.

- Operational risk triggers (or Key Risk Indicators) are followed up to alert for apparent changes in the operational risk profile due to internal or business environment factors.

Calculation of own funds requirements
Fortis Bank applies the most advanced methods to determine, for the material elements of its activities, the required levels of own funds against operational risks. These methods are compliant with the Advanced Measurements Approach (AMA). The Basic Indicator approach is used for smaller and non-material parts of the activities.

Merger with BNP Paribas
The BNP Paribas Group has a very similar operational risk management system to that of Fortis Bank. Fortis Bank is AMA compliant and has established a system that analyses loss data and forward-looking data. In time, the BNP Paribas Group's system will be extended to encompass Fortis Bank and BGL BNP Paribas.

Operational control and mitigation
Fortis Bank has a variety of tools to control and mitigate operational risk. Risk assessments, loss data analysis and key risk indicator movements enable the formalisation of actions to further control operational risks. These actions often relate to organisational and process context. Centrally coordinated operational risk mitigation techniques are business continuity management, information security measures, insurance and a governance structure to decide on exceptional transactions and new activities via the Exceptional Transactions Committee and New Activities Committee.

4.g Compliance and reputation risks

Compliance Mission
The overall mission of Compliance is to provide reasonable assurance of the coherence and effectiveness of the permanent control system of Fortis Bank, the compliance of its activities and the protection of the Bank's reputation, through i) advices; ii) oversight and iii) independent controls.

Compliance, as a second line of defence, has a dual role:

The first role of Compliance consists in the supervision of the effective management of compliance risk. This involves policy setting, providing of advices and raising the awareness of colleagues of the need to follow key compliance principles:

- Financial security: anti-money laundering, fight against corruption and financing of terrorism, financial sanctions and disclosure to financial intelligence units;
- Protection of client interest: includes products and services to clients as well as conflicts of interest;
- Employee integrity: includes codes of conduct, gifts policy, conflicts of interest, personal transactions policy;
- Market abuse: market integrity, conflicts of interest.

Compliance sets policies and gives binding advices in these areas. Compliance advices may be subject to escalation to a higher level, until consensus is found, to ensure appropriate issue resolution.

The second role of Compliance relates to the definition of the general framework in the area of permanent control. In this area, Oversight of Operational Permanent Controls (2OPC) which is part of Compliance will define and coordinate the general control framework.

Compliance organisational set-up
As required by Belgian regulations, the Compliance function is an independent control function reporting to the Chief Executive Officer. The function has direct, independent access to the Board's Audit, Risk and Compliance Committee and is permanent invitee of the latter.

The function is part of a Group-wide function steered from Paris and responsible for overseeing and supervising all compliance matters. The head of Compliance of Fortis Bank has a strong dotted line to the Group-wide head of Compliance ensuring local roll-out of the Group-wide operating model. The Compliance function within the group has grown continuously since 2004.

High level principles

Management of compliance and reputation risks is based on the following high level principles:

- individual responsibility: Compliance is everyone's responsibility as opposed to the mere responsibility of the Compliance department;
- exhaustive and comprehensive approach: the scope of Compliance extends to all banking activities. In this respect, Compliance will have unrestricted access to all required information;
- independence: Compliance colleagues exercise their mission in a context which guarantees their independence of action and thought;
- primacy of Group policies over local policies to the extent consistent with local law.

4.h Liquidity and refinancing risk

Liquidity and refinancing risk is the risk of the Bank being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements without affecting routine transactions or its financial position.

Liquidity and refinancing risk is managed through a global liquidity policy approved by the Executive Board of Fortis Bank. This policy is based on management principles designed to apply both in normal conditions and in a liquidity crisis. The liquidity policy of Fortis Bank is fully aligned with the BNP Paribas Group liquidity policy. The bank's liquidity position is assessed on the basis of internal standards and regulatory ratios.

4.h.1 Liquidity risk management policy

Policy objectives

The objectives of Fortis Banks' liquidity risk management policy are to (i) secure a balanced financing mix to support Fortis Bank's development strategy; (ii) ensure that Fortis Bank is always in a position to discharge its obligations to its customers; (iii) comply with the standards set by the local banking supervisor; (iv) keep the cost of refinancing as low as possible; and (v) cope with any liquidity crises.

Roles and responsibilities in liquidity risk management

The Bank ALCO sets the general liquidity risk management policy, including risk measurement principles, acceptable risk levels and the internal billing system. It submits its decisions to the Executive Board for final approval. Responsibility for monitoring and implementation has been delegated to the ALM&Treasury department. The Audit, Risk and Compliance Committee reports to the Board of Directors on liquidity policy principles and the Bank's position.

The Bank ALCO is informed on a regular basis of liquidity indicators, results of stress tests, and the execution of financing programmes. It is also informed of any crisis situation, and is responsible for deciding on the allocation of crisis management roles and approving emergency plans.

After validation by the Bank ALCO, the ALM&Treasury department is responsible for implementing the policy at both central and individual entity level. It is also owner of the systems used to manage liquidity risk.

The business line and entity ALCO's implement at local level the strategy approved by the Bank ALCO.

Group Risk Management (GRM) contributes to defining liquidity policy principles. It also provides second-line control by validating the models, risk indicators (including liquidity stress tests), limits and market parameters used. The CRO of Fortis Bank is a member of Bank ALCO and the Executive Board.

Centralised liquidity risk management

Liquidity risk is managed centrally by ALM&Treasury across all maturities and currencies. The Treasury unit is responsible for refinancing and for short-term issues (certificates of deposit, commercial paper, etc.), while the ALM unit is responsible for senior and subordinated debt issues (MTNs, bonds, medium/long-term deposits, etc), preferred share issues, and loan securitisation programmes for the retail banking business and the financing business lines within Corporate and Investment Banking. ALM&Treasury is also tasked with providing financing to the Bank's core businesses and business lines, and investing their surplus cash.

4.h.2 Liquidity risk management and supervision

Day-to-day liquidity management is based on a full range of internal information tools and standards that provide the cash flow gap information at various maturities and for various currencies.

An overnight target is set for each Treasury unit, limiting the amount raised on interbank overnight markets. This applies to the major currencies in which the Bank does business.

The refinancing capacity needed to cope with an unexpected surge in liquidity needs is daily measured at Bank level. It mainly comprises available securities and loans eligible for central bank refinancing, available ineligible securities that can be sold under repurchase agreements or immediately on the market, and overnight loans not liable to be renewed.

Fortis Bank daily measures the diversification of its sources of short-term funds to ensure that it is not over-dependent on a limited number of providers of funding.

Medium- and long-term liquidity management is based mainly on an analysis of the medium- and long-term sources of funds available to finance assets with the same maturity. Fortis Bank's consolidated liquidity position is measured regularly by maturity, by business line and by currency.

In addition, severe liquidity stress tests are performed, based on market factors and factors, specific to Fortis Bank and also to BNP Paribas that would adversely affect its liquidity position.

Regulatory observation ratios represent the final plank in the liquidity risk management system.

These include the 1-week and the 1-month liquidity observation ratios, which are calculated monthly on a statutory and consolidated basis.

Fortis Bank, both on a statutory and consolidated level, complies with these observation ratios which will become binding as of 2011.

Foreign subsidiaries and branches may be required to comply with local regulatory ratios.

4.h.3 Risk mitigation techniques

As part of the day-to-day management of liquidity, in the event of a temporary liquidity crisis, the Bank's most liquid assets constitute a financing reserve enabling the Bank to adjust its treasury position by refinancing them on the repo market or discounting them with the central bank. If there is a prolonged liquidity crisis, the Bank may have to gradually reduce its total balance sheet position by selling assets outright.

Less liquid assets may be converted into liquid assets or collateralised as part of the day-to-day management of liquidity, by securitising pools of consumer loans granted to retail banking customers, as well as pools of corporate loans.

Liquidity risk is also reduced by the diversification of financing sources in terms of structure, investors, and secured/unsecured financing.

Hedging strategies

In 2010, the Bank continued its policy of diversifying its sources of financing in terms of investors, currencies and collateralised financing. The creation of the "deposit product line" in 2010, a sales unit within the Treasury department, contributed to diversifying the corporate and institutional investor base and reduced the interbank borrowings. The Bank further continues to attract funding through several Commercial Paper and Certificate of Deposit programmes in several countries. The outstanding at the end of 2010 of short term paper issues was EUR 13 billion. Fortis Bank created a ring-fenced ECB-eligible liquidity buffer (over EUR 25 billion) to increase its liquidity reserve.

The customer funding gap (Customer deposits – Customer loans) improved further in 2010, as customer loans decreased considerably due to the transfer or sale of entities. (See comments on "Liquidity and solvency" in the Report of the Board of Directors).

Senior debt

In 2010, Fortis Bank retail customers bought a total of EUR 280 million issues of senior debt in various currencies (EMTN notes).

5 Notes to the balance sheet at 31 December 2010

5.a Financial assets, financial liabilities and derivatives at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss consist of trading account transactions (including derivatives) and certain assets and liabilities designated as at fair value through profit or loss at the time of acquisition or issue.

Financial assets

Trading book assets include proprietary securities transactions, repurchase agreements and derivative instruments contracted for position management purposes. Assets designated as at fair value through profit or loss include assets with embedded derivatives that have not been separated from the host contract.

As from the second quarter of 2010, the new repurchase agreement activities are managed on a trading basis and as such included in the line “trading book”.

Financial liabilities

Trading book liabilities comprise securities borrowing and short selling transactions, repurchase agreements and derivative instruments contracted for position management purposes. Financial liabilities at fair value through profit or loss mainly comprise issues originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy. These types of issue contain significant embedded derivatives, whose changes in value are cancelled out by changes in the value of the hedging instrument.

As from the second quarter of 2010, the new repurchase agreement activities are managed on a trading basis and as such included in the line “trading book”.

Loans

In the CPBB segment, Fortis Bank has designated some financial assets which are part of loans at fair value through profit or loss. Selected inflation rate-linked credit contracts with governmental counterparties are designated at fair value through profit or loss, reducing a potential accounting mismatch between the measurement of the interest rate swaps and other derivatives involved and the credits previously measured at amortised cost.

Some other structured loans and contracts, including derivatives, are also designated as Held at fair value through profit or loss, reducing a potential accounting mismatch. The amortised cost of Loans held at fair value through profit or loss at 31 December 2010 was EUR 1,924 million (2009: EUR 1,816 million).

Borrowings

The contractual amount to be repaid on Borrowings from customers held at fair value through profit or loss is EUR 934 million (2009: EUR 1,298 million), there is no significant difference between the carrying amount and the nominal value of the Borrowings from customers held at fair value through profit or loss.

Fortis Bank has designated financial liabilities classified in Borrowings from customers held at fair value through profit or loss. In accordance with the defined investment strategies, financial assets and financial liabilities, including derivatives, are aggregated in specific portfolios. These portfolios are managed and their performance is measured and reported on a fair value basis.

The contractual amount to be repaid on Borrowings from credit institutions held at fair value through profit or loss is EUR 106 million (2009: EUR 42 million), there is no significant difference between the carrying amount and the nominal value of the loans held at fair value through profit or loss.

Fortis Bank has designated financial liabilities classified in Borrowings from credit institutions held at fair value through profit or loss. In accordance with the defined investment strategies, financial assets and financial liabilities, including derivatives, are aggregated in specific portfolios. These portfolios are managed and their performance is measured and reported on a fair value basis.

In millions of euros	31 December 2010 Trading Book	Assets designated at fair value through profit or loss	TOTAL	31 December 2009 Trading Book	Assets designated at fair value through profit or loss	TOTAL
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Negotiable certificates of deposit	**499**		**499**	**2,376**	**641**	**3,017**
Treasury bills and other bills eligible for central bank refinancing	14		14	2,376		2,376
Other negotiable certificates of deposit	485		485		641	641
Bonds	**2,482**	**604**	**3,086**	**5,934**	**543**	**6,477**
Government bonds	1,913		1,913	4,355		4,355
Other bonds	569	604	1,173	1,579	543	2,122
Equities and other variable-income securities	**426**	**769**	**1,195**	**396**	**841**	**1,237**
Repurchase agreements	**22,169**		**22,169**			
Loans		**2,031**	**2,031**		**1,998**	**1,998**
Trading book derivatives	**49,259**		**49,259**	**48,773**		**48,773**
Currency derivatives	635		635	630		630
Interest rate derivatives	46,987		46,987	45,750		45,750
Equity derivatives	1,013		1,013	648		648
Credit derivatives	604		604	1,571		1,571
Other derivatives	20		20	174		174
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**74,835**	**3,404**	**78,239**	**57,479**	**4,023**	**61,502**
of which loaned securities	*3,407*	*1,372*	*4,779*			
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						
Borrowed securities and short selling	**921**		**921**	**6,410**		**6,410**
Repurchase agreements	**29,396**		**29,396**			
Borrowings	**11**	**1,039**	**1,050**	**171**	**1,366**	**1,537**
Debt securities		**3,675**	**3,675**		**5,175**	**5,175**
Subordinated debt		**3,881**	**3,881**		**4,334**	**4,334**
Trading book derivatives	**50,385**		**50,385**	**49,903**		**49,903**
Currency derivatives	594		594	622		622
Interest rate derivatives	48,442		48,442	46,158		46,158
Equity derivatives	970		970	1,749		1,749
Credit derivatives	351		351	1,148		1,148
Other derivatives	28		28	226		226
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**80,713**	**8,595**	**89,308**	**56,484**	**10,875**	**67,359**

Debt securities measured at fair value through profit or loss

Fortis Bank has designated selected debt certificates with embedded derivatives and corresponding investments as held at fair value through profit or loss, reducing a potential accounting mismatch.

The nominal value of debt securities held at fair value through profit or loss was EUR 3,910 million as at 31 December 2010 (2009: EUR 5,520 million).

The fair value of liabilities held at fair value through profit or loss takes account of any change attributable to the issuer risk relating to Fortis Bank itself, insofar as this change is considered material in respect of the bank's conditions of issuance.

The fair value of liabilities held at fair value through profit or loss was impacted by the global widening of credit spreads and by the change in ownership that occurred to Fortis Bank in 2009.

The change in fair value of debt securities due to own credit risk amounted to EUR (26) million cumulatively since inception.

Subordinated debt measured at fair value through profit or loss

Subordinated convertible securities: CASHES

On 19 December 2007, Fortis Bank SA/NV issued undated floating rate convertible and subordinated hybrid equity-linked securities (CASHES) with a nominal value of EUR 3 billion and a denomination of EUR 250,000 each. Coupons on the securities are payable quarterly, in arrears, at a variable rate of three month Euribor + 2.0%.

For regulatory purposes, the CASHES are treated as part of Tier 1 capital. The CASHES constitute direct and subordinated obligations of Fortis Bank SA/NV, Ageas SA/NV and Ageas N.V. jointly and severally as co-obligors.

The CASHES are subordinate to all other loans, subordinated loans and preference shares, but rank senior to ordinary shares. The principal amount of the securities will never be repaid in cash. The sole recourse of the holders of the CASHES securities against any of the co-obligors with respect to the principal amount is equal to the 125,313,283 Ageas shares that Fortis Bank SA/NV has pledged in favour of such holders.

From 19 December 2014 onwards, the bonds will be automatically exchanged for Ageas shares if the price of Ageas shares is equal to or higher than EUR 35.91 on twenty consecutive stock exchange business days. The CASHES have no maturity date, but may be exchanged for Ageas shares at a price of EUR 23.94 per share at the discretion of the holder.

At the time of issuance of the CASHES instrument, Ageas SA/NV and Fortis Bank agreed a Relative Performance Note (RPN), the fair value of which was to neutralise the impact on Fortis Bank of differences in the value changes in the CASHES and value changes in the related Ageas shares that occur on Fortis Bank's balance sheet and otherwise affect Fortis Bank's profit or loss.

In 2009, some conditions of that initial agreement were amended in Avenant 3 to the Protocole d'Accord between Ageas Holding, the Belgian State and BNP Paribas. It was agreed to leave the RPN in place and to provide an interest payment mechanism between Ageas and Fortis Bank based on the reference amount of the RPN, with quarterly payment of interests from the third quarter of 2009 onwards. The Belgian State has issued a state guarantee on the RPN interests paid by Ageas, to the benefit of Fortis Bank SA/NV, if Ageas defaulted on its interest payments in respect of the RPN (and the Belgian State did not elect to make such interest payments instead of Ageas), Fortis Bank would have the option to terminate the RPN. In the case of such termination, Ageas would be required to pay Fortis Bank the amount due under the RPN (subject to a cap of EUR 2.35 billion).

Depending on movements in the fair value of the CASHES and Ageas shares, either Ageas or Fortis Bank will owe an amount to the other party under the RPN. The party owing this reference amount will be required to pay interest on such amount to the other party on a quarterly basis at a rate of Euribor 3 months plus 20 basis points.

At the end of 2010, the basis for the calculation of the RPN interest payments amounted to EUR 636 million due by Ageas to Fortis Bank and will evolve over time in accordance with changes in the fair value of the CASHES instrument and changes in the fair value of the related Ageas shares.

From the start of the transaction, Fortis Bank has treated the liability component of the CASHES instrument, including an embedded derivative, as held at fair value through profit or loss, thus avoiding the separation of the embedded derivative from the host contract.

To avoid volatility in profit or loss due to an accounting mismatch, it was decided in 2007 to treat the related Ageas shares and the RPN as held at fair value through profit or loss.

The fair value of the CASHES instrument (liability) and the fair value of the related Ageas shares are based on the market prices quoted at the end of the reporting period. As at 31 December 2010, Fortis Bank performed consistently with the previous year's valuation of the RPN, based on the difference between the change in fair value of the CASHES instrument since inception and the change in the value of the related Ageas shares since inception.

The valuation of the CASHES, the related Ageas shares and the RPN are based on the initial assumptions of the transaction, i.e. the principal amount of the CASHES will not be repaid in cash and that the sole recourse of the holders of the CASHES is the 125 million Ageas shares that Fortis Bank has pledged in favour of such holders. The liability component of the CASHES was valued at 31 December 2010 at EUR 1,500 million, the Ageas shares at EUR 214 million and the RPN at EUR 636 million.

Hybrid Tier 1 non-innovative loans entered into by Fortis Bank (related to Nitsh I & II)

In 2006, Ageas set up Ageas Hybrid Financing S.A., a special purpose vehicle in the form of a Luxembourg limited liability company. Its sole purpose was to provide a vehicle for raising solvency capital for Ageas SA/NV and Ageas N.V. and the operating companies of Ageas group by issuance of securities which would rank pari passu, and investing the proceeds thereof in instruments (other than ordinary share capital) issued by any of Ageas operating companies (in banking or insurance) that qualified as solvency for that entity.

Consequently, and on the back of hybrid Tier 1 securities issued by Ageas Hybrid Financing in the course of 2008, Fortis Bank concluded two subordinated hybrid Tier 1 loans with Ageas Hybrid Financing:

- A perpetual loan for a nominal amount of USD 750 million, dated 27 February 2008, at an interest rate of 8.28% (on-loan of Nitsh I issued by Ageas Hybrid Financing on 27 February 2008) Fortis Bank may terminate this loan at its discretion as from 27 August 2013.

- A perpetual loan for a nominal amount of EUR 375 million, dated 2 June 2008, at an interest rate of 8.03% (on-loan of Nitsh II issued by Ageas Hybrid Financing on 2 June 2008). Fortis Bank may terminate this loan at its discretion as from 2 June 2013.

Fortis Bank treats both subordinated perpetual loans as held at fair value through profit or loss in order to avoid an accounting mismatch. The interest rate risk related to the fixed rate to be paid on the loans and the risk that the loans be called by the issuer after five years have been hedged by entering into derivatives contracts measured at fair value through profit or loss.

These subordinated perpetual loans are loans between Ageas Hybrid Financing and Fortis Bank and are not the Nitsh I and Nitsh II securities issued by Ageas Hybrid Financing. As such, the loans between Fortis Bank and Ageas Hybrid Financing and the Nitsh I and Nitsh II have a different risk profile, due to differences in the credit risk profile of the debtor, being Fortis Bank or Ageas Hybrid Financing.

The fair value of the subordinated perpetual loans between Fortis Bank and Ageas Hybrid Financing was determined by a mark-to-model method based on the following elements:

- The structure of the interest rate risk, relating to the possibility of calling the fixed rate debt;

- The price evolution relating to the evolution in credit spreads on subordinated credit instruments and taking into account the own credit risk of the issuer component.

Other subordinated liabilities

Other subordinated liabilities include:

- debt securities denominated in various currencies

- perpetual loans denominated in various currencies

Fortis Bank has decided to value selected subordinated liabilities and corresponding investments at fair value through profit or loss, reducing an accounting mismatch.

The total nominal value of the subordinated liabilities held at fair value through profit or loss amounted to EUR 3,887 million at year end 2010 (2009: EUR 5,472 million). The change in fair value of these subordinated liabilities (excluding CASHES), which was due to own credit risk, amounted to EUR (202) million cumulatively since inception.

Derivative financial instruments held for trading

The derivative instruments included in the trading book mostly relate to transactions initiated for position management purposes, and may be contracted in connection with market-making or arbitrage activities. Fortis Bank actively trades in derivatives so as to meet the needs of its customers. Transactions include trades in ordinary instruments such as credit default swaps, and structured transactions with tailored complex risk profiles. The net position is in all cases subject to limits.

Trading account derivative instruments also include derivatives contracted to hedge financial assets or financial liabilities but for which the Fortis Bank has not documented a hedging relationship, or which do not qualify for hedge accounting under IFRS. This applies in particular to credit derivative transactions which are primarily contracted to protect the Fortis Bank's loan book.

The positive or negative fair value of derivative instruments classified in the trading book represents the replacement value of these instruments. This value may fluctuate significantly in response to changes in market parameters such as interest rates or exchange rates.

The table below shows the total notional amount of trading derivatives. The notional amounts of derivative instruments are merely an indication of the volume of the Fortis Banks activities in financial instruments markets, and do not reflect the market risks associated with such instruments.

In millions of euros	31 December 2010	31 December 2009
Trading book derivatives	**2,993,679**	**4,305,982**
Currency derivatives	58,943	86,951
Interest rate derivatives	2,918,212	4,154,505
Equity derivatives	13,285	19,332
Credit derivatives	2,905	43,633
Other derivatives	334	1,561

Derivatives traded on organised markets represented 1% of Fortis Bank's derivatives transactions at 31 December 2010 (1% at 31 December 2009).

5.b Derivatives used for hedging purposes

Derivatives held for hedging purposes are mainly related to fair value hedges. Fortis Bank uses derivatives, principally interest rate swaps, for hedging purposes in the management of its own asset and liability portfolios and structural positions. This enables Fortis Bank to mitigate the market risk which would otherwise arise from structural imbalances in the maturity and other profiles of its assets and liabilities.

The table below shows the fair values of derivatives used for hedging purposes.

	31 December 2010		31 December 2009	
In millions of euros	**Negative fair value**	**Positive fair value**	**Negative fair value**	**Positive fair value**
FAIR VALUE HEDGES OF NON-DERIVATIVE FINANCIAL INSTRUMENTS	**1,298**	**390**	**1,409**	**924**
Currency derivatives	1	1	3	
Interest rate derivatives	1,297	389	1,406	924
Other derivatives				
CASH FLOW HEDGES OF NON-DERIVATIVE FINANCIAL INSTRUMENTS	**23**	**113**	**30**	**15**
Currency derivatives				
Interest rate derivatives	23	113	30	15
Other derivatives				
NET FOREIGN INVESTMENT HEDGES				
Currency derivatives				
DERIVATIVES USED FOR HEDGING PURPOSES	**1,321**	**503**	**1,439**	**939**

The total notional amount of derivatives used for hedging purposes stood at EUR 34,902 million at 31 December 2010, compared with EUR 27,641 million at 31 December 2009.

Derivatives used for hedging purposes are primarily contracted on over-the-counter markets.

5.c Available-for-sale financial assets

In millions of euros	31 December 2010	31 December 2009
Negotiable certificates of deposit	**425**	**365**
Treasury bills and other bills eligible for central bank refinancing	411	359
Other negotiable certificates of deposit	14	6
Bonds	**52,533**	**62,908**
Government bonds	43,470	46,114
Other bonds	9,063	16,794
Equities and other variable-income securities	**760**	**786**
of which listed securities	*244*	*615*
of which unlisted securities	*516*	*171*
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS, BEFORE IMPAIRMENT PROVISIONS	**53,718**	**64,059**
of which loaned securities	*157*	
Provisions for impairment of available-for-sale financial assets	**(580)**	**(493)**
Fixed-income securities	(429)	(354)
Variable-income securities	(151)	(139)
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS, NET OF IMPAIRMENT PROVISIONS	**53,138**	**63,566**
of which unrealised gains and losses on negotiable certificates of deposit and bonds	*(884)*	*684*
of which unrealised gains and losses on equities and other variable-income securities	*34*	*25*

Fortis Bank has deployed investment strategies on which (micro) fair value hedge accounting is applied. The general objective of these strategies is to take a medium or long-term investment position on the credit spread between a bond and the swap curve over a certain period. The interest swap associated with the bond is designated to hedge the underlying bond against adverse changes in the interest rate. The hedged risk is interest-rate risk. Credit risk is currently not being hedged. The principal hedged items concern government bonds, corporate debt securities and structured credit instruments.

Changes in the fair value of the bonds which are attributable to the hedged interest rate risk are presented as 'Re-measurement adjustment on interest-rate risk hedged portfolios' in the balance sheet in order to adjust the carrying amount of the bonds. The difference between the fair value and the carrying value of the hedged bonds at designation of the hedging is amortised over the remaining life of the hedged item and is reported in 'Re-measurement adjustment on interest-rate risk hedged portfolios' in the balance sheet.

Fortis Bank applies cash flow hedges in order to hedge exposure to the variability in cash flows resulting from floating rate bonds in available for sale portfolios. Changes in the clean fair value of the derivatives designated as hedging instruments are recognised as unrealised gains or losses in equity, and any hedge ineffectiveness is immediately recognised in the income statement.

Fortis Bank hedges the foreign currency risk on selected equity securities portfolios. For these hedging relationships, Fortis Bank has designated non-derivative financial liabilities as hedging instruments.

5.d Measurement of the fair value of financial instruments

Financial instruments are classified into three levels in descending order of the observability of their value and of the inputs used for their valuation:

- **Level 1 - Financial instruments with quoted market prices:**

This level comprises financial instruments with prices quoted in an active market that can be used directly.

It notably includes liquid shares and bonds, borrowings and short sales of these instruments, derivatives traded in organised markets (futures and options, etc.), and units in funds with net asset value calculated on a daily basis.

- **Level 2 - Financial instruments measured using valuation techniques based on observable inputs:**

This level consists of financial instruments measured by reference to the price of similar instruments quoted in an active market or to identical or similar instruments quoted in a non-active market, but for which regular transactions can be observed or, lastly, instruments measured using valuation techniques based on observable inputs.

This level notably includes shares and bonds with low liquidity, borrowings and short sales of these instruments, short-term repurchase agreements not measured based on a quoted price directly observed in the market, where the underlying assets are appraised from time to time using observable market data, units in funds for which liquidity is provided on a regular basis, derivatives traded in OTC markets measured using techniques based on observable inputs and structured debt issues measured using only observable inputs.

- **Level 3 - Financial instruments measured using valuation techniques based on non-observable inputs:**

This level comprises financial instruments measured using valuation techniques based wholly or partially on non-observable inputs. A non-observable input is defined as a parameter, the value of which is derived from assumptions or correlations not based either on observable transaction prices in the identical instrument at the measurement date or observable market data available at the same date.

An instrument is classified in Level 3 if a significant portion of its valuation is based on non-observable inputs.

This level notably comprises unlisted shares, bonds measured using valuation models employing at least one significant non-observable input or derived from price data in a non-active market (such as CDO, CLO and ABS units), long-term or structured repurchase agreements, units in funds undergoing liquidation or quotation of which has been suspended, complex derivatives with multiple underlyings (hybrid instruments, synthetic CDOs, etc.) and the structured debt underlying these derivatives.

Breakdown by measurement method applied to financial instruments recognised at fair value presented in line with the latest recommendations of IFRS 7

In millions of euros	31 December 2010 Quoted market price (level 1)	Valuation techniques using observable inputs (level 2)	Valuation techniques using non - observable inputs (level 3)	TOTAL	31 December 2009 Quoted market price (level 1)	Valuation techniques using observable inputs (level 2)	Valuation techniques using non - observable inputs (level 3)	TOTAL
FINANCIAL ASSETS								
Financial instruments at fair value through profit or loss held for trading (Note 5.a)	12,327	60,086	2,422	**74,835**	7,398	49,320	761	**57,479**
Financial instruments designated as at fair value through profit or loss (Note 5.a)	512	2,419	473	**3,404**	424	2,474	1,125	**4,023**
Derivatives used for hedging purposes (Note 5.b)		503		**503**		939		**939**
Available-for-sale financial assets (Note 5.c.)	33,426	19,275	437	**53,138**	39,908	22,936	722	**63,566**
FINANCIAL LIABILITIES								
Financial instruments at fair value through profit or loss held for trading (Note 5.a)	12,848	67,045	820	**80,713**	6,922	47,935	1,627	**56,484**
Financial instruments designated as at fair value through profit or loss (Note 5.a)	181	7,925	489	**8,595**		10,335	540	**10,875**
Derivatives used for hedging purposes (Note 5.b)		1,321		**1,321**		1,439		**1,439**

Table of changes in level 3 financial instruments

For Level 3 financial instruments, the following movements took place between 1 January 2010 and 31 December 2010:

	Financial Assets				Financial Liabilities		
In millions of euros at 31 December 2010	**Financial instruments at fair value through profit or loss held for trading**	**Financial instruments designated as at fair value through profit or loss**	**Available-for-sale financial assets**	**TOTAL**	**Financial instruments at fair value through profit or loss held for trading**	**Financial instruments designated as at fair value through profit or loss**	**TOTAL**
Beginning of the period	**761**	**1,125**	**722**	**2,608**	**1,627**	**540**	**2,167**
- purchases	2,069			**2,069**			
- issues					429	233	**662**
- sales	(250)			**(250)**			
- settlements [1]	(1,164)		28	**(1,136)**	(1,588)	(320)	**(1,908)**
Reclassifications [2]							
Transfers to level 3		473	11	**484**		56	**56**
Transfers from level 3			(606)	**(606)**		(335)	**(335)**
Gains or (losses) recognised in income	137		29	**166**	516	321	**837**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements							
- Changes in fair value of assets and liabilities recognised in equity			(17)	**(17)**	(284)		**(284)**
Other	869	(1,125)	270	**14**	120	(6)	**114**
End of the period	**2,422**	**473**	**437**	**3,332**	**820**	**489**	**1,309**
Total gains or losses in the period recognised in income for instruments outstanding at the end of the period	**137**		**(384)**	**(247)**	**516**	**461**	**977**

[1] *For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives whose fair value is positive. For the liabilities, includes principal redemptions, interest on payments as well as cash inflows and outflows relating to derivatives whose fair value is negative.*

[2] *These are financial instruments initially recognised at fair value and reclassified as loans and receivables.*

The Level 3 financial instruments may be hedged by other Level 1 and/or Level 2 instruments, the gains and losses on which are not shown in this table. Accordingly, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

Sensitivity of model values to reasonably likely changes in assumptions

Trading portfolio instruments, which are managed using dynamic risk hedging, generally complex derivatives, are subject to global sensitivity calculations based on adjustments for the portfolio's model value risks.

These adjustments help to factor in risks not included in the model and the uncertainty inherent in the estimate of the inputs and form a component of the fair value of these portfolios.

When measuring the sensitivity of the portfolio's fair value to a change in assumptions, the following two scenarios were considered: a favourable scenario in which no valuations require any value adjustments for Level 3 risks and an unfavourable scenario in which all valuations entail a double model value adjustment on Level 3 risks.

Based on this method, each position (portfolios of instruments managed together with netting of risks) is considered individually, and no diversification effect between non-observable inputs of a different type is taken into account.

The sensitivity of the fair value of securities positions, whether trading portfolio securities, available-for-sale assets or instruments designated as at fair value through profit or loss, is based on a change of 1% in fair value. For instruments with doubtful counterparties, sensitivity is calculated based on the scenario of a 1% change in the assumed recovery rate.

In millions of euros at 31 December 2010	Potential impact on income	Potential impact on equity
Financial instruments at fair value through profit or loss held for trading or designated as at fair value [1]	+/- 138	
Available for sale assets		+/-4

[1] *Financial instruments at fair value through profit or loss, whether they are part of the trading portfolio or have been designated at fair value through profit or loss, are presented under the same heading to reflect the manner in which these instruments are accounted for as sensitivity is calculated on the net positions in instruments classified as Level 3 regardless of their accounting classification.*

Deferred margin on financial instruments measured using techniques developed internally and based on inputs partly non-observable in active markets

Changes in the margin not taken to the profit and loss account ("day one profit") merely reflect the scope of market activities eligible for Level 3.

They are calculated after setting aside reserves for uncertainties as described previously and taken back to profit or loss over the expected period for which the inputs will be non-observable. The as yet unamortised amount is included under "Financial instruments held for trading purposes at fair value through profit or loss" as a reduction in the fair value of the relevant complex transactions.

The deferred margin not taken to the profit and loss account and contained in the price of the derivatives sold to clients and measured using internal models based on non-observable parameters ("day one profit") is less than EUR 1 million, as well at 31 December 2010 as at 31 December 2009.

5.e Financial instruments reclassified as loans and receivables

Applying the amendments to IAS 39, Financial Instruments: Recognition and Measurement, and IFRS 7, Financial Instruments: Disclosures, Fortis Bank has opted to transfer certain financial assets as investments reclassified as loans and receivables on 12 May 2009, instead of available-for-sale investments, assets held for trading and other assets. The reclassification of these financial assets reflects the change in the intent and ability of Fortis Bank to hold them in the foreseeable future.

Financial assets that have been reclassified as loans and receivables were initially recognised at their fair value on the date of reclassification, which became their new cost base at that date. Subsequent measurement is at amortised cost.

As of the reclassification date, the weighted average effective interest rate on financial assets reclassified as loans and receivables was 7.157% and the expected recoverable cash flows were EUR 13,255 million (2009: EUR 18,531 million).

The financial assets reclassified to loans and receivables are summarised in the following table:

In millions of euros	Carrying amount as of reclassification date	31 December 2010 Carrying Value	31 December 2010 Market or model value	31 December 2009 Carrying Value	31 December 2009 Market or model value
Financial assets reclassified from the trading portfolio	**108**	**376**	**397**	**60**	**126**
- Into loans and receivables	108	376	397	60	126
Financial assets reclassified from the available-for-sale portfolio	**21,312**	**14,871**	**14,613**	**21,015**	**22,011**
- Into loans and receivables	21,312	14,871	14,613	21,015	22,011
Financial assets reclassified from the other assets portfolio	**2,030**	**1,638**	**1,582**	**2,157**	**2,157**
- Into loans and receivables	2,030	1,638	1,582	2,157	2,157
TOTAL PORTFOLIO RECLASSIFIED INTO LOANS AND RECEIVABLES	**23,450**	**16,885**	**16,592**	**23,232**	**24,294**

In September 2010, Dutch mortgage-backed notes (Dolphin 2007-2) have been called at nominal value for an amount of EUR 4.1 billion. These notes were previously recorded as financial assets reclassified from the available-for-sale portfolio into loans and receivables.

The following table shows the profit or loss items related to the reclassified assets, both as they were recorded over the period and as they would have been recorded if the reclassification had not taken place:

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Profit or loss and equity items (before tax) related to reclassified assets as recorded	(1,481)	(2,477)
Profit or loss item	**241**	**27**
- Interest income	191	298
- Gains or losses on financial assets	(33)	1
- Cost of risk	73	(272)
- Other	10	
Equity items	**(1,722)**	**(2,504)**
Profit or loss and equity items (before tax) if assets had not been reclassified	(2,739)	1,281
Profit or loss items	**271**	**12**
Equity items	**(3,010)**	**1,269**

5.f Interbank and money-market items

Loans and receivables due from credit institutions

In millions of euros	31 December 2010	31 December 2009
Demand accounts	625	3,777
Loans	25,988	13,337
Repurchase agreements	2,084	19,202
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS, BEFORE IMPAIRMENT PROVISIONS	28,697	36,316
Provisions for impairment of loans and receivables due from credit institutions (Note 2.f)	(339)	(373)
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS, NET OF IMPAIRMENT PROVISIONS	28,358	35,943

As from the second quarter of 2010, the new repurchase agreement activities are managed on a trading basis and as such included in column 'trading book' in note 5.a "Financial assets, financial liabilities and derivatives at fair value through profit and loss".

In accordance with monetary policy, the various banking businesses are required to place amounts on deposit with the central banks in the countries where Fortis Bank operates, the total balance held with central banks and post office accounts amounted to EUR 2,489 million at year end 2010 (2009: EUR 3,803 million).

Due to credit institutions

In millions of euros	31 December 2010	31 December 2009
Demand accounts	7,594	5,058
Borrowings	19,098	21,140
Repurchase agreements	5,442	30,970
TOTAL DUE TO CREDIT INSTITUTIONS	32,134	57,168

As from the second quarter of 2010, the new repurchase agreements activities are managed on a trading basis and as such included in column 'trading book' in note 5.a "Financial assets, financial liabilities and derivatives at fair value through profit and loss".

5.g Customer items

Loans and receivables due from customers

In millions of euros	31 December 2010	31 December 2009
Demand accounts	1,329	10
Loans to customers	144,697	137,104
Repurchase agreements	9,541	20,780
Finance leases	2	10,808
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS, BEFORE IMPAIRMENT PROVISIONS	155,569	168,702
Impairment of loans and receivables due from customers (Note 2.f)	(3,462)	(3,797)
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS, NET OF IMPAIRMENT PROVISIONS	152,107	164,905

As from the second quarter of 2010, the new repurchase agreement activities are managed on a trading basis and as such included in column 'trading book' in note 5.a "Financial assets, financial liabilities and derivatives at fair value through profit and loss".

The significant decrease in the line "finance leases" is attributable to the dilution on shareholding of Fortis Lease Group that took place on 1 July 2010, the consolidation method of Fortis Lease Group changed from full consolidation to equity method. This implies that as at 31 December 2010, the balance sheet of Fortis Lease Group was no longer stated item by item but shown under one single line "investments in associates" in the consolidated balance sheet.

The proceeds from finance lease agreements recorded in the income statement during the first six months in 2010 amounted to EUR 218 million (in 2009: EUR 549 million) and the impairment on financial lease receivables amounted to EUR 32 million during the first six months in 2010 (in 2009: EUR 27 million), further details on the transaction related to Fortis Lease Group can be found in the note 8.b Business combinations.

Furthermore, Fortis Bank hedges interest rate exposure of fixed-rate mortgages on a portfolio basis (macro hedging), by using interest rate swaps.

As a result of the hedge, the volatility of changes in the hedged item's net present value (NPV) of future cash flows, due to changes in the appropriate benchmark interest rate curve, will be reduced by offsetting changes in the fair value of the hedging derivative financial instrument.

Mortgages form a portfolio and are designated as the hedged items (fair value hedge accounting for a portfolio hedge of interest rate risk or 'macro hedge'). Mortgages included in a portfolio hedge of interest rate risk need to share the risk characteristics being hedged.

The hedging instruments are plain vanilla interest rate swaps transacted at market rates prevailing at the time of the transaction with external counterparties from a Fortis Bank perspective.

Changes in the fair value of mortgages which are attributable to the hedged interest rate risk are recorded under the line 'Remeasurement adjustment on interest-rate risk hedged portfolios' in the balance sheet in order to adjust the carrying amount of the loan. The difference between the fair value and the carrying value of the hedged mortgages at designation of the hedging is amortised over the remaining life of the hedged item and is also reported in 'Remeasurement adjustment on interest-rate risk hedged portfolios' in the balance sheet.

Breakdown of finance leases

In millions of euros	31 December 2010	31 December 2009
Gross investment		10,808
Receivable within 1 year		*2,946*
Receivable after 1 year but within 5 years		*4,977*
Receivable beyond 5 years		*2,885*
Unearned interest income	**2**	
Net investment before impairment provisions	2	10,808
Receivable within 1 year		*2,946*
Receivable after 1 year but within 5 years	*2*	*4,977*
Receivable beyond 5 years		*2,885*
Impairment provisions		
Net investment after impairment provisions	2	10,808

Due to customers

In millions of euros	31 December 2010	31 December 2009
Demand deposits	47,831	41,203
Term accounts and short-term notes	39,119	36,880
Regulated Belgian savings accounts	56,345	45,831
Repurchase agreements	9,526	47,203
TOTAL DUE TO CUSTOMERS	152,821	171,117

As from the second quarter of 2010, the new repurchase agreement activities are managed on a trading basis and as such included in column 'trading book' in note 5.a "Financial assets, financial liabilities and derivatives at fair value through profit and loss".

5.h Debt securities and subordinated debt

This note covers all debt securities and subordinated debt measured at amortised cost. Debt securities and subordinated debt measured at fair value through profit or loss are presented in note 5.a.

Debt securities measured at amortised cost

In millions of euros	31 December 2010	31 December 2009
Negotiable certificates of deposit	22,793	35,474
Bond issues	4,532	10,338
TOTAL DEBT SECURITIES	27,325	45,812

Subordinated debt measured at amortised cost

In millions of euros	31 December 2010	31 December 2009
Redeemable subordinated debt	8,489	9,594
Undated subordinated debt	2,137	2,133
TOTAL SUBORDINATED DEBT AT AMORTISED COST	10,626	11,727

Hybrid Tier 1 innovative securities issued directly by Fortis Bank

In 2001 and 2004, Fortis Bank directly issued perpetual hybrid debt securities each with a nominal value of EUR 1,000 million. Both issues share very similar features. They are redeemable in whole and not in part, at the option of the issuer after ten years. The securities benefit from a support agreement entered into by Ageas SA/NV and Ageas N.V.

- Redeemable perpetual cumulative debt securities with a nominal value of EUR 1,000 million issued by Fortis Bank in 2001, at an interest rate of 6.50% until 26 September 2011 and the three-month euro reference rate + 2.37% thereafter

- Directly issued perpetual securities with a nominal value of EUR 1,000 million issued by Fortis Bank in 2004, at an interest rate of 4.625% until 27 October 2014 and the three-month euro reference rate + 1.70% thereafter.

Other subordinated liabilities

Fortis Bank hedges the interest rate risk attached to fixed rate subordinated liabilities on a portfolio basis (macro hedging) using interest rate swaps.

Subordinated liabilities form the portfolio of liabilities and are designated as the hedged items. Subordinated liabilities included in a portfolio hedge of interest rate risk need to share the risk being hedged. Cash flows are allocated to monthly time buckets based on contractual maturity dates.

Hedging instruments are plain vanilla interest rate swaps transacted at market rates prevailing at the time of the transaction with external counterparties from a Fortis Bank perspective.

Changes in the fair value of the subordinated liabilities that are attributable to the hedged interest rate risk are recorded under “Re-measurement adjustment on interest rate risk hedged portfolios” in the balance sheet in order to adjust the carrying amount of the subordinated liabilities. The difference between the fair value and the carrying value of the hedged subordinated liabilities at the time of hedging is amortised over the remaining life of the hedged item and is reported in “Re-measurement adjustment on interest rate risk hedged portfolios” in the balance sheet.

5.i Held-to-maturity financial assets

The carrying amount of Fortis Bank's financial assets held to maturity as at 31 December are as follows:

In millions of euros	31 December 2010	31 December 2009
Negotiable certificates of deposit	**57**	
Treasury bills and other bills eligible for central bank refinancing	57	
Other negotiable certificates of deposit		
Bonds	**3,016**	**3,525**
Government bonds	2,712	3,221
Other bonds	304	304
TOTAL HELD-TO-MATURITY FINANCIAL ASSETS	**3,073**	**3,525**

There were no impairments on financial assets held to maturity at 31 December 2010 and 2009.

5.j Current and deferred taxes

In millions of euros	31 December 2010	31 December 2009
Current taxes	91	76
Deferred taxes	3,807	3,617
CURRENT AND DEFERRED TAX ASSETS	**3,898**	**3,693**
Current taxes	103	81
Deferred taxes	187	273
CURRENT AND DEFERRED TAX LIABILITIES	**290**	**354**

Deferred taxes on temporary differences relate to the following items:

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
NET DEFERRED TAXES AT START OF PERIOD	**3,344**	**1,927**
Profit (loss) of deferred taxes	(109)	1,690
Change in deferred taxes linked to the remeasurement and reversal through-profit or loss of remeasurement adjustments on available-for-sale financial assets	279	(84)
Change in deferred taxes linked to the remeasurement and reversal through-profit or loss of remeasurement adjustments on hedging derivatives	(36)	4
Effect of exchange rate and other movements	142	(193)
NET DEFERRED TAXES AT END OF PERIOD	**3,620**	**3,344**

In millions of euros	31 December 2010	31 December 2009
Available-for-sale financial assets	772	487
Unrealised finance lease reserve	42	56
Provisions for employee benefit obligations	23	(21)
Provision for credit risk	735	842
Other items	(7)	(144)
Tax loss carryforwards	2,055	2,124
NET DEFERRED TAXES	**3,620**	**3,344**
of which		
Deferred tax assets	3,807	3,617
Deferred tax liabilities	(187)	(273)

Unrecognised deferred tax assets amounted to EUR 1,445 million at 31 December 2010 (EUR 274 million at 31 December 2009).

5.k Accrued income/expense and other assets/liabilities

In millions of euros	31 December 2010	31 December 2009
Guarantee deposits and bank guarantees paid	16	
Settlement accounts related to securities transactions	2,038	24,578
Collection accounts	107	
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	87	140
Other debtors and miscellaneous assets	5,828	7,927
TOTAL ACCRUED INCOME AND OTHER ASSETS	**8,076**	**32,645**
Guarantee deposits received		
Settlement accounts related to securities transactions	526	5,093
Collection accounts	189	
Accrued expenses and deferred income	41	596
Other creditors and miscellaneous liabilities	266	2,550
TOTAL ACCRUED INCOME AND OTHER LIABILITIES	**1,022**	**8,239**

The line "settlement accounts related to securities transactions" contains temporary balancing amounts between trade date and settlement date for purchases and sales of financial assets requiring delivery within the time frame established by regulation or market convention that are recognised on the trade date, i.e. the date when Fortis Bank becomes a part to the contractual provisions of the instrument. However, the temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

5.l Investments in associates and joint ventures

The following table shows the Fortis Bank's investments in associates and joint ventures (companies carried under the equity method) as at 31 December 2010:

In millions of euros	31 December 2010	31 December 2009
AG insurance	1,431	1,520
BNP Paribas Investment Partners S.A.	1,873	
BNP Paribas Lease group	784	
Postbank Ireland Ltd (Joint venture)		13
Stradios FCP FIS	99	
TCG Fund I, L.P.		17
Textainer Marine Containers LTD	57	46
Trip Rail Leasing LLC	26	20
Fortis Luxembourg - Vie S.A. BNPP	50	22
Belgolaise	29	30
Fortis Yatirim Menkul Degerler AS	22	
Immo Sauvenière SA	19	
RFH, LTD		18
Credissimo		13
Crédit pour habitations sociales - Krediet voor sociale woningen	11	12
Other	53	60
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	**4,454**	**1,771**

The following table gives statutory financial data of the holding companies of Fortis Bank's main associates:

In millions of euros	Country	Total Assets	Net revenue	Net income
BNP Paribas Investment Partners S.A. [1]	France	4,133	12	21
AG insurance [2]	Belgium	54,795	6,827	559
BNP Paribas Lease group [2]	Luxembourg	5,930		(309)

[1] Data at 31 December 2010.

[2] Data at 31 December 2009.

5.m Investment property, property, plant and equipment and intangible assets

In millions of euros	31 December 2010 Gross value	Accumulated depreciations amortisation and impairments	Carrying amount	31 December 2009 Gross value	Accumulated depreciations amortisation and impairments	Carrying amount
INVESTMENT PROPERTY	117	(49)	68	811	(154)	657
Land and buildings	1,780	(750)	1,030	2,186	(953)	1,233
Equipment, furniture and fixtures	1,254	(850)	404	1,061	(673)	388
Plant and equipment leased as lessor under operating leases				480	(101)	379
Other property, plant and equipment	50	(42)	8	201		201
PROPERTY, PLANT AND EQUIPMENT	3,084	(1,642)	1,442	3,928	(1,727)	2,202
Purchased software	208	(177)	31	208	(168)	40
Internally-developed software	320	(301)	19	395	(384)	11
Other intangible assets	86	(50)	36	170	(164)	6
INTANGIBLE ASSETS	614	(528)	86	773	(716)	57

Investment property

The fair value of investment property is determined by external experts based on the sale value in the event of the cessation of banking activities. The sale value is calculated based on the intrinsic value, new value and renting value. The expert determines the orderly sale value based on these three factors and taking into account local market evolutions.

The estimated fair value of investment property accounted for at cost at 31 December 2010 was EUR 88 million, compared with EUR 748 million at 31 December 2009.

Intangible assets

Other intangible assets include intangible assets with definite useful lives, such as concessions, patents, licences, trademarks and other similar rights. In general, software is amortised over a maximum of five years and other intangible assets have an expected useful life of 10 years at most.

With the exception of goodwill (see note 5.n) and intangibles related to the business referral by BNP Paribas to Fortis Bank, no other intangible assets have indefinite useful lives. The fees paid by Fortis Bank to compensate BNP Paribas for the business referral in respect of the corporate and transaction banking Europe (CTBE) business, by the Portuguese, German, UK and Spanish branches of BNP Paribas to the branches of Fortis Bank in these countries, are considered as Other intangible assets with indefinite useful lives (EUR 32 million). An intangible asset with an indefinite useful life is not amortised but tested for impairment by comparing its recoverable amount with its carrying value. No impairment was recognized at 31 December 2010.

Depreciation, amortisation and impairment

Net depreciation and amortisation expense for the year ended 31 December 2010 was EUR 304 million, compared with EUR 242 million for the year ended 31 December 2009.

The reversal on impairment losses on property, plant and equipment and intangible assets taken to the profit and loss account in the year ended 31 December 2010 amounted to EUR 1 million, compared with impairment loss of EUR 33 million for the year ended 31 December 2009.

5.n Goodwill

The table below shows the changes in goodwill as at 31 December.

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
CARRYING AMOUNT AT START OF PERIOD	292	1,609
Discontinued operations	246	1,433
CARRYING AMOUNT OF CONTINUING OPERATIONS AT START OF PERIOD	46	176
Acquisitions	6	12
Divestments	(14)	271
Impairment losses recognised during the period	(13)	(19)
Translation adjustments		18
Other movements		(166)
CARRYING AMOUNT OF CONTINUING OPERATIONS AT END OF PERIOD	25	292
In which		
Gross value	408	591
Accumulated impairment recognised at the end of period	(383)	(299)

Goodwill by operating segment as per 31 December 2010 is as follows:

As at 31 December 2010 In millions of euros	Gross Amount	Impairment losses Recognised in 2010	Cumulative Impairment losses	Net Amount
Fortis Bank in Belgium	**22**			**22**
Alpha Crédit	*22*			*22*
Fortis Bank in Luxembourg	**40**	**(10)**	**(40)**	
SADE	*12*	*(10)*	*(12)*	
Fundamentum Asset Management	*28*		*(28)*	
Other countries	**346**	**(4)**	**(343)**	**3**
Dominet	*206*		*(206)*	
Margaret Inc.	*102*		*(102)*	
Von Essen KG Bank	*28*		*(28)*	
Other	*10*	*(4)*	*(7)*	*3*
TOTAL	408	(14)	(383)	25

Goodwill is allocated to cash-generating units and is tested for impairment annually and whenever there is an indication that a unit may be impaired, by comparing the carrying amount of the unit with its recoverable amount. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit and its value in use.

Fair value is the price that would be obtained from selling the unit at the market conditions prevailing at the date of measurement, as determined mainly by reference to actual prices of recent transactions involving similar entities or on the basis of stock market multiples for comparable companies.

Value in use is based on an estimate of the future cash flows to be generated by the cash-generating unit, derived from the annual forecasts prepared by the unit's management and approved by the Executive Committee and from analyses of changes in the relative positioning of the unit's activities on their market. These cash flows are discounted at a rate that reflects the return that investors would require from an investment in the business sector and region involved.

5.o Provisions for contingencies and charges

In millions of euros	31 December 2010	31 December 2009
TOTAL PROVISION AT START OF PERIOD	3,916	1,958
Discontinued operations	66	339
TOTAL PROVISION OF CONTINUING ACTIVITIES AT START OF PERIOD	3,850	1,619
Additions to provisions	648	765
Reversals of provisions	(182)	(194)
Provisions utilised	(236)	(114)
Effect of movements in exchange rates and other movements	(259)	1,840
TOTAL PROVISION OF CONTINUING ACTIVITIES AT END OF PERIOD	3,821	3,916

Provisions for contingencies and charges mainly included provisions for post-employment benefits (Note 7.b), for impairment related to credit risks (Note 2.f) and for litigation in connection with banking transactions.

Provisions for credit commitments are allowances covering credit risk on Fortis Bank's credit commitments recorded off-balance that have been individually or on a portfolio basis identified as impaired. The amount of the impairment is the present value of the cash-flows, which Fortis Bank expects to be required to settle its commitment.

Provisions for restructuring provisions cover the costs of restructuring plans for which implementation has been formally announced by Fortis Bank's management. Restructuring provisions are related to the integration of acquired entities and to the further streamlining of the global Fortis Bank organisation and infrastructure. Restructuring provisions include allowances for staff and other operating expenses.

Provisions for tax litigations and legal litigations are based on best estimates available based on the latest information of legal and tax advisors. The timing of the outflow of cash related to these provisions is by nature uncertain given the unpredictability of the outcome and the time involved in concluding litigations.

6 Financing commitments and guarantee commitments

6.a Financing commitments

Contractual value of financing commitments given and received:

In millions of euros	31 December 2010	31 December 2009
Financing commitments given:		
- to credit institutions	21,217	510
- to customers:	47,375	115,052
Confirmed letters of credit	46,750	66,309
Other commitments given to customers	625	48,743
Total financing commitments given	**68,592**	**115,562**
Financing commitments received:		
- from credit institutions	27,759	632
- from customers	718	48
Total financing commitments received	**28,477**	**680**

6.b Guarantee commitments

Financial instruments given and received as guarantees

Financial instruments given by Fortis Bank as guarantees of liabilities or contingent liabilities amounted to EUR 19,048 million at 31 December 2010 (EUR 17,603 million at 31 December 2009), financial instruments given by the Fortis Bank as collateral in respect of notes, securities and receivables from central banks amounted to EUR 0 million at 31 December 2010 (EUR 11,734 million at 31 December 2009) and financial instruments given in respect of repos transactions amounted to EUR 42,026 million at 31 December 2010 (EUR 88,185 million at 31 December 2009).

Financial instruments given as guarantees by Fortis Bank which the beneficiary is authorised to sell or give as guarantees amounted to EUR 44,179 million at 31 December 2010 (EUR 88,185 million at 31 December 2009).

Financial instruments received as guarantees by Fortis Bank which it is authorised to sell or give as guarantees amounted to EUR 1,272 million at 31 December 2010 (EUR 3,033 million at 31 December 2009). Financial instruments received in respect of repo transactions amounted to EUR 33,224 million at 31 December 2010 (EUR 51,862 million at 31 December 2009).

Financial instruments actually sold or given as guarantees amounted to EUR 28,036 million at 31 December 2010 (EUR 41,437 million at 31 December 2009).

Guarantee commitments given

In millions of euros	31 December 2010	31 December 2009
Guarantee commitments given:		
to credit institutions	1,426	2,297
to customers	12,701	17,461
TOTAL GUARANTEE COMMITMENTS GIVEN	**14,127**	**19,758**

7 Salaries and employee benefits

7.a Salary and employee benefit expenses

In millions of euros	31 December 2010	31 December 2009
Fixed and variable remuneration, incentive bonuses and profit-sharing	(1,601)	(1,580)
Retirement bonuses, pension costs and social security taxes	(740)	(620)
TOTAL SALARY AND EMPLOYEE BENEFIT EXPENSES	(2,341)	(2,200)

7.b Employee benefit obligations

7.b.1 Post employment benefits

IAS 19 distinguishes between two categories of plans, each handled differently depending on the risk incurred by the entity. When the entity is committed to paying a defined amount (stated as a percentage of the beneficiary's annual salary, for example) to an external organisation handling payment of the benefits based on the assets available for each plan member, it is described as a defined-contribution plan. Conversely, when the entity's obligation is to manage the financial assets funded through the collection of premiums from employees and to bear the cost of benefits itself–or to guarantee the final amount subject to future events–it is described as a defined-benefit plan. The same applies, if the entity entrusts management of the collection of premiums and payment of benefits to an external body, but retains the risk arising from management of the assets and from future changes in the benefits.

Pension and other post-employment benefits

Fortis Bank has implemented a policy over the past few years of converting defined-benefit plans into defined-contribution plans.

Fortis Bank contributes to several defined benefit plans in Belgium and Luxembourg, most of them having been closed. New employees are offered defined-contribution plans. Under these plans, the Group's obligation essentially consists in paying a percentage of the employee's annual salary into the plan.

The amount paid into defined-contribution post-employment plans in Belgium and other countries for the year to 31 December 2010 was EUR 11 million compared with EUR 50 million for the year to 31 December 2009.

7.b.1.1 Defined benefit pension plans of Fortis Bank entities

In Belgium, Fortis Bank provides a pension plan for its employees and middle managers who joined the bank before its pension plans were harmonised on 1 January 2002, based on final salary and the number of years' service. The obligation is mainly funded through the insurance company AG Insurance, in which Fortis Bank owns a 25% interest. Senior managers have a pension plan that provides a capital sum based on number of years' service and final salary, which is mainly funded through AXA Belgium and AG Insurance.

Under Belgian law, the employer is responsible for a guaranteed minimum return on defined-contribution plans. As a result of this obligation, these plans are classified as defined-benefit plans.

In some countries, there still exist defined benefit pension plans, generally closed to new employees, based on pensions linked to the employee's final salary and length of service (Luxembourg and United Kingdom).

At 31 December 2010, Belgium accounted for 94% of the total gross obligations of Fortis Bank. The fair value of the related plan assets was split as follows: 87% bonds, 4% equities and 9% insurance contracts.

The expected contribution to pension plans in 2011 amounts to EUR 142 million, of which EUR 138 million for the obligation in Belgium.

7.b.1.2 Post-employment healthcare plans

In Belgium, Fortis Bank has a scheme in relation to healthcare benefits for its retired employees and retired middle managers.

7.b.1.3 Commitments under defined benefit plans

Reconciliation of assets and liabilities recognised in the balance sheet

In millions of euros	Post-employment benefits		Post-employement healthcare benefits	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Present value of defined benefit obligation	**3,000**	**3,819**	**58**	**55**
Defined benefit obligations arising from wholly or partially funded plans	2,980	3,813		
Defined benefit obligations arising from wholly unfunded plans	20	6	58	55
Fair value of plan assets	**(128)**	**(784)**		
Fair value of reimbursement rights	**(2,356)**	**(2,548)**		
Cost not yet recognised in accordance with IAS 19	**(514)**	**(695)**	**(4)**	**1**
Prior service cost		(2)		
Net actuarial gains (losses)	(514)	(693)	(4)	1
Effect of asset ceiling		**162**		
NET OBLIGATION FOR DEFINED BENEFIT PLANS	2	(46)	54	56
Asset recognised in the balance sheet for defined benefit plans	(2,373)	(2,572)		
of which net assets for defined benefit plans	(17)	(24)		
of which fair value of reimbursement rights	(2,356)	(2,548)		
Liability recognised in the balance sheet for defined benefit plans	2,375	2,526	54	56

Movements in the present value of the defined benefit obligation

In millions of euros	Post-employment benefits		Post-employement healthcare benefits	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT START OF PERIOD	3,819	2,857	55	
Discontinued operations	556		4	
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION OF CONTINUING OPERATIONS AT START OF PERIOD	3,263	2,857	51	
Current service cost	130	107	1	2
Interest cost	107	155	2	1
Effect of plan amendments		20		52
Effect of plan curtailments or settlements	(250)	(46)		
Net actuarial (gains) losses on obligation	(113)	639	5	(1)
Actual employee contributions	8	9		
Benefits paid directly by the employer	(17)	(317)	(1)	(2)
Benefits paid from assets/reimbursement rights	(158)	(2)		
Effect of movements in exchange rates	3	6		
Effect of changes in scope of consolidation	26	391		3
Other	1			
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION OF CONTINUING OPERATIONS AT END OF PERIOD	3,000	3,819	58	55

Movements in the fair value of plan assets

In millions of euros	31 December 2010	31 December 2009
FAIR VALUE OF PLAN ASSETS AT START OF PERIOD	784	2,893
Discontinued operations	667	
FAIR VALUE OF PLAN ASSETS OF CONTINUING OPERATIONS AT START OF PERIOD	117	2,893
Expected return on plan assets	6	82
Effect of plan curtailments or settlements		(28)
Net actuarial gains/ (losses)	4	12
Actual employee contributions		9
Employer contributions	2	33
Benefits paid from plan assets	(6)	(93)
Effect of movements in exchange rates	2	4
Effect of changes in scope of consolidation	1	(2,128)
Other	2	
FAIR VALUE OF PLAN ASSETS OF CONTINUING OPERATIONS AT END OF PERIOD	128	784

Movements in the fair value of reimbursement rights

In millions of euros	31 December 2010	31 December 2009
FAIR VALUE OF REIMBOURSEMENT RIGHTS AT START OF PERIOD	2,548	
Discontinued operations	5	
FAIR VALUE OF REIMBOURSEMENT RIGHTS OF CONTINUING OPERATIONS AT START OF PERIOD	2,543	
Expected return on reimbursement rights	95	76
Effect of plan curtailments or settlements	(198)	13
Net actuarial gains / (losses)	(58)	39
Actual employee contributions	8	
Employer contributions	106	112
Benefits paid from reimbursement rights	(153)	(224)
Effect of movements in exchange rates		
Effect of changes in scope of consolidation	12	2,532
Other	1	
FAIR VALUE OF REIMBURSEMENT RIGHTS OF CONTINUING OPERATIONS AT END OF PERIOD	2,356	2,548

Because Fortis Bank has defined benefit plans that are funded through associated insurance companies, the related assets do not qualify as plan assets, and must be considered as 'reimbursement rights' according to IAS 19. This means that these assets may not be deducted from the defined benefit obligations when determining the defined benefit liability. They are shown instead as separate assets called 'reimbursement rights', expressing the right of reimbursement of expenditures (required to settle the defined benefit obligations) by the related party.

Components of pension cost

In millions of euros	Post-employment benefits		Post-employement healthcare benefits	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Current service cost	130	107	1	2
Interest cost	107	155	2	1
Expected return on plan assets	(6)	(82)		
Expected return on reimbursement rights	(95)	(76)		
Amortisation of actuarial (gains) / losses	35	49		
Amortisation of prior service cost		20		52
Effect of plan curtailments or settlements	13	(17)		
Effect of asset ceiling				
TOTAL EXPENSE RECORDED IN "SALARY AND EMPLOYEE BENEFIT EXPENSES"	184	156	3	55

Method used to measure obligations

The legacy defined-benefit plans in Belgium and other countries are valued independently using actuarial techniques, applying the projected unit cost method, in order to determine the expense arising from rights vested in employees and benefits still payable to retired employees. The demographic and financial assumptions used to estimate the present value of these obligations and of plan assets take account of specific economic conditions in each country and Fortis Bank company.

Obligations under post-employment healthcare benefit plans are measured using the specific mortality tables applicable in each country. They also build in assumptions about healthcare benefit costs, including forecast trends in the cost of healthcare services and in inflation, which are derived from historical data.

Principal actuarial assumptions used to calculate post-employment benefit obligations at the end of the period (excluding post-employment healthcare benefits)

Fortis Bank discounts its obligation at the government bond yield in the eurozone and the yield on first-class private bonds with a similar maturity to the obligation in other currency areas. When the market for such bonds is not sufficiently liquid, the obligation is discounted at the government bond yield.

The rates used are as follows:

In %	31 December 2010		31 December 2009	
	Euro zone	UK	Euro zone	UK
Discounting rate	3.80%-4.50%	4.70%	3.15%-4.40%	4.60%-4.85%
Future rate of compensation increase (*)	3.90%-4.35%	3.25%	2.08%-4.19%	5.15%-5.86%

** Inflation included*

Effective rate of return on plan assets and reimbursement rights over the period

The expected return on plan assets is determined by weighting the expected return on each asset class by its respective contribution to the fair value of total plan assets.

In %	31 December 2010		31 December 2009	
	Euro zone	UK	Euro zone	UK
Expected return on plan assets and reimbursement rights [1]	3.25%-4.54%	6.80%	3.59%-4.82%	5.35%-6.15%
Actual return on plan assets and reimbursement rights [1]	(1.64)%-8.18%	7.80%	(0.05)%-(14.95)%	19.20%-22.00%

[1] *Range of values, reflecting the existence of several plans within a single country or geographical or monetary zone.*

Actuarial gains and losses

Actuarial gains and losses resulting from the change in the present value of a defined-benefit plan obligation are the result of experience adjustments (differences between previous actuarial assumptions and actual occurrences) and the effects of changing actuarial assumptions.

Fortis Bank applies the "corridor" approach permitted in IAS 19, which specifies that recognition of actuarial gains and losses is deferred when they do not exceed 10% of the greater of the i) obligation and ii) value of the plan assets. The "corridor" is calculated separately for each defined-benefit plan. Where this limit is breached, the portion of the actuarial gains and losses exceeding it is recognised in the profit and loss account in instalments over the residual duration of the plan.

The following table shows the actuarial gains and losses:

In millions of euros	31 December 2010	31 December 2009
AMOUNT OF CUMULATIVE UNRECOGNISED ACTUARIAL GAINS/(LOSSES)	(514)	(693)
NET ACTUARIAL GAINS AND LOSSES GENERATED OVER THE PERIOD	59	(588)
of which actuarial gains on plan assets or reimbursement rights	(54)	51
of which actuarial gains from changes in acturial assumptions on obligation	109	(764)
of which experience losses on obligation	4	125

7.b.2 Other long-term benefits

Fortis Bank offers its employees various long-term benefits, mainly long-service bonuses, the ability to save up paid leave in time savings accounts, and certain guarantees protecting them in the event of incapacity.

As part of the Group's variable compensation policy, annual deferred compensation plans are set up for certain high-performing employees or pursuant to special regulatory frameworks.

Under these plans, payment is deferred over time and is contingent on the performance achieved by the business units, core businesses and Group.

In millions of euros	31 December 2010	31 December 2009
Net provisions for other long term benefits	96	132

7.b.3 Termination benefits

Fortis Bank has implemented a number of voluntary redundancy plans for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for where the plan is the subject of a bilateral agreement or a draft thereof.

In millions of euros	31 December 2010	31 December 2009
Provisions for voluntary departure and early retirement plans	275	213

8 Additional information

8.a Scope of consolidation

Criteria for full consolidation, proportional consolidation, valuation by equity method and exclusions

The consolidated accounts are prepared in accordance with the Royal Decree of 5 December 2004 amending the Royal Decree of 23 September 1992 on the non-consolidated accounts and consolidated accounts of credit institutions. The Royal Decree stipulates that, for financial years beginning on or after 1 January 2006, consolidated annual accounts must be drawn up in accordance with international standards (IAS/IFRS), as adopted by the European Union.

The consolidated financial statements include those of Fortis Bank SA/NV and its subsidiaries. Subsidiaries are those companies, for which Fortis Bank, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities (“control”). Subsidiaries are consolidated from the date on which effective control is transferred to Fortis Bank and are no longer consolidated from the date that control ceases.

The consolidated accounts are prepared in accordance with IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates, IAS 31 Interests in Joint Ventures and in accordance with SIC-12 Consolidation-Special Purpose Entities, that requires to consolidate the SPE when the substance of the relationship indicates that Fortis Bank controls the SPE and retains a significant beneficial interest in the SPE’s activities.

Investments in joint ventures – contractual agreements whereby Fortis Bank and other parties undertake an economic activity that is subject to joint control – are accounted for using the proportional method.

Investments in Associates – investments in which Fortis Bank has significant influence, but which it does not control, generally holding between 20% and 50% of the voting rights – are accounted for using the equity method.

Deviations from these criteria are as follows:

- Based on article 107, 2nd paragraph of the Royal Decree of January 30, 2001, some entities where Fortis Bank has the legal ownership are not consolidated due to the fact that the economic control is held by third parties such as companies managing real estate and real estate certificates:

  Distri-Invest, Finest, Immo Beaulieu, Immo Kolonel Bourgstraat,

- Based on the IASB Framework-30 and on article 107, 1st paragraph of the Royal Decree of January 30, 2001, subsidiaries of minor importance were excluded from the consolidated accounts as the information obtained by the consolidation of these subsidiaries is not material in the consolidated financial statements of Fortis Bank:

  Antilope Invest, Argance, ASLK-CGER Services, Atrialis, Certifimmo V, Colfridis Invest, Coppefis, Comptoir Agricole de Wallonie, Credissimo, Credissimo Hainaut, Dalgarno, Delvino, Dikodi, Discontokantoor van Turnhout, Dominet SPV-II, Eris Investissements, Fagus, Fintrimo, Fortis Bank Escritorio de Representacao Ltda, Fortis Film Fund, Fortis Park Lane, Fortis Private Equity Arkimedes N.V., Fortis Private Equity Asia Fund, Fortis Private Equity Management N.V., Fortis Wealth Management Taiwan, Generale Branch Nominees Ltd., Genfinance International S.A., Inkasso Kodat, International Building Materials Retail Organisation Investments Funds Management Company, Landbouwkantoor van Vlaanderen N.V., MeesPierson Private Belgian Offices CV, Merkur Beteilungs- und Verwaltungsgesellschaft, Microstart, Nostrana Capital Management, OB Invest, Packing Invest, Pattison, Penne International, Prestibel Left Village, Quainton Funding, Renoir CDO, Rothesay, Secoya Private Equity Investments General Partner, Secoya Private Equity Investments SCA-SICAR, Sowo Invest, Tabor Funding, Upper Hatch Securities, Velleman International, VIA-Zaventem N.V.,

- The following subsidiaries were accounted for under the equity method because of their minor importance to the consolidated financial statements:

  Belgolaise, Crédit pour Habitations Sociales, Demetris, Fortis Yatirim Menkul Degerler, Immobilière Sauvenière,

- The joint venture Postbank Ireland is accounted for under the equity method because of its minor importance for the consolidated financial statements.

- The following joint ventures or associates were not accounted under the proportionate method or under the equity method because of their insignificance:

  A2IA Group, Alpha Card Merchant Services, Antwerps Innovatie Centrum, Arets International, Baby Gift International, Banking Funding Company, Banque International Afrique au Niger, Bedrijvencentrum Zaventem, Brand & Licence Company, Brussels I3 Fund, Calilux, Coöperatieve H2 Equity Partners Fund III U.A., Dolnoslaska Szkola Bankowa Sp.z.o.o., Eiser Global Infrastructuer Fund, Fis Europe Lbo V Porte Neuve, Fortis L Capital, FScholen, Gemma Frisius-Fonds K.U. Leuven NV, Gudrun Xpert, Het Werkmanshuis, Immo Regenboog, Isabel, La Propriété Sociale de Binche-Morlanwelz, Metropolitan Buildings, Middle East Bank Kenya Ltd, MIR, Nobel, Nostrana Capital Management, Nova Electro International, Par 3, Seavi Advent equity V, Severn Trent Luxembourg Finance, Studio 100, Visa Belgium.

In global, the not fully or not consolidation of subsidiaries of minor importance is not material in the annual accounts of Fortis Bank.

V.A.T. BE 403.199.702

List of fully consolidated affiliated companies

Name	Head-office Location	VAT number / National identification number	Percentage of holding (%)
Alandes B.V.	Amsterdam	34130915	100.00
Alleray	Luxembourg	B130184	50.00
Alpha Crédit S.A.	Brussels	BE 445.781.316	100.00
Astir B.V.	Amsterdam	34204133	100.00
Aura Capital Invest S.A.	Luxembourg	B157046	50.00
Bass Master Issuer Nv	Brussels	BE 898.307.694	100.00
BGL BNP Paribas	Luxembourg	LU 10875081	50.00
Black Kite Investments Limited	Dublin	478789	50.00
BNP Paribas Fortis Funding S.A.	Luxembourg		100.00
BNP Paribas Fortis Yatirimlar Holding Anonim Sirketi	Istanbul		100.00
BNPP Fortis Factor	Leuven	BE 0819.568.044	99.99
Cofhylux S.A.	Luxembourg		50.00
Compagnie Financiere De La Porte Neuve Sa	Luxembourg	B123480	41.11
Continuing Care Retirement Community NV	Brussels	BE 875.844.672	99.54
Delphinus Titri 2010 S.A.	Luxembourg	B157069	50.00
Dominet S.A.	Piaseczno		100.00
Esmée Master Issuer	Brussels	BE 820.094.121	100.00
FB Energy Holdings Llc	New York		100.00
FB Energy Trading S.À R.L.	Luxembourg		100.00
FB Holdings Canada Corp.	Calgary		100.00
FB Transportation Capital Llc	New York		100.00
Finalia	Brussels	BE 878.920.562	51.00
Fortis Bank Anonim Sirketi	Gayrettepe		94.11
Fortis Bank Malta Ltd	Gzira		100.00
Fortis Bank Polska S.A.	Warsaw		99.87
Fortis Bank Reinsurance S.A.	Luxembourg		100.00
Fortis Banque S.A. / Fortis Bank N.V.	Brussels	BE 403.199.702	100.00
Fortis Finance Belgium S.C.R.L.	Brussels	BE 879.866.412	100.00
Fortis Funding LLC	New York		100.00
Fortis Holding Malta B.V.	Amsterdam		100.00
Fortis Holding Malta Ltd	Gzira		100.00
Fortis International Finance (Dublin)	Dublin		100.00
Fortis Private Equity Belgium N.V.	Brussels	BE 421.883.286	100.00
Fortis Private Equity Expansion Belgium N.V.	Brussels	BE 425.499.309	100.00
Fortis Private Equity France Fund	Strasbourg		99.84
Fortis Private Equity Venture Belgium S.A.	Brussels	BE 431.044.244	100.00
Fortis Private Real Estate Holding S.A.	Luxembourg		100.00
Fortis Proprietary Investment (Ireland) Ltd	Dublin		100.00
Fortis Wealth Management Hong Kong Limited	Hong Kong		100.00
FPRE Management (Belgium) Sa	Brussels	BE 871.937.750	100.00
Frynaco	Brussels	BE 418.940.129	99.58
Fundamentum Asset Management	Luxembourg		50.00
Generalcorp10	Luxembourg		100.00
GI Finance	Dublin		100.00
Immoparibas Royal-Neuve Sa	Luxembourg	B31237	50.00
Margaret, Inc.	Atlanta		100.00
Mees Pierson Private Belgian Offices NV	Brussels	BE 870.332.104	99.58
Money Alpha	Paris		100.00
Money Beta	Paris		100.00
Nissan Finance Belgium N.V.	Brussels	BE 445.305.917	79.17

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List of fully consolidated affiliated companies

Name	Head-office Location	VAT number / National identification number	Percentage of holding (%)
Paribas Trust Luxembourg Sa	Luxembourg	B29445	50.00
Placement, Gestion, Finance Holding Sa	Luxembourg	B9449	50.00
Robin Flight Ltd	Dublin	387939	50.00
Royale Neuve Finance S.À.R.L.	Luxembourg	B123476	50.00
Royale Neuve Investments Sarl	Luxembourg	B147811	50.00
Scaldis Capital (Ireland) Ltd	Dublin		100.00
Scaldis Capital Limited	Jersey		100.00
Scaldis Capital Llc	Wilmington		100.00
Société Alsacienne De Développement Et D'Expansion	Strasbourg		50.00
Swallow Flight Ltd	Dublin	374401	50.00
TCG Fund I, L.P.	Grand Cayman		99.66
Von Essen Gmbh & Co. Kg Bankgesellschaft	Essen		100.00

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List of not consolidated affiliated companies

Name	Head-office Location	VAT number / National identification number	Percentage of holding (%)	Reason of the exclusion
Antilope Invest	Lier	BE 887.200.008	57.75	Immaterial Interest
Argance	Luxembourg		50.00	Immaterial Interest
Aslk-Cger Services	Brussels	BE 458.523.354	100.00	In Liquidation
Atrialis	Dublin		50.00	Immaterial Interest
Certifimmo V S.A.	Brussels	BE 450.355.261	100.00	Immaterial Interest
Colfridis Invest	Londerzeel	BE 888.183.072	74.47	Immaterial Interest
Coppefis	Brussels	BE 453.987.813	100.00	Immaterial Interest
Comptoir Agricole De Wallonie	Namur	BE 400.364.530	100.00	Immaterial Interest
Credissimo	Seraing	BE 403.977.482	100.00	Immaterial Interest
Credissimo Hainaut S.A.	Tournai	BE 402.495.065	99.72	Immaterial Interest
Dalgarno	Luxembourg	B110879	50.00	Immaterial Interest
Delvino	Luxembourg		50.00	Immaterial Interest
Dikodi B.V.	Amsterdam		100.00	Immaterial Interest
Discontokantoor Van Turnhout	Turnhout	BE 404.154.755	100.00	Immaterial Interest - In Liquidation
Distri-Invest S.A.	Brussels	BE 431.242.105	51.00	Real Estate Certificate
Dominet Spv-Ii Sp. Z.O.O.	Piaseczno		100.00	Immaterial Interest
Eris Investissements	Luxembourg		50.00	Immaterial Interest
Fagus	Brussels	BE 475.207.255	55.00	Immaterial Interest
Finest S.A.	Brussels	BE 449.082.680	100.00	Real Estate Certificate
Fintrimo S.A.	Saint-Josse-Ten-Noode	BE 874.308.807	62.50	Immaterial Interest
Fortis Bank Escritorio De Representacao LTDA.	São Paulo		75.00	Immaterial Interest
Fortis Film Fund S.A.	Brussels	BE 893.587.655	100.00	Immaterial Interest
Fortis Park Lane Ireland Limited	Dublin		100.00	Immaterial Interest
Fortis Private Equity Arkimedes N.V.	Brussels	BE 878.499.603	50.10	Immaterial Interest
Fortis Private Equity Asia Fund S.A.	Brussels	BE 866.161.894	100.00	Immaterial Interest
Fortis Private Equity Management N.V.	Brussels	BE 438.091.788	100.00	Immaterial Interest
Fortis Wealth Management Taiwan	Taipei		100.00	Immaterial Interest
Generale Branch (Nominees) Limited	London		100.00	Immaterial Interest
Genfinance International S.A.	Brussels	BE 421.429.267	100.00	Immaterial Interest
Inkasso Kodat Gmbh & Co. Kg	Essen		100.00	Immaterial Interest
International Building Materials Retail Organisation N.V.	Puurs	BE 806.187.784	60.00	Immaterial Interest
Landbouwkantoor Van Vlaanderen N.V.	Kortrijk	BE 405.460.889	100.00	Immaterial Interest
Meespierson Private Belgian Offices C.V.	Brussels	BE 870.419.996	100.00	Immaterial Interest
Merkur Beteiligungs-Und Verwaltungsgesellschaft Gmbh	Essen		100.00	Immaterial Interest
Microstart	Saint-Gilles	BE 829.081.071	90.00	Immaterial Interest
Nostrana Capital Management	Willemstad		50.00	Immaterial Interest
Ob Invest N.V.	Rotselaar	BE 880.203.635	95.00	Immaterial Interest
Packing Invest	Boom	BE 871.096.028	91.11	Immaterial Interest
Pattison	Luxembourg		50.00	Immaterial Interest
Penne International	Aalst	BE 887.229.207	74.90	Immaterial Interest
Prestibel Left Village	Antwerp	BE 448.693.888	70.06	Immaterial Interest
Quainton Funding S.À.R.L.	Luxembourg		50.00	Immaterial Interest
Renoir Cdo	Amsterdam		100.00	Immaterial Interest
Rothesay	Luxembourg		50.00	Immaterial Interest
Secoya Private Equity Investments General Partner	Luxembourg		100.00	Immaterial Interest
Secoya Private Equity Investments SCA-SICAR	Luxembourg		100.00	Immaterial Interest
Sowo Invest S.A. / N.V.	Brussels	BE 877.279.282	87.50	Immaterial Interest
Tabor Funding	Luxembourg		50.00	Immaterial Interest
Investment Funds Management Company	Warsaw		99.87	Immaterial Interest
Upper Hatch Securities Ltd	Dublin		100.00	Immaterial Interest
Velleman International N.V.	Gavere	BE 866.481.994	69.95	Immaterial Interest
Via-Zaventem N.V.	Brussels	BE 892.742.765	51.00	Immaterial Interest

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List of participating interests valued by equity method

Name	Head-office Location	VAT number / National identification number	Percentage of holding (%)
AG Insurance	Brussels	BE 404.494.849	25.00
Alpha Card S.C.R.L.	Watermaal-Bosvoorde	BE 463.926.551	50.00
Alsabail	Strasbourg	718 504 004	20.34
Bcc Corporate	Brussels	BE 883.523.807	50.00
Belgolaise S.A.	Brussels	BE 403.200.294	100.00
BNPP IP	Paris	FR50682001904	30.78
Crédit Pour Habitations Sociales - Krediet Voor Sociale Woningen	Watermaal-Bosvoorde	BE 402.204.461	81.66
Cronos Holding Company Limited	Hamilton	1497426	29.90
Demetris N.V.	Groot-Bijgaarden	BE 452.211.723	100.00
Eos Aremas Belgium S.A./N.V.	Brussels	BE 466.301.368	49.97
Europay Belgium	Brussels	BE 434.197.536	39.94
Fastnet Nederland	Amsterdam	RC Amsterdam 3319.3354	23.92
Fortis Lease Group S.A.	Luxembourg		16.67
Fortis Luxembourg - Vie S.A.	Luxembourg	LU 18610607	25.00
Fortis Yatirim Menkul Degerler A.S.	Etiler		94.11
Fund Admin. Service & Techno. Network Belgium	Brussels	BE 460.019.728	23.90
Fv Holding N.V.	Etterbeek	BE 810.422.825	40.00
Immobilière Sauvenière S.A.	Brussels		100.00
Postbank Ireland Ltd	Dublin	427594	25.00
RFH Ltd.	Hamilton		99.66
Stradios FCP FIS	Luxembourg	B0157397	36.67
Textainer Marine Containers Ltd.	Hamilton		24.92
Trip Rail Holdings LLC	Dallas		16.33

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List of participating interests not valued by equity method

Name	Head-office Location	VAT number / National identification number	Percentage of holding (%)	Reason of the exclusion
A2IA Group	Paris		31.15	Immaterial Interest
Alpha Card Merchant Services	Watermaal-Bosvoorde	BE 475.933.171	50.00	Immaterial Interest
Antwerps Innovatie Centrum	Edegem	BE 472.386.634	21.30	Immaterial Interest
Arets International	Niel	BE 890.356.466	49.90	Immaterial Interest
Baby Gift International	Villedieu La Blouère		34.57	Immaterial Interest
Banking Funding Company S.A.	Brussels	BE 884.525.182	33.47	Immaterial Interest
Banque Internationale Afrique Au Niger S.A.	Niamey		35.00	Immaterial Interest
Bedrijvencentrum Zaventem N.V.	Zaventem	BE 426.496.726	24.98	Immaterial Interest
Brand & Licence Company S.A.	Brussels	BE 884 499 250	20.00	Immaterial Interest
Brussels I³ Fund	Ixelles	BE 477.925.433	36.37	Immaterial Interest
Calilux S.À.R.L.	Luxembourg		30.00	Immaterial Interest
Coöperatieve H2 Equity Partners Fund Iii U.A.	Amsterdam		24.07	Immaterial Interest
Dolnoslaska Szkola Bankowa Sp. Z.O.O.	Lubin		24.72	Immaterial Interest
Eiser Global Infrastructure Fund Ltd	London		26.50	Immaterial Interest
Fortis L Capital	Luxembourg		50.00	Immaterial Interest
Fscholen	Saint-Josse-Ten-Noode	BE 825.836.125	50.00	Immaterial Interest
Gemma Frisius-Fonds K.U.Leuven	Leuven	BE 461.734.351	40.00	Immaterial Interest
Gudrun Xpert N.V.	Brussels	BE 477.315.422	26.00	Immaterial Interest
Het Werkmanshuis N.V.	Tongeren	BE 400.986.518	41.04	Immaterial Interest
Immo Kolonel Bourgstraat	Brussels	BE 461.139.879	50.00	Real Estate Certificate
Immo Regenboog N.V.	Mechelen	BE 448.859.481	30.01	Immaterial Interest
Immo-Beaulieu	Brussels	BE 450.193.133	25.00	Real Estate Certificate
Isabel S.A./N.V.	Brussels	BE 455.530.509	25.33	Immaterial Interest
La Propriété Sociale De Binche-Morlanwelz S.A.	Binche	BE 401.198.136	21.48	Immaterial Interest
Metropolitan Buildings S.A.	Brussels	BE 432.742.734	28.75	Immaterial Interest
Middle East Bank Kenya Ltd.	Nairobi		25.03	Immaterial Interest
Mir	Brecht	BE 475.137.177	25.04	Immaterial Interest
Nobel	Turnhout	BE 432.942.870	25.00	Immaterial Interest
Nova Electro International	Tongeren	BE 441.210.537	26.84	Immaterial Interest
Novy International Nv	Diegem	BE 831.382.248	35.36	Immaterial Interest
Par Trois	Senningerberg		38.29	Immaterial Interest
Seavi Advent Equity V (Cayman) Lp	Grand Cayman		23.58	Immaterial Interest
Studio 100	Schelle	BE 457.622.640	32.56	Immaterial Interest
Visa Belgium Srcl	Brussels	BE 435.551.972	25.14	Immaterial Interest

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List of participating interests not consolidated and not valued by equity method in which the group holds rights representing at least 10% of the capital subscribed

Name	Head-office Location	VAT number / National identification number	Percentage of holding (%)	Monetary unit	Net result as at 31/12/2009 (in thousands)	Shareholders' equity as at 31/12/2009 (in thousands)
Anticlee Finance	Rillieux La Pape		15.15	EUR	446	2,344
Association De Frais Fortis Insurance Belgium-Assurances Kostendelende Vereniging Fortis Insurance-Belgium Verzekeringen	Brussels		12.50	EUR		
Baekeland Fonds II	Gent	BE 876.424.296	18.02	EUR	(458)	3,227
Bapar Sas	Horbourg-Wihr		17.22	EUR	209	1,672
Bbof Iii Investors B.V.	Amsterdam		12.13	EUR	(2,658)	6,682
Bedrijvencentrum Dendermonde N.V.	Dendermonde	BE 438.558.081	19.61	EUR	34	1,051
Bedrijvencentrum Regio Aalst N.V.	Erembodegem	BE 428.749.502	14.23	EUR	4	659
Bedrijvencentrum Vilvoorde N.V.	Vilvoorde	BE 434.222.577	10.20	EUR	56	1,213
Bedrijvencentrum Waasland N.V.	Sint-Niklaas	BE 427.264.214	16.03	EUR	(115)	774
Bem-Flemish Construction And Investment Company N.V.	Brussels	BE 461.612.904	12.05	EUR	522	5,890
China-Belgium Direct Equity Investment Fund	Beijing		10.00	CNY	(7,036)	986,433
Clarisse	Paris		10.11	EUR	925	24,570
Crédit Social De La Province Du Brabant Wallon	Nivelles	BE 400.351.068	12.18	EUR	103	4,286
Domus Flandria N.V.	Antwerp	BE 436.825.642	11.22	EUR	2,374	26,773
Europay Luxembourg Sc	Munsbach		15.60	EUR	918	4,342
European Carbon Fund	Luxembourg		10.53	EUR	18,051	
Euroscreen	Anderlecht	BE 453.325.639	13.05	EUR	(807)	11,239
German Equity Partners Iii, Gmbh & Co	Frankfurt		14.49	EUR		
Gie Immobilier Groupe Fortis France	Puteaux		13.97	EUR		
Gimv Czech Ventures	Vlaardingen		14.63	EUR		
Groupe Editor S.A.	Aix-En-Provence		13.90	EUR	(2,853)	23,865
Haco	Rumbeke	BE 405.568.183	13.64	EUR	1,609	33,172
Heracles S.C.	Charleroi	BE 427.178.892	13.55	EUR	97	724
Immobilière Distri-Land N.V.	Brussels	BE 436.440.909	12.48	EUR	12	210
Innovation Et Développement En Brabant Wallon, Centre Européen D'Entreprise Et D'Innovation	Louvain-La-Neuve	BE 460.658.938	16.32	EUR	57	795
Le Crédit Social De Tubize S.A.	Tubize	BE 400.344.140	11.43	EUR	7	306
Le Crédit Social Et Les Petits Propriétaires Réunis	Châtelet	BE 401.609.593	12.38	EUR	104	2,587
Le Petit Propriétaire S.A.	Woluwe-Saint-Lambert	BE 403.290.366	11.60	EUR	4	771
MBO Capital Fcpr Type A	Paris		12.45	EUR		
MBO Capital Fcpr Type B	Paris		12.45	EUR		
Metalogic A.I. Technologies & Engineering	Heverlee	BE 444.184.576	18.04	EUR	312	446
Montagu Newhall Global Partners Ii	Owings Mills		16.24	USD		
Net Fund Europe	Groot-Bijgaarden	BE 465.995.423	11.06	EUR	1,542	2,215
Park De Haan N.V.	Brussels	BE 438.533.436	15.00	EUR	191	259
Penta Fund 1 Ltd Partnership	Glasgow	SL003761	12.28	GBP		
Prestosid Industries	Villerupt		15.95	EUR	332	2,025
PSF	Weyersheim		11.93	EUR	(877)	9,130,347
Sci Eurosud	Erstein		12.50	EUR		
Shenergy Groupe Finance Company Limited	Shanghai		10.00	CNY	70,633	582,015
Sint-Jozefskredietmaatschappij N.V.	Beringen	BE 401.349.970	11.93	EUR	111	20,383
Société Belge D'Investissement International S.B.I. - Belgische Maatschappij Voor Internationale Investeringen B.M.I	Brussels	BE 411.892.088	19.51	EUR	404	33,172
Societe Franc Comtoise Hydro Electrique	Ray Sur Saone		14.20	EUR		
Start-It	Angleur	BE 466.790.625	16.67	EUR	(1,164)	4,761
Tous Propriétaires S.A.	Erquelinnes	BE 401.731.339	16.82	EUR	428	5,699
Triodos Venture Capital Fund	Zeist		11.40	EUR	(48)	2,207
Visalux	Munsbach		13.24	EUR	9,549	13,024
Vives Sa	Louvain-La-Neuve	BE 862.398.591	16.65	EUR	(1,536)	5,269
Xenics	Heverlee	BE 473.044.848	18.77	EUR	1,126	4,527

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List of entities consolidated via the proportional method

Name	Head-office Location	VAT number / National identification number	Percentage of holding (%)
Banque de La Poste S.A. - Bank van de Post N.V.	Brussels	BE 456.038.471	50.00
Genève Crédit & Leasing S.A.	Geneva	CH-660-1777002-5	51.00
TEB Mali Yatirimlar A.S.	Istanbul	740118	50.00

8.b Business combinations

In the context of the global integration project of Fortis Bank in the BNP Paribas group, it was proposed to reorganise and integrate certain activities of Fortis Bank and BNP Paribas by transferring and re-allocating assets between various entities of the group. The project dealing with this reorganisation and related transactions was labelled project "Knight". The implementation of this project generated most of the acquisitions and disposals occurring during the year of 2010.

8.b.1 Acquisitions

Transactions with BNP Paribas

Fortis Bank is in a number of transactions of the project "Knight" acquirer of businesses previously belonging to the BNP Paribas group.

BNP Paribas Luxembourg ("BNPPL")

On 25 February 2010, BGL BNP Paribas SA, subsidiary of Fortis Bank, acquired all shares of BNP Paribas Luxembourg SA ("BNPPL") and its subsidiaries from BNP Paribas and BNP Paribas International BV for a consideration of EUR 2,902 million, BNPPL has been merged with BGL on 1 October 2010.

As the acquisition occured between entities under common control, Fortis Bank has applied the "predecessor basis of accounting method" to account for this acquisition. All assets and liabilities of BNPPL have been recognised at their carrying amounts at the date of transfer and no adjustments were made to reflect fair values, or to recognise any new assets or liabilities, that would otherwise be done under the purchase method.

Furthermore, no 'new' goodwill is recognised as a result of the combination. The only goodwill that is recognised is any existing goodwill at the level of BNPPL. The difference between the consideration paid and the equity 'acquired' is reflected within equity and amounts to EUR (522) million.

BNP Paribas Investment Partners ("BNPP IP")

On 1 April 2010, Fortis Bank and BGL BNP Paribas SA sold their shares (respectively 84.67% and 15.33%) in BNPP Investment Partners BE Holding SA (ex Fortis Investment Management NV/SA - "FIM") to BNP Paribas Investment Partners S.A ("BNPP IP"). At the same date, BNPP IP performed a capital increase of EUR 1,787 million which was fully subscribed by Fortis Bank and BGL BNP Paribas SA. Following this subscription, Fortis Bank holds 28.22% and BGL BNP Paribas SA holds 5.11%, (total 33.33%) of BNPP IP. The investment is accounted for as an equity associate at Fortis Bank consolidated level.

The acquisition of this 33.33% stake in BNPP IP by Fortis Bank (28.22%) and BGL (5.11%) is treated in accordance with IAS 28 Investment in Associates. An investment in an associate is accounted for using the equity method from the date on which it becomes an associate. On acquisition of the investment, the positive difference between the cost of the investment and the investor's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment.

The main purchase price accounting adjustment made, was to no longer recognise all existing goodwill in the BNPP IP structure at the moment of acquisiton. The remaining postive difference between the purchase price and the adjusted net book value of the assets and liabilities acquired, is considered as goodwill and included in the carrying amount of the investment in BNPP IP.

At the acquisition date, Fortis Bank's consolidated share of the net asset value of BNPP IP amounted to EUR 258 million, and the goodwill amounted to EUR 1,411 million.

CIB and Wealth Management businesses

On 22 January 2010, Fortis Bank acquired the CIB business from the Belgian branch of BNP Paribas for a consideration of EUR 205 million. On the same day, Fortis Bank also acquired the Wealth management business from the Belgian branch of BNP Paribas Wealth Management for a consideration of EUR 15 million. Both acquisitions are accounted for using the "predecessor basis of accounting method" as business combination under common control. Fortis Bank, as acquiring party, recognises the acquired assets and liabilities at their carrying amount as determined by the transferring entity at the date of transfer and any difference between the consideration paid and the net asset value of the acquired business is presented as an adjustment in equity. The total impact of both transactions on equity is EUR (30) million.

TEB Mali Yatirimlar A.Ş. ("TEB Mali")

On 25 October 2010, Fortis Bank acquired 50% of shares of TEB Mali Yatirimlar A.Ş. ("Teb Mali") from BNP Paribas S.A. for a consideration of TRY 1,162.7 million. Teb Mali is accounted for using the "proportionate method" in Fortis Bank's consolidated financial statements.

As the acquisition occurs between entities under common control, Fortis Bank has applied the "predecessor basis of accounting method" to account for this acquisition. All assets and liabilities of Teb Mali are recognised at their carrying amounts at the date of transfer and no adjustments are made to reflect fair values, or to recognise any new assets or liabilities, that would otherwise be done under the purchase method.

Furthermore, no 'new' goodwill is recognised as a result of the combination. The only goodwill that is recognised is any existing goodwill at the level of Teb Mali. The difference between the consideration paid and the equity 'acquired' is reflected within equity and amounts to EUR (102) million.

Transactions with non-related parties

In the year 2010, no other major acquisitions were made by Fortis Bank. In the year 2009, Fortis Bank acquired 25% plus one share in AG Insurance for a total consideration of EUR 1,375 million, the related goodwill amounted to EUR 385 million. AG Insurance is accounted for as an equity associate.

8.b.2 Disposals

Transactions with BNP Paribas

Fortis Bank Asia

On 19 May 2010, Fortis Bank sold its branch's activities in Japan to BNP Paribas for a consideration of EUR 0.9 million, resulting in a net loss of EUR 14.6 million.

On 18 June 2010, Fortis Bank sold its branch's activities in Taiwan to BNP Paribas for a consideration of EUR 25 million, resulting in a net gain of EUR 19.9 million.

On 11 June 2010, Fortis Bank sold the private banking part of its branch's activities in Singapore to BNP Paribas for a consideration of USD (0.9) million, resulting in a net gain of EUR 2.3 million.

On 23 July 2010, Fortis Bank sold the CIB part of its branch's activities in Singapore to BNP Paribas for a consideration of USD 340 million, resulting in a net gain of EUR 211.5 million.

On 16 July 2010, Fortis Bank sold its branch's activities in Hong Kong to BNP Paribas for a consideration of HKD 2,634.8 million, resulting in a net gain of EUR 258.8 million.

On 16 July 2010, Fortis Bank's Hong Kong Branch sold WaPei Finance Company Ltd and Generale Belgian Finance Company Ltd to BNP Paribas for a consideration of EUR 63.9 million, resulting in a net gain of EUR 32 million.

Fortis Bank North America

On 13 April 2010, Fortis Bank sold its subsidiary Fortis Capital Corp (US) to Banexi Holding Corp (US) for a consideration of USD 1,028.6 million, resulting in a net loss of EUR 53 million.

On 1 May 2010, Fortis Bank sold its branches' activities in New York and Grand Cayman to BNP Paribas for a consideration of USD (266.4) million, resulting in a net loss of EUR 64.2 million.

On 11 June 2010, FB Transportation Capital, subsidiary of Fortis Bank sold its aircraft principal finance investments and private equity co-investments (ACG Investment Partners LLC and ACG Capital Investment Partners LLC) to BNP Paribas North America for USD 39 million, resulting in a net gain of EUR 0.2 million.

On 1 October 2010, Fortis Bank sold its 40% shareholding in Fortis Capital Canada Ltd to BNP Paribas Canada for a consideration of USD 0 million, resulting in a net gain of EUR 17 million.

On 1 October 2010, Fortis Bank sold its subsidiary BNP Paribas Energy Trading GP (ex-Fortis Energy Marketing & Trading GP or "FEMT") to BNP Paribas Energy Trading LLC (US) and BNP Paribas Energy Trading Holdings Inc. (US) for a consideration of USD 0 million, resulting in a net gain of EUR 0.7 million.

On 1 October 2010, Fortis Bank sold its subsidiary BNP Paribas Energy Trading Canada Corp (ex- FB Energy Canada Corp) to BNP Paribas Canada for a consideration of USD 0 million, resulting in a net gain of EUR 17.4 million.

Fortis Bank UK

On 4 February 2010, Fortis Bank sold its subsidiary Fortis Private Investment Management Ltd to BNP Paribas Wealth Management S.A. for a consideration of EUR 35 million, resulting in a net gain of EUR 20 million.

On 1 July 2010, Fortis Bank sold its subsidiaries Camomile group entities to BNP Paribas for a consideration of EUR 15.2 million, resulting in a net loss of EUR 3.2 million.

On 1 July 2010, Fortis Bank sold its branch's activities in London to BNP Paribas for a consideration of GBP 737.3 million, resulting in a net gain of EUR 104.7 million.

Asset Management

On 1 April 2010, Fortis Bank and BGL BNP Paribas SA sold their respective (84.67% and 15.33%) sharesholdings in BNPP Investment Partners BE Holding SA (ex Fortis Investment Management NV/SA - "FIM") to BNP Paribas Investment Partners S.A. for a consideration of EUR 1,775 million, resulting in a net gain of EUR 147.9 million.

On 29 June 2010, Fortis Bank sold its subsidiary Fortis Gesbeta S.G.I.I.C. SA to BNP Paribas Asset Management S.G.I.I.C. SA for a consideration of EUR 19.9 million, resulting in a net loss of EUR 0.1 million.

On 1 April 2010, BGL BNP Paribas transferred its activity related to securities services to BNP Paribas Luxembourg branch of BNP Paribas Securities Services SA for a consideration of EUR 52 million, resulting in a net gain of EUR 37 million.

Fortis Bank France

On 1 January 2010, Fortis Bank sold its branch's activities in France to BNP Paribas for a consideration of EUR 175.9 million, resulting in a net gain of EUR 13 million.

On 1 January 2010, Fortis Bank sold its subsidiary Fortis Bank France to BNP Paribas for a consideration of EUR 267 million, and on the same day, Fortis Bank sold its 96.85% stake in Fimagen Holding SA to BNP Paribas for a consideration of EUR 1,250 million, resulting in a total net gain of EUR 9.5 million.

Fortis Bank Italy

On 1 February 2010, Fortis Bank sold its branch's activities in Italy to Banca Nazionale del Lavoro SpA ("BNL") for a consideration of EUR (1) million, resulting in a net gain of EUR 3.4 million.

Fortis Bank Switzerland

On 23 April 2010, BGL BNP Paribas SA, subsidiary of Fortis Bank, sold 100% of its shareholdings in Fortis Bank Switzerland to BNP Paribas Suisse SA for a consideration of EUR 359 million, resulting in a net gain of EUR 65 million.

On 1 July 2010, Fortis Bank sold its branch's activities in Switzerland (Zurich) to BNP Paribas for a consideration of CHF (2.3) million, resulting in a net loss of EUR 0.2 million.

Fortis Bank Greece (Athens)

On 16 July 2010, Fortis Bank sold its branch's activities in Greece (Athens) to BNP Paribas for a consideration of EUR (0.1) million, resulting in a net loss of EUR 22.3 million.

Fortis Bank Hungary (Budapest)

On 1 July 2010, Fortis Bank sold its branch's activities in Hungary (Budapest) to BNP Paribas for a consideration of HUF 281.9 million, resulting in a net loss of EUR 0.5 million.

Fortis Bank Spain (Madrid)

On 1 November 2010, Fortis Bank sold the Private banking part of its branch's activities in Spain (Madrid) to BNP Paribas for a consideration of EUR (1.5) million, resulting in a net loss of EUR 1 million.

Fortis Lease Group ("FLG")

On 1 July 2010, Fortis Lease group ("FLG") issued 122,156 new shares that Banque Générale de Luxembourg ("BGL") subscribed in cash for an aggregate price of EUR 398 million.

BNP Paribas S.A. contributed all of its 17,373,055 shares in BNP Paribas Lease Group ("BPLG") to FLG, in exchange for which FLG issued to BNP Paribas, and BNP Paribas subscribed to, 14,694,128 new shares of FLG, and Omnium de Gestion et de Développement Immobilier ("OGDI") contributed all of its 444,398 shares in BPLG to FLG, in exchange for which FLG issued to OGDI, and OGDI subscribed to, 375,871 new shares of FLG.

As a result of this transaction, BGL lost control of 100% it held previously in FLG and has instead 33.33% + 1 share in the new merged group FLG/BPLG, the remaining shares of FLG/BPLG are held respectively by BNP Paribas S.A. and OGDI. BGL realised a net gain of EUR 54 million due to loss of control in FLG.

The new merged group FLG/BPLG is accounted for using equity method.

Fortis Direct Real Estate Management

On 23 July 2010, Fortis Bank sold its subsidiary Fortis Direct Real Estate Management to BNP Paribas Real Estate Investment Management Luxembourg S.A. for a consideration of EUR 11.2 million, resulting in a net gain of EUR 4.9 million.

Net result of discontinued operations

In accordance with IFRS 5, Fortis Bank measured at 31 December 2009 the entities that it holds for sale at the lower of its carrying amount and fair value less costs to sell. This resulted in the recognition of an impairment loss of EUR 340 million.

The completion of the transactions during the year 2010 resulted in this EUR 340 million impairment loss being reversed.

Transactions with non-related parties

On 15 March 2010, Fortis Bank sold its subsidiary Artemis Asset Management Ltd, resulting in a net loss of EUR 11 million.

On 22 March 2010, Fortis Lease Group, subsidiary of BGL BNP Paribas SA sold its 100% interests in Captive Finance Norway and Sweden, resulting in a net gain of EUR 1 million.

On 31 March 2010, BGL BNP Paribas SA, subsidiary of Fortis Bank, sold its 25% interest in Internaxx Bank, resulting in a net gain of EUR 4.2 million.

In March 2010, FIM sold its investments in Teda resulting in a net gain of EUR 17.5 million. On 15 January 2010, FIM also sold its investment in Infrastructure Capital Management Limited (ICM), resulting in a net loss of EUR 2.7 million.

The major disposals in 2009 were related to the sale of Fortis Clearing Americas LLC, Fortis Intertrust Group Holding SA and Fondo Nazca Fund II, F.C.R., FCM Private Equity II S.L.. More details related to these sales can be found in the Annual Report 2009 of Fortis Bank.

The table below provides details on the assets and liabilities resulting from the acquisitions or disposals of subsidiaries at the date of acquisition or disposal during the year of 2010.

In millions of euros	31 December 2010 Acquisitions	31 December 2010 Disposals	31 December 2009 Acquisitions	31 December 2009 Disposals
ASSETS				
Cash and amounts due from central banks and post office banks	407	(131)		(7)
Financial assets at fair value through profit or loss	1,382	(968)		(39)
Derivatives used for hedging purposes	7			
Available-for-sale financial assets	3,427	(833)	1	(59)
Loans and receivables due from credit institutions	8,031	(3,200)	15	(1,169)
Loans and receivables due from customers	5,153	(24,553)	37	(738)
Remeasurement adjustment on interest-rate risk hedged portfolios				
Held-to-maturity financial assets	209			
Current and deferred tax assets	30	(392)		1
Accrued income and other assets	143	(1,632)	3	(133)
Investments in associates	1	(204)	1,405	
Investment property		(593)	48	
Property, plant and equipment	78	(313)		(4)
Intangible assets	7	(68)		(1)
Goodwill	2	(1,430)	4	(6)
Assets classified as held for sale		83		(15)
TOTAL ASSETS	**18,877**	**(34,234)**	**1,513**	**(2,170)**
LIABILITIES				
Due to central banks and post office banks				
Financial liabilities at fair value through profit or loss	157	(517)		(1)
Derivatives used for hedging purposes	17			
Due to credit institutions	4,292	(924)	67	(28)
Due to customers	10,691	(9,290)	29	(1,927)
Debt securities		(214)		
Remeasurement adjustment on interest-rate risk hedged portfolios				
Current and deferred tax liabilities	65	(85)		(2)
Accrued expenses and other liabilities	546	(17,674)	8	245
Technical reserves of insurance companies				
Provisions for contingencies and charges	16	(220)		(1)
Subordinated debt	267	(173)		1
Liabilities classified as held for sale				(4)
TOTAL LIABILITIES	**16,051**	**(29,097)**	**104**	**(1,717)**
Shareholders' equity	(359)	(175)		
Minority interests	(257)	(2)		56
Net assets acquired / Net assets divested	**2,826**	**(4,960)**	**1,409**	**(509)**
Total gain (loss) on disposal net of taxes		**295**		**46**
Total purchase consideration / Proceeds from sale	(3,442)	5,255	(1,409)	555
Less: Cash and cash equivalents acquired / divested	134	(1,595)	10	(1,378)
Less: Non-cash consideration				
Cash used for acquisitions / received for disposals	**(3,308)**	**3,660**	**(1,399)**	**(823)**

8.c Non-current assets classified as Held for Sale and Discontinued operations

Discontinued operations

On 12 and 13 May 2009, BNP Paribas acquired control over Fortis Bank NV/SA by acquiring 74.93% of the shares of Fortis Bank NV/SA and 15.96% of the shares of BGL BNP Paribas S.A. ("BGL"). Following the acquisition, a global integration project was initiated to organize the integration of Fortis Bank NV/SA and the BNP Paribas Group. The main purposes of the global integration project are to consolidate and integrate both groups, to streamline and simplify the group structure, to achieve synergies between the various activities of each group and to identify opportunities for value creation. A number of transactions between various affiliates of BNP Paribas S.A. ("BNPP") and Fortis Bank NV/SA are taking place in the context of integrating certain activities of Fortis Bank NV/SA with certain activities of BNP Paribas.

In the Annual Report 2009, section "Fortis Bank Annual Report 2009 (non-consolidated), information related to Article 524 of the Belgian Companies Code'" the transactions decided in 2009 and executed in 2010 were described. The economic transfer dates of these transactions have been set at 1 January 2010 (except for Milan branch the economic transfer date was 1 February 2010).

Except the transaction related to Fortis Bank Shanghai and Guangzhou branches, all other ones have been closed during 2010.

On 3 June 2010, the Colakoglu Group and BNP Paribas entered into a memorandum of understanding regarding the merger of Türk Ekonomi Bankasi A.S. ("TEB") and Fortis Bank Turkey. Under the Memory of Understanding, which is subject to regulatory authorities' approval, it has been agreed that the two banks will be merged under TEB.

On 21 December 2010 and 30 December 2010 respectively, Capital Market Board of Turkey (CMB) and the Banking Regulation and Supervision Agency (BRSA) granted their approval on the merger between Türk Ekonomi Bankası A.Ş. (TEB) and Fortis Bank Turkey.

Subsequent to the CMB approval, the shareholders of both TEB and Fortis Bank A.Ş. were invited for the Extraordinary General Meeting of Shareholders of their respective company on January 25, 2011. The agenda of this meeting included (mainly) the approval of the financial statements dated June 30, 2010 on the basis of which the merger was realized and after the approval of the merger itself, on 14 February 2011, the two banks completed the legal merger.

After share transfers between the main shareholders following the merger, it is expected that TEB Mali Yatirimlar AS ("TEB Mali") shall remain the majority shareholder in the merged bank and that the Colakoglu Group and the BNP Paribas Group each will continue to hold 50% of TEB Mali.

Assets and liabilities of entities that qualify as held for sale and discontinued operations are reclassified and presented in separate line items "Assets classified as held for sale" and "Liabilities classified as held for sale", respectively, on the face of the consolidated balance sheet as of 31 December 2010. Comparative information has not been adjusted in accordance with IFRS 5.

The income and expenses relating to those entities are reclassified and presented in a separate line item "Net result of discontinued operations" in the consolidated profit and loss account as of 31 December 2010. Comparative information has been adjusted in accordance with IFRS 5.

In the following sections, an analysis is included of the major classes of assets and liabilities and the net result of the entities presented as discontinued operations.

Major classes of assets and liabilities classified as held for sale

Fortis Bank holds various assets as at 31 December 2010 that are held for sale rather than for continuing use. These assets are classified in the balance sheet as assets held for sale and liabilities related to assets classified as held for sale.

The assets and liabilities classified as held for sale as at 31 December 2010 and 31 December 2009 are shown below.

In millions of euros	31 December 2010	31 December 2009
ASSETS		
Cash and amounts due from central banks and post office banks	358	267
Financial assets at fair value through profit or loss	505	4,178
Derivatives used for hedging purposes		
Available-for-sale financial assets	516	1,388
Loans and receivables due from credit institutions	4,426	6,449
Loans and receivables due from customers	4,490	35,487
Remeasurement adjustment on interest-rate risk hedged portfolios		
Held-to-maturity financial assets	88	
Current and deferred tax assets	116	610
Accrued income and other assets	206	1,590
Investments in associates	14	197
Investment property		4
Property, plant and equipment	98	153
Intangible assets	4	72
Goodwill	154	1,413
TOTAL ASSETS	**10,975**	**51,809**
LIABILITIES		
Due to central banks and post office banks		
Financial liabilities at fair value through profit or loss	226	3,888
Derivatives used for hedging purposes		
Due to credit institutions	882	7,632
Due to customers	4,513	20,436
Debt securities	2,998	8,478
Remeasurement adjustment on interest-rate risk hedged portfolios		
Current and deferred tax liabilities	22	75
Accrued expenses and other liabilities	577	1,506
Technical reserves of insurance companies		
Provisions for contingencies and charges	47	274
Subordinated debt		4
TOTAL LIABILITIES	**9,265**	**42,293**

The assets and liabilities classified as held for sale for the year ended 31 December 2009 are drawn up in alignment with the presentation used for the Consolidated Financial Statements of the parent company BNP Paribas, which differs significantly from the presentation used for the Consolidated Financial Statements of Fortis Bank for the year ended 31 December 2009. Further details on the change of presentation can be found in note 8.k comments on change of presentation.

Transactions with BNP Paribas

The tables below show the composition of assets classified as held for sale and liabilities classified as held for sale for the entities that are part of the integration transactions with BNP Paribas and that are decided but not yet fully executed as of 31 December 2010.

	31 December 2010			
In millions of euros	Fortis Bank Asia	Fortis Bank North America	Fortis Bank UK	Asset Management
ASSETS				
Cash and amounts due from central banks and post office banks	31			
Financial assets at fair value through profit or loss	2	3	115	
Derivatives used for hedging purposes				
Available-for-sale financial assets	36			
Loans and receivables due from credit institutions	259	3,464	9	309
Loans and receivables due from customers	385	111	46	25
Remeasurement adjustment on interest-rate risk hedged portfolios				
Held-to-maturity financial assets				
Current and deferred tax assets	14	81		
Accrued income and other assets	35	7		2
Investments in associates				
Investment property				
Property, plant and equipment		2		
Intangible assets				
Goodwill				
TOTAL ASSETS	**762**	**3,668**	**170**	**336**
LIABILITIES				
Due to central banks and post office banks				
Financial liabilities at fair value through profit or loss	2	54	138	
Derivatives used for hedging purposes				
Due to credit institutions	267	162	1	68
Due to customers	168	900	286	261
Debt securities		3,000	(2)	
Remeasurement adjustment on interest-rate risk hedged portfolios				
Current and deferred tax liabilities	20			
Accrued expenses and other liabilities	63	164		8
Technical reserves of insurance companies				
Provisions for contingencies and charges				
Subordinated debt				
TOTAL LIABILITIES	**520**	**4,280**	**423**	**337**

In millions of euros	31 December 2010 Fortis Bank France	Fortis Bank Italy	Fortis Bank Switzerland
ASSETS			
Cash and amounts due from central banks and post office banks			
Financial assets at fair value through profit or loss			
Derivatives used for hedging purposes			
Available-for-sale financial assets			
Loans and receivables due from credit institutions		7	
Loans and receivables due from customers			
Remeasurement adjustment on interest-rate risk hedged portfolios			
Held-to-maturity financial assets			
Current and deferred tax assets			
Accrued income and other assets		84	
Investments in associates			
Investment property			
Property, plant and equipment			
Intangible assets			
Goodwill			
TOTAL ASSETS		**91**	
LIABILITIES			
Due to central banks and post office banks			
Financial liabilities at fair value through profit or loss			
Derivatives used for hedging purposes			
Due to credit institutions			
Due to customers			
Debt securities			
Remeasurement adjustment on interest-rate risk hedged portfolios			
Current and deferred tax liabilities		1	
Accrued expenses and other liabilities		78	2
Technical reserves of insurance companies			
Provisions for contingencies and charges			
Subordinated debt			
TOTAL LIABILITIES		**79**	**2**

	31 December 2010			
	Fortis Bank	Fortis Bank	Fortis Bank	Fortis Bank
In millions of euros	Greece	Hungary	Turkey	Spain
ASSETS				
Cash and amounts due from central banks and post office banks			327	
Financial assets at fair value through profit or loss			385	
Derivatives used for hedging purposes				
Available-for-sale financial assets			480	
Loans and receivables due from credit institutions	4	1	373	
Loans and receivables due from customers			3,923	
Remeasurement adjustment on interest-rate risk hedged portfolios				
Held-to-maturity financial assets			88	
Current and deferred tax assets			21	
Accrued income and other assets	8		70	
Investments in associates				
Investment property				
Property, plant and equipment			66	
Intangible assets			4	
Goodwill			154	
TOTAL ASSETS	**12**	**1**	**5,891**	
LIABILITIES				
Due to central banks and post office banks				
Financial liabilities at fair value through profit or loss			32	
Derivatives used for hedging purposes				
Due to credit institutions			384	
Due to customers			2,898	
Debt securities				
Remeasurement adjustment on interest-rate risk hedged portfolios				
Current and deferred tax liabilities	4		(3)	
Accrued expenses and other liabilities	25		237	
Technical reserves of insurance companies				
Provisions for contingencies and charges			47	
Subordinated debt				
TOTAL LIABILITIES	**29**		**3,595**	

In millions of euros	Fortis Bank Asia	Fortis Bank North America	Fortis Bank UK	Asset Management
				31 December 2009
ASSETS				
Cash and amounts due from central banks and post office banks	135		8	
Financial assets at fair value through profit or loss	1,385	1,969	611	174
Derivatives used for hedging purposes				
Available-for-sale financial assets	601	221	32	15
Loans and receivables due from credit institutions	948	2,040	527	1,312
Loans and receivables due from customers	5,953	11,218	6,130	171
Remeasurement adjustment on interest-rate risk hedged portfolios				
Held-to-maturity financial assets				
Current and deferred tax assets	21	184	122	79
Accrued income and other assets	605	242	157	228
Investments in associates		74		123
Investment property	4			
Property, plant and equipment	15	10	28	43
Intangible assets	1	11	1	53
Goodwill				1,211
TOTAL ASSETS	**9,668**	**15,971**	**7,616**	**3,409**
LIABILITIES				
Due to central banks and post office banks				
Financial liabilities at fair value through profit or loss	1,177	2,124	551	1
Derivatives used for hedging purposes				
Due to credit institutions	3,775	1,702	1,561	46
Due to customers	2,314	5,235	4,346	3,849
Debt securities		5,895	2,375	
Remeasurement adjustment on interest-rate risk hedged portfolios				
Current and deferred tax liabilities	18	(18)	16	14
Accrued expenses and other liabilities	315	188	177	269
Technical reserves of insurance companies				
Provisions for contingencies and charges	4	15	6	154
Subordinated debt				
TOTAL LIABILITIES	**7,603**	**15,141**	**9,033**	**4,333**

In millions of euros	Fortis Bank France	Fortis Bank Italy	Fortis Bank Switzerland
	31 December 2009		
ASSETS			
Cash and amounts due from central banks and post office banks	84	8	33
Financial assets at fair value through profit or loss	11	5	23
Derivatives used for hedging purposes			
Available-for-sale financial assets	516		2
Loans and receivables due from credit institutions	218	38	1,249
Loans and receivables due from customers	7,834	2,931	1,236
Remeasurement adjustment on interest-rate risk hedged portfolios			
Held-to-maturity financial assets			
Current and deferred tax assets	101	8	13
Accrued income and other assets	116	177	5
Investments in associates			
Investment property			
Property, plant and equipment	27	5	20
Intangible assets	4		
Goodwill			
TOTAL ASSETS	**8,911**	**3,171**	**2,581**
LIABILITIES			
Due to central banks and post office banks			
Financial liabilities at fair value through profit or loss	7	4	24
Derivatives used for hedging purposes			
Due to credit institutions	173	1	374
Due to customers	3,238	298	1,156
Debt securities	208		
Remeasurement adjustment on interest-rate risk hedged portfolios			
Current and deferred tax liabilities	28	5	4
Accrued expenses and other liabilities	244	230	12
Technical reserves of insurance companies			
Provisions for contingencies and charges	69	5	12
Subordinated debt	4		
TOTAL LIABILITIES	**3,971**	**544**	**1,581**

In accordance with IFRS 5, Fortis Bank measured at 31 December 2009 the entities that it holds for sale at the lower of its carrying amount and fair value less costs to sell. This resulted in the recognition of an impairment loss of EUR 340 million at 31 December 2009, the completion of the transactions during 2010 resulted in this EUR 340 million impairment loss being reversed at 31 December 2010.

Transactions with non-related parties

The table below shows the composition of assets classified as held for sale and liabilities classified as held for sale for entities that will be sold to non-related parties.

In millions of euros	31 December 2010 Non-core Asset Management companies	31 December 2010 Other entities	31 December 2009 Non-core Asset Management companies	31 December 2009 Other entities
ASSETS				
Cash and amounts due from central banks and post office banks				
Financial assets at fair value through profit or loss				
Derivatives used for hedging purposes				
Available-for-sale financial assets				
Loans and receivables due from credit institutions			100	17
Loans and receivables due from customers				14
Remeasurement adjustment on interest-rate risk hedged portfolios				
Held-to-maturity financial assets				
Current and deferred tax assets			82	
Accrued income and other assets			48	11
Investments in associates		14		
Investment property				
Property, plant and equipment		30	4	2
Intangible assets				2
Goodwill			202	
TOTAL ASSETS		**44**	**436**	**46**
LIABILITIES				
Due to central banks and post office banks				
Financial liabilities at fair value through profit or loss				
Derivatives used for hedging purposes				
Due to credit institutions				
Due to customers				
Debt securities				
Remeasurement adjustment on interest-rate risk hedged portfolios				
Current and deferred tax liabilities			7	1
Accrued expenses and other liabilities			59	12
Technical reserves of insurance companies				
Provisions for contingencies and charges				8
Subordinated debt				
TOTAL LIABILITIES			**66**	**21**

Net result of discontinued operations

The result related to assets and liabilities classified as held for sale is reported in the income statement under net result from discontinued operations. Results on disposals that have occurred during the period are also reported in this caption. The total net result of discontinued operations is detailed in the tables below.

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Interest income	1,059	2,625
Interest expense	(478)	(1,058)
Commission income	474	1,806
Commission expense	(253)	(874)
Net gain/loss on financial instruments at fair value through profit or loss	(25)	(168)
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value	5	14
Income from other activities	60	145
Expense on other activities	(42)	(38)
REVENUES	**800**	**2,452**
Operating expense	(596)	(1,592)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(48)	(299)
GROSS OPERATING INCOME	**156**	**561**
Cost of risk	(113)	(1,770)
OPERATING INCOME	**43**	**(1,209)**
Share of earnings of associates	(3)	(71)
Net gain/loss on non-current assets	(6)	(6)
Goodwill	(102)	(216)
PRE-TAX INCOME	**(68)**	**(1,502)**
Corporate income tax	35	210
NET INCOME BEFORE DISCONTINUED OPERATIONS	**(33)**	**(1,292)**
Results on the sale of the discontinued operations	1,003	
NET INCOME	**970**	**(1,292)**

The total net result of discontinued operations for the year ended 31 December 2009 are drawn up in alignment with the presentation used for the Consolidated Financial Statements of the parent company BNP Paribas, which differs significantly from the presentation used for the Consolidated Financial Statements of Fortis Bank for the year ended 31 December 2009, further details on the change of presentation can be found in note 8.k comments on change of presentation.

Transactions with BNP Paribas

The total net result of discontinued operations of the entities that are part of the integration transactions with BNP Paribas is detailed in the tables below.

	Year to 31 Dec. 2010			
In millions of euros	Fortis Bank Asia	Fortis Bank North America	Fortis Bank UK	Asset Management
Interest income	99	35	47	3
Interest expense	(42)	(14)	(14)	(2)
Commission income	21	16	10	280
Commission expense	(6)	(2)	10	(192)
Net gain/loss on financial instruments at fair value through profit or loss	(8)	25	3	9
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value	(10)	(10)		(1)
Income from other activities	6			
Expense on other activities		(6)		
REVENUES	**60**	**44**	**56**	**97**
Operating expense	(57)	(47)	(26)	(66)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(5)	(7)	(1)	(7)
GROSS OPERATING INCOME	**(2)**	**(10)**	**29**	**24**
Cost of risk	24	35	(78)	4
OPERATING INCOME	**22**	**25**	**(49)**	**28**
Share of earnings of associates				5
Net gain/loss on non-current assets	(2)			
Goodwill				
PRE-TAX INCOME	**20**	**25**	**(49)**	**33**
Corporate income tax	(7)	65	10	(12)
NET INCOME BEFORE DISCONTINUED OPERATIONS	**13**	**90**	**(39)**	**21**
Results on the sale of the discontinued operations	509	23	122	195
NET INCOME	**522**	**113**	**83**	**216**

In millions of euros	Year to 31 Dec. 2010 Fortis Bank France	Fortis Bank Italy	Fortis Bank Switzerland	Fortis Lease
Interest income	16	7	9	252
Interest expense		(2)	(4)	(173)
Commission income	6	2	13	1
Commission expense	(23)	(1)	(2)	(1)
Net gain/loss on financial instruments at fair value through profit or loss	2		3	7
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value				5
Income from other activities		1		32
Expense on other activities	(3)			(15)
REVENUES	**(2)**	**7**	**19**	**108**
Operating expense	(1)	(5)	(14)	(51)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets			(2)	(1)
GROSS OPERATING INCOME	**(3)**	**2**	**3**	**56**
Cost of risk	(9)	(10)	(4)	(77)
OPERATING INCOME	**(12)**	**(8)**	**(1)**	**(21)**
Share of earnings of associates				(8)
Net gain/loss on non-current assets				(3)
Goodwill				
PRE-TAX INCOME	**(12)**	**(8)**	**(1)**	**(32)**
Corporate income tax	5	(8)		
NET INCOME BEFORE DISCONTINUED OPERATIONS	**(7)**	**(16)**	**(1)**	**(32)**
Results on the sale of the discontinued operations	13	3	65	97
NET INCOME	**6**	**(13)**	**64**	**65**

In millions of euros	Year to 31 Dec. 2010 Fortis Bank Greece	Fortis Bank Hungary	Fortis Bank Turkey	Fortis Bank Spain
Interest income	13	3	572	2
Interest expense	(1)	(1)	(223)	
Commission income	1		95	4
Commission expense	(1)		(26)	
Net gain/loss on financial instruments at fair value through profit or loss			(66)	
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value			21	
Income from other activities			14	
Expense on other activities			(13)	
REVENUES	**12**	**2**	**374**	**6**
Operating expense	(3)	(2)	(303)	(11)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets			(25)	
GROSS OPERATING INCOME	**9**		**46**	**(5)**
Cost of risk	23	1	16	1
OPERATING INCOME	**32**	**1**	**62**	**(4)**
Share of earnings of associates				
Net gain/loss on non-current assets				(1)
Goodwill			(102)	
PRE-TAX INCOME	**32**	**1**	**(40)**	**(5)**
Corporate income tax	(9)		(19)	
NET INCOME BEFORE DISCONTINUED OPERATIONS	**23**	**1**	**(59)**	**(5)**
Results on the sale of the discontinued operations	(22)	(1)		(1)
NET INCOME	**1**		**(59)**	**(6)**

In millions of euros	Fortis Bank Asia	Fortis Bank North America	Fortis Bank UK	Asset Management
				Year to 31 Dec. 2009
Interest income	199	364	196	27
Interest expense	(60)	(124)	(8)	(28)
Commission income	32	61	54	1,102
Commission expense	(9)	(18)	(10)	(629)
Net gain/loss on financial instruments at fair value through profit or loss	(40)	(229)	145	(3)
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value	(12)	(12)	29	1
Income from other activities	7	3	1	52
Expense on other activities		5		(2)
REVENUES	**117**	**50**	**407**	**520**
Operating expense	(99)	(148)	(113)	(449)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(6)	(13)	(7)	(180)
GROSS OPERATING INCOME	**12**	**(111)**	**287**	**(109)**
Cost of risk	(32)	(477)	(149)	(11)
OPERATING INCOME	**(20)**	**(588)**	**138**	**(120)**
Share of earnings of associates		(43)		(27)
Net gain/loss on non-current assets	2	(1)		7
Goodwill				(84)
PRE-TAX INCOME	**(18)**	**(632)**	**138**	**(224)**
Corporate income tax	(4)	47	79	
NET INCOME BEFORE DISCONTINUED OPERATIONS	**(22)**	**(585)**	**217**	**(224)**
Results on the sale of the discontinued operations				
NET INCOME	**(22)**	**(585)**	**217**	**(224)**

In millions of euros	Fortis Bank France	Fortis Bank Italy	Fortis Bank Switzerland	Fortis Lease
				Year to 31 Dec. 2009
Interest income	318	90	46	625
Interest expense	(68)	(2)	(23)	(437)
Commission income	115	23	55	4
Commission expense	(13)	(9)	(7)	(8)
Net gain/loss on financial instruments at fair value through profit or loss	1		7	18
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value	(1)		1	6
Income from other activities	2	5	3	65
Expense on other activities	1	1	(2)	(39)
REVENUES	**355**	**108**	**80**	**234**
Operating expense	(228)	(39)	(65)	(107)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(11)	(1)	(3)	(44)
GROSS OPERATING INCOME	**116**	**68**	**12**	**83**
Cost of risk	(266)	(126)	(40)	(511)
OPERATING INCOME	**(150)**	**(58)**	**(28)**	**(428)**
Share of earnings of associates				1
Net gain/loss on non-current assets	1			
Goodwill				(15)
PRE-TAX INCOME	**(149)**	**(58)**	**(28)**	**(442)**
Corporate income tax	44	4	7	46
NET INCOME BEFORE DISCONTINUED OPERATIONS	**(105)**	**(54)**	**(21)**	**(396)**
Results on the sale of the discontinued operations				
NET INCOME	**(105)**	**(54)**	**(21)**	**(396)**

	Year to 31 Dec. 2009			
In millions of euros	Fortis Bank Greece	Fortis Bank Hungary	Fortis Bank Turkey	Fortis Bank Spain
Interest income	20	4	677	17
Interest expense		1	(280)	(1)
Commission income	1		90	4
Commission expense			(22)	(1)
Net gain/loss on financial instruments at fair value through profit or loss		1	(70)	
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value			(1)	
Income from other activities			2	
Expense on other activities				
REVENUES	**21**	**6**	**396**	**19**
Operating expense	(3)	(2)	(250)	(7)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets			(30)	
GROSS OPERATING INCOME	**18**	**4**	**116**	**12**
Cost of risk	(20)	(2)	(108)	(1)
OPERATING INCOME	**(2)**	**2**	**8**	**11**
Share of earnings of associates				
Net gain/loss on non-current assets			2	
Goodwill				
PRE-TAX INCOME	**(2)**	**2**	**10**	**11**
Corporate income tax	3		(12)	1
NET INCOME BEFORE DISCONTINUED OPERATIONS	**1**	**2**	**(2)**	**12**
Results on the sale of the discontinued operations				
NET INCOME	**1**	**2**	**(2)**	**12**

	Year to 31 Dec. 2010	31 December 2009
In millions of euros	Other entities	Other entities
Interest income	1	2
Interest expense	(1)	(1)
Commission income	1	2
Commission expense		(1)
Net gain/loss on financial instruments at fair value through profit or loss		
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value		
Income from other activities		
Expense on other activities		
REVENUES	**1**	**2**
Operating expense		
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		
GROSS OPERATING INCOME	**1**	**2**
Cost of risk		
OPERATING INCOME	**1**	**2**
Share of earnings of associates		
Net gain/loss on non-current assets		
Goodwill		
PRE-TAX INCOME	**1**	**2**
Corporate income tax		1
NET INCOME BEFORE DISCONTINUED OPERATIONS	**1**	**3**
Results on the sale of the discontinued operations	10	
NET INCOME	**11**	**3**

Transactions with non-related parties

The total net result of discontinued operations of the entities sold to non-related parties is detailed in the tables below.

	Year to 31 Dec. 2010		Year to 31 Dec. 2009		
In millions of euros	Non-core Asset Management companies	Other entities	Non-core Asset Management companies	Other entities	Sold during 2009
Interest income			1	26	13
Interest expense		(1)		(19)	(8)
Commission income	24		144		119
Commission expense	(9)		(46)		(101)
Net gain/loss on financial instruments at fair value through profit or loss				(2)	4
Net gain/loss on available-for-sale financial assets and other-financial assets not measured at fair value				3	
Income from other activities		7		5	
Expense on other activities		(5)		(1)	(1)
REVENUES	**15**	**1**	**99**	**12**	**26**
Operating expense	(9)	(1)	(51)	(13)	(18)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets			(3)		(1)
GROSS OPERATING INCOME	**6**		**45**	**(1)**	**7**
Cost of risk		(39)		(22)	(5)
OPERATING INCOME	**6**	**(39)**	**45**	**(23)**	**2**
Share of earnings of associates				1	(3)
Net gain/loss on non-current assets				(17)	
Goodwill			(96)	(21)	
PRE-TAX INCOME	**6**	**(39)**	**(51)**	**(60)**	**(1)**
Corporate income tax	(2)	12	(13)	7	
NET INCOME BEFORE DISCONTINUED OPERATIONS	**4**	**(27)**	**(64)**	**(53)**	**(1)**
Results on the sale of the discontinued operations	(9)	(1)			
NET INCOME	**(5)**	**(28)**	**(64)**	**(53)**	**(1)**

8.d Remuneration and benefits awarded to the Group's corporate officers

REMUNERATION AND BENEFITS AWARDED TO THE MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE OF FORTIS BANK

8.d.1 Remuneration policy

The remuneration policy for the Board of Directors and Executive Committee has not been adapted significantly during 2010.

Category 1: The Chief Executive Officer

The Chief Executive Officer (CEO) and Chairman of the Executive Board of Directors is self-employed and receives the following reward components: fixed monthly remuneration, variable annual remuneration based on the achievement of clear performance criteria, the possibility to get long-term incentive pay (free shares or stock options) and the benefit in kind of the use of a mobile phone. The variable part of his remuneration is proposed by the Chairman of the Board of Directors to the Governance, Nomination and Remuneration Committee (GNRC) for review and approved by the Board of Directors. The variable part of the remuneration is subject to the deferral principles as detailed under the general principles mentioned hereunder.

With regard to company insurances (pension plan and welfare benefits), the CEO does not benefit from additional plans to those already existing at the level of BNP Paribas S.A. in France, and linked to his function of Chief Operating Officer (COO) of BNP Paribas Group.

Category 2: The non-Executive Members of the Board of Directors

The non-Executive Members of the Board of Directors only receive Board remuneration based on the below principles, as approved by the General Shareholders' Meeting of 5 May 2009. Furthermore, the General Shareholders' Meeting of 2010 has decided to keep these same principles, but also to keep them at a maximum of EUR 1.5 million total per annum.

Annual fixed salary Chairman Board of Directors	EUR	50,000 (gross)
Annual fixed salary Board Members	EUR	25,000 (gross)
Attendance fee Chairman Board Committees	EUR	4,000 (gross)
Attendance fee Members Board of Directors / Board Committees	EUR	2,000 (gross)

The non-Executive Members of the Board of Directors do not receive any variable pay, pension plan or insurances, nor any other benefit.

The detailed remuneration paid to the non-Executive Members of the Board of Directors is provided further in this note.

Category 3: The Executive Members of the Board of Directors (composing with the CEO the Executive Board)

The Executive Members of the Board of Directors are self-employed and receive a Board remuneration based on the same principles as non-Executive Members. In addition to that, they are rewarded for their functions in the Executive Management through the following components: fixed monthly remuneration, variable annual remuneration based on the achievement of clear performance criteria, linked to collective and individual performance criteria as mentioned below, a company insurance plan (pension plan, hospital plan, life insurance and disability benefits), benefits in kind (the use of a company car, of a mobile phone and internet) and the possibility to get long-term incentive share-based payments (free shares or stock options).

The variable part of the remuneration is subject to the deferral principles as detailed under the general principles mentioned hereunder.

Category 4: The Executive Committee Members

The Executive Committee Members have an employment contract and their reward package consists of the following elements: fixed monthly remuneration, variable annual remuneration based on the achievement of clear performance criteria and linked to collective and individual performance criteria as mentioned below, a company insurance plan (pension plan, hospital plan, life insurance and disability benefits), benefits in kind (the use of a company car, of a mobile phone and internet) and the possibility to get long-term incentive share-based payments (free shares or stock options).

The variable part of the remuneration is subject to the deferral principles as detailed under the general principles mentioned hereunder.

General principles

The remuneration structure and levels of the remuneration policy are determined by the Board of Directors upon recommendation by the Governance, Nomination and Remuneration Committee (GNRC) by reference to the appropriate executive management compensation common practices and market benchmarking, and with the support of specialised consultancy firms.

The variable part of the remuneration reported here, refers to performance year 2010 and has been approved by the GNRC and by the Board of Directors on 10 February 2011.

In view of the applicable remuneration policies and practices, the variable part of the remuneration will follow the following principles, whereby the deferred part is conditional to future performance of the company and to sound risk management:

After application of the applicable deferral rules, it is split up as follows:

- The upfront part:
  - 50% paid effectively in April 2011
  - 50% paid within the year after the bonus has been accrued

- The deferred part:
  - Parts paid in 2012, 2013 and 2014
  - Indexed part (min. 50%):
    - Part of the Global Share-based Incentive Plan (GSIP): vesting in 2015
    - Indexed part after deduction of GSIP part: payment in 2012, 2013 and 2014

Overview employment conditions of Executive Management

The employment conditions of members of the Executive Committee are as follows:

Executive Board Members and Executive Committee Members	Employment contract	
	Yes	No
Mr. Jean-Laurent Bonnafé		x
Mr. Filip Dierckx		x
Mr. Camille Fohl		x
Mr. Thomas Mennicken		x
Mr. Eric Raynaud		x
Mr. Luc Haegemans (as from 1/7/2010)	x	
Mr. Maxime Jadot	x	
Mr. Lars Machenil	x	
Mrs. Lieve Mostrey (until 30/9/2010)	x	
Mr. Michel Deboeck (until 30/3/2010)	x	
Mr. Bert Van Rompaey (as from 1/7/2010)	x	
Mr. Frédéric Van Gheluwe	x	
Mr. Jacques Godet (as from 1/10/2010)	x	
Mr. Peter Vandekerckhove	x	

Performance criteria used to determine variable remuneration

There are three performance criteria used to determine the variable part of the remuneration of the executive directors of the Board and members of the Executive Committee:

- Individual performance;
- Business performance; and
- Company performance.

A. Individual performance

The Individual performance is defined as being the achievement of personal objectives and managerial performance as assessed by the Board of Directors in terms of foresight, decision-making and leadership skills:

- foresight: define a vision, prepare for the future, foster a spirit of innovation, carry out succession planning for and open up the international horizons of senior executives;

- decision-making: determine, with the relevant managers, and take the requisite measures for the Group's development, its internal efficiency and the adequacy of its risk management, internal control and capital management policy;

- leadership: recognize behaviour consistent with the Group's values (commitment, ambition, creativity, responsiveness). Promote initiative-taking and internal cooperation. Install a culture of change and performance.

B. Business performance Based on Key Performance Indicators (KPI's)

The Business performance is based on Key Performance Indicators (KPI's). Every year, each business make a strategic plan, from which are derived indicators enabling the Business management team to measure and evaluate the business performance. The performance criteria measured for each business are: financial results, cost management, risk management/Mifid, long term developments and Corporate Social Responsibility (people management, CSR policy, sustainability, etc.). On a yearly basis, the Executive Board/Executive Committee gives a score for the performance of each Business.

C. Company performance

The Executive Board/Executive Committee determines a score for the performance of Fortis Bank based on the following criteria:

- Financial results of Fortis Bank;
- Realisation of the integration and of the industrial plan;
- Risk Management, Compliance and Permanent Control; and
- Repositioning of the company with a long term perspective (improvement of customer satisfaction, improvement of employee engagement, Corporate Social Responsibility, etc.).

The evaluation period during which performance is measured at these three levels is January to December of each year. The methods used to evaluate the performance against targets are both qualitative (client satisfaction, sound risk governance, global employees' survey results, people management, etc.) and quantitative (net operating profit, gross income, increase in market shares, etc.).

Remuneration components weights

For the year ended 31 December 2010, the relative weights of the different components of the total remuneration for the Executive Board Members and the Executive Committee Members were as follows:

Executive Board Members:

Fixed remuneration:	39.0%
Variable remuneration:	42.0%
Board remuneration:	6.0%
Pension plan:	1.0%
Share-based payment:	10.0%
Benefit in kind:	2.0%
Total:	**100.0%**

Executive Committee Members:

Fixed remuneration:	55.0%
Variable remuneration:	29.0%
Pension plan:	4.0%
Share-based payment:	11.5%
Benefit in kind:	0.5%
Total:	**100.0%**

Forward-looking perspectives

Some adaptations may be introduced in the next two financial years concerning the remuneration policy. However, the Governance, Nomination and Remuneration Committee (GNRC) and the Board of Directors will carefully assess yearly whether any changes are deemed necessary. In which case, they will be reported specifically and will follow the appropriate communication and approval processes, as foreseen by internal governance rules and relevant regulations.

8.d.2 Remuneration of the year

BASE REMUNERATION

Remuneration of the Board of Directors

The table below shows the gross board remuneration paid in 2010 to each member of the Board of Directors.

NAME	FIRST NAME	FIXED FEES	ATTENDANCE FEES	TOTAL 2010
DAEMS	Herman	50,000	122,000	172,000
CHODRON de COURCEL	Georges	25,000	22,000	47,000
BONNAFÉ	Jean-Laurent	25,000	30,000	55,000
BOOGMANS	Dirk	25,000	90,000	115,000
COUMANS	Wim	25,000	52,000	77,000
DIERCKX	Filip	25,000	32,000	57,000
DUTORDOIR (2/12/2010-31/12/2010)	Sophie	2,083	2,000	4,083
FOHL	Camille	25,000	26,000	51,000
LAMARCHE (1/1/2010- 30/6/2010)	Gérard	12,500	22,000	34,500
LAVENIR	Frédéric	25,000	30,000	55,000
MENNICKEN	Thomas	25,000	32,000	57,000
PAPIASSE	Alain	25,000	10,000	35,000
PRUVOT	Jean-Paul	25,000	26,000	51,000
RAYNAUD	Eric	25,000	32,000	57,000
STEPHENNE	Jean	25,000	74,000	99,000
VANSTEENKISTE (1/1/2010- 30/6/2010)	Luc	12,500	88,000	100,500
VARENE	Thierry	25,000	30,000	55,000
WIBAUT	Serge	25,000	50,000	75,000
TOTAL		**427,083**	**770,000**	**1,197,083**

Remuneration of the CEO

The table below shows the gross remuneration paid or payable to the CEO and Chairman of the Executive Board for the year 2010, including benefits in kind and Director's fees. No variable remuneration has been paid out by Fortis Bank, over 2009.

Remuneration paid in 2010	Remuneration			GSIP 2011	Director's	Benefits	Pension	Total
In euros	Fixed	Cash part of variable over 2010	Deferred variable over 2010		fees	In kind		Remuneration
Mr. Jean-Laurent Bonnafé Chairman of the Executive Board Chief Executive Officer	200,000	80,000	120,000	-	55,000	180	-	**455,180**

Remuneration of the Executive Board and of the Executive Committee

The table below shows, on an aggregate basis, the gross remuneration payable or paid to the Executive members of the Board of Directors and to the members of the Executive Committee, with the exception of the CEO, for the year ended 31 December 2010 (including benefits in kind and director's fees).

Remuneration paid in 2010 [1] In euros	Remuneration			GSIP 2011 At fair value	Director's fees	Benefit in kind [2]	Pension Life insurance and Orphan's pensions [3]	Total remuneration
	Fix pay	Variable over 2010 (excl. deferred)	Deferred variable over 2010					
Members of Executive Board and of the Executive Committee	4,740,232	3,134,386	1,354,872	1,513,613	222,000	217,585	501,536	**11,684,224**

[1] Only remuneration paid within Executive Board and Executive Committee membership periods is reported.
[2] The members of the Executive Board except Mr. J.L. Bonnafé) each have a company car and a mobile telephone.
[3] For defined contribution plans: sum of employer contributions and for defined benefit plans: sum of service costs.

Stock subscription option plans

As from 2010, all employees and managers of Fortis Bank were offered the possibility to participate in the existing share purchase plan at Group level, which consists of buying BNP shares at a reduced rate. The same conditions applied to all categories of staff, except self-employed staff.

Share based payment

The tables below show, on an individual basis, the number and main characteristics of the shares, stock options and other rights granted in 2010 and in 2011 to the Executive members of the Board of Directors and to the members of the Executive Committee, as well as those exercised or lapsed during 2010.

Stock subscription options granted to and/or exercised by the Members of the Executive Board and Executive Committee	Number of options/free shares granted exercised	Exercise price [1] EUR	Grant date	Plan expiry date
OPTIONS GRANTED IN 2010				
Mr. Filip Dierckx	13,300	51.2	05/03/2010	05/03/2018
Mr. Camille Fohl	6,700	51.2	05/03/2010	05/03/2018
Mr. Thomas Mennicken	3,600	51.2	05/03/2010	05/03/2018
Mr. Eric Raynaud	13,300	51.2	05/03/2010	05/03/2018
Members of the Executive Committee	43,500	51.2	05/03/2010	05/03/2018
FREE SHARES GRANTED IN 2010				
Mr. Filip Dierckx	1,665	n/a	05/03/2010	05/03/2014
Mr. Camille Fohl	840	n/a	05/03/2010	05/03/2013
Mr. Thomas Mennicken	450	n/a	05/03/2010	05/03/2014
Mr. Eric Raynaud	1,665	n/a	05/03/2010	05/03/2013
Members of the Executive Committee	5,430	n/a	05/03/2010	05/03/2018

Stock subscription options granted to and/or exercised by the Members of the Executive Board and Executive Committee	Number of options/free shares granted exercised	Exercise price [1] EUR	Grant date	Plan expiry date
OPTIONS GRANTED IN 2011				
Mr. Filip Dierckx	9,980	56.45	04/03/2011	05/03/2019
Mr. Camille Fohl	4,960	56.45	04/03/2011	05/03/2019
Mr. Thomas Mennicken	2,700	56.45	04/03/2011	05/03/2019
Mr. Eric Raynaud	12,460	56.45	04/03/2011	05/03/2019
Members of the Executive Committee	35,980	56.45	04/03/2011	05/03/2019
FREE SHARES GRANTED IN 2011				
Mr. Filip Dierckx	2,505	n/a	04/03/2011	05/03/2015
Mr. Camille Fohl	1,260	n/a	04/03/2011	05/03/2015
Mr. Thomas Mennicken	675	n/a	04/03/2011	05/03/2015
Mr. Eric Raynaud	3,135	n/a	04/03/2011	05/03/2015
Members of the Executive Committee	9,000	n/a	04/03/2011	05/03/2015

[1] Exercise price

A fraction of each Beneficiary's total award of Options is subject to a performance condition which will compare the relative performance of the BNP Paribas Share to that of the Dow Jones Euro Stoxx Bank index (code SX7E), hereinafter "the Index".

A) Fraction of the award not subject to the performance condition
The exercise price that is fixed for the duration of the plan is equal to EUR 51.20 per Share for 2010 and EUR 56.45 per share for 2011.

B) Fraction of the award subject to the performance condition
At each Assessment, the exercise price for the corresponding Options is dependent upon the result of the performance condition.

and is fixed for 2010 at:

- *EUR 51.20 if the BNP Paribas Share outperforms the Index;*
- *EUR 53.80 if the BNP Paribas Share under-performs the Index by less than 5 points;*
- *EUR 56.40 if the BNP Paribas Share under-performs the Index by 5 to less than 10 points;*
- *EUR 61.50 if the BNP Paribas Share under-performs the Index by 10 to less than 20 points.*

and is fixed for 2011 at:

- *EUR 56.45 if the BNP Paribas Share outperforms the Index;*
- *EUR 59.28 if the BNP Paribas Share under-performs the Index by less than 5 points;*
- *EUR 62.10 if the BNP Paribas Share under-performs the Index by 5 to less than 10 points;*
- *EUR 67.74 if the BNP Paribas Share under-performs the Index by 10 to less than 20 points.*

At each Assessment, should the BNP Paribas Share under-perform the Index by 20 points or more, the corresponding Options subject to the performance condition become null and void and can no longer be exercised.

In 2009, no options were granted nor exercised by any members of the executive Board and executive Committee. In 2010, no options were exercised by any of them.

Information on severance pay

The contracts of all Executive members of the Board of Directors are fully compliant with the provisions on severance pay out of the Belgian Corporate Governance Code 2009.

In 2010 no termination benefits have been paid to any member of the Board of Directors or of the Executive Committee of Fortis Bank. Michel Deboeck stepped down from the Executive Committee on 30 March 2010 in his capacity of Chief HR Officer, and became a consultant to the parent company of the Bank. Lieve Mostrey stepped down from the Executive Committee on 30 September 2010 in her quality of Chief Information Officer, and moved to another financial institution.

8.e Related parties

Parties related to Fortis Bank

Parties related to Fortis Bank as at 31 December 2010 include:

- parties that control or have an interest that gives them significant influence over Fortis Bank
- parties that are controlled by Fortis Bank
- associates and joint ventures
- other related entities such as non-consolidated subsidiaries and pension funds
- members of the Board of Directors and of the Executive Committee of Fortis Bank
- close family members of any person referred to above and
- entities controlled or significantly influenced by any person referred to above.

Consequently, parties related to Fortis Bank as at 31 December 2010 include the following parties:

- consolidated companies including entities consolidated under the proportionate consolidation method or the equity method
- BNP Paribas (and all its subsidiaries), as having control of Fortis Bank
- SFPI/FPIM (Société Fédérale de Participations et d'Investissement / Federale Participatie- en Investeringsmaatschappij), as having a significant influence on Fortis Bank
- the Belgian State, as indirectly having a significant influence on Fortis Bank
- other Belgian State-controlled enterprises under common control (excluding local, regional and supra-national organisations, and local authorities and municipalities).

Transactions between Fortis Bank and its fully-consolidated subsidiaries, which are related parties to Fortis Bank, have been eliminated upon consolidation and are not disclosed in this note.

Relations with the Belgian State, the National Bank of Belgium (NBB), the SFPI/FPIM and other Belgian State-controlled entities

Fortis Bank has decided to early adopt the revised IAS 24, Related party disclosures (see section 1.a Applicable accounting standards). This revised Standard provides an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ('state-controlled entities').

There has been no significant change in transactions between Fortis Bank and the Belgian State, the SFPI/FPIM, the National Bank of Belgium and other Belgian State-controlled entities in comparison with those described in Note 12 of the Annual Report 2009, except for the following:

- the advances against collateral open with the NBB/BNB as per 31 December 2009 for EUR 10 billion has been reimbursed in 2010;
- in its investment portfolio, Fortis Bank has acquired additional Belgian government bonds for an amount of EUR 5.1 billion, totalling as per 31 December 2010 EUR 13.2 billion (2009: EUR 8.1 billion).

Transactions with other related parties

Fortis Bank enters into transactions with various related parties in the course of its business operations. Such transactions concern all kinds of transactions that are entered into under the same commercial and market terms and conditions that apply to non-related parties.

A list of companies consolidated by Fortis Bank is provided in Note 8.a "Scope of consolidation". As transactions and period-end balances between fully-consolidated entities are eliminated in full during the consolidation process, the tables below only show figures relating to transactions and balances with (i) companies over which Fortis Bank exercises joint control (accounted for by the proportionate consolidation method), showing only the proportion not eliminated on consolidation, and (ii) companies over which Fortis Bank exercises significant influence (accounted for by the equity method).

The transactions with other related parties impacting the income statement as at 31 December 2010 are as follows:

In million of euros	Year to 31 Dec. 2010			Year to 31 Dec. 2009	
	Entities from the BNP Paribas Group	Consolidated entities under the proportionate method	Consolidated entities under the equity method	Entities from the BNP Paribas Group	Other related parties
Interest income	218	3	286	4,241	95
Interest expense	(242)	(5)	(7)	(4,291)	(54)
Commission income	95	1	244	4	122
Commission expense	(154)		(8)		(70)
Net gain/loss on financial instruments held for trading	53	(1)		(560)	(31)
Services provided / received	15	3	6	(1)	(7)
Other income	6			1	6
TOTAL	(10)	1	520	(606)	61

The impact of the related parties transactions on the balance sheet of Fortis Bank as at 31 December 2010 is as follows:

In million of euros	31 December 2010			31 December 2009	
	Entities from the BNP Paribas Group	Consolidated entities under the proportionate method	Consolidated entities under the equity method	Entities from the BNP Paribas Group	Other related parties
ASSETS					
Financial assets at fair value through profit or loss	11,794	153	10	9,686	6
Available-for-sale financial assets	6		850		
Loans, advances and securities	11,952	69	9,291	2,939	1,211
Loans to credit institutions/Loans to customers	*11,794*	*69*	*9,235*	*2,913*	*1,140*
Securities	*158*		*56*	*26*	*71*
Other assets	457		28	897	112
TOTAL	24,209	222	10,179	13,522	1,329
LIABILITIES					
Financial liabilities at fair value through profit or loss	12,354		20	9,700	75
Due to credit institutions	12,483	80	1,340	11,734	87
Due to customers	821	5	1,149	95	1,738
Debt securities	1,319	188		1,499	249
Other liabilities	1,002			812	17
TOTAL	27,979	273	2,510	23,840	2,166
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS					
Financing commitments given	12,929	4	2,807	170	75
Guarantee commitments given	547		271	43	334
TOTAL	13,476	4	3,078	213	409

Relation with key management personnel

At 31 December 2010, total outstanding loans granted directly or indirectly to the members of the Board of Directors and to the members of the Executive Committee amounted to EUR 3.5 million (EUR 3.7 million at 31 December 2009). It represents the total amount of loans granted to Fortis Bank Members of the Board of Directors and of the executive Committee and close family members. These loans representing normal transactions were carried out on an arm's length basis.

8.f Balance sheet by maturity

The table below gives a breakdown of the balance sheet by contractual maturity. The maturities of financial assets and liabilities measured at fair value through profit or loss within the trading portfolio are regarded as "undetermined" insofar as these instruments are intended to be sold or redeemed before their contractual maturity dates. The maturities of variable-income financial assets classified as available for sale, derivative hedging instruments, re-measurement adjustments on interest-rate risk hedged portfolios and undated subordinated debt are also deemed to be "undetermined".

31 December 2010 In millions of euros	Not determined	overnight or demand	up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and amounts due from central banks and post office banks		2,989						2,989
Financial assets at fair value through profit or loss	78,239							78,239
Derivatives used for hedging purposes	503							503
Available-for-sale financial assets	611		1,157	2,034	5,453	22,366	21,517	53,138
Loans and receivables due from credit institutions		1,698	4,950	3,602	3,469	4,460	10,179	28,358
Loans and receivables due from customers		15,067	10,455	13,318	17,950	29,427	65,890	152,107
Remeasurement adjustment on interest-rate risk hedged portfolios	537							537
Held-to-maturity financial assets			30	43	242	2,068	690	3,073
FINANCIAL ASSETS BY MATURITY	**79,890**	**19,754**	**16,592**	**18,997**	**27,114**	**58,321**	**98,276**	**318,944**
Due to central banks and post office banks		25						25
Financial liabilities at fair value through profit or loss	89,308							89,308
Derivatives used for hedging purposes	1,321							1,321
Due to credit institutions		13,961	10,080	2,809	2,418	3,207	(341)	32,134
Due to customers		115,145	9,954	7,575	4,574	5,571	10,002	152,821
Debt securities			8,023	7,789	4,583	4,607	2,323	27,325
Subordinated debt	2,137		20	93	178	3,019	5,179	10,626
Remeasurement adjustment on interest-rate risk hedged portfolios	359							359
FINANCIAL LIABILITIES BY MATURITY	**87,158**	**129,131**	**28,110**	**18,436**	**12,371**	**20,654**	**18,059**	**313,919**

As at 31 December 2010, the majority of the financing and guarantee commitments given, which amounted to EUR 68,592 million and EUR 14,127 million, respectively, can be drawn at sight.

8.g Structured Credit Instruments

Fortis Bank holds structured credit instruments (SCIs) as part of its investment portfolio. SCIs are securities created by repackaging cash flows from financial products. They encompass asset-backed securities (ABS), mortgage-backed securities (MBS) and collateralised loan obligations (CLOs). The exposure to structured credit instruments is categorised in the Consolidated Financial Statements as available-for-sale investments, investments reclassified as loans and receivables and financial assets at fair value through profit or loss.

Net exposure to global structured credit instruments as at 31 December can be detailed as follows:

In million of euros	31 December 2010	31 December 2009
SCI under Available-for-sale financial assets	152	310
SCI under Financial assets at fair value trough profit or loss	394	777
SCI under Loans and receivables	20,785	23,331
TOTAL	**21,331**	**24,418**

On 12 May 2009, a substantial part of the retained SCI portfolio was transferred to investments reclassified as loans and receivables, applying the amendments to IAS 39, Financial Instruments: Recognition and Measurement, and IFRS 7, Financial Instruments: Disclosures (see note 5.e 'Reclassification of financial instruments as loans and receivables').

This reclassification concerned financial assets that were previously recognised as available for sale investments, assets held for trading and other assets.

Part of this portfolio carries a guarantee by the Belgian State on the second level of loss. Beyond a first tranche of final loss, (EUR 3.5 billion), the Belgian State guarantees on demand a second loss tranche up to EUR 1.5 billion.

In September 2010, Dutch mortgage-backed notes (Dolphin 2007-2) have been called at nominal value for an amount of EUR 4.1 billion. These notes were previously recorded as SCI under loans and receivables. The proceeds of this call have been reinvested for an amount of EUR 3.9 billion into other Dutch mortgage-backed (Goldfish notes), also recorded as SCI under loans and receivables.

Net exposure to structured credit instruments as at 31 December can be further detailed by category of assets as follows:

In million of euros	31 December 2010	31 December 2009
RMBS	11,744	13,364
CMBS	828	827
CLOs	3,200	3,622
Other ABS	5,559	6,277
Other financial products		328
TOTAL	**21,331**	**24,418**

Fortis Bank identifies the impaired status of the individual assets in the credit spread portfolio by performing a credit analysis on the portfolio. For the purpose of impairment tests, Front office and Risk Management have developed certain stress scenarios and assessment criteria, taking into account the specific characteristics of the different product types.

A collective provision and an additional collective provision related to SCI are set up to deal with uncertainties concerning structured credit instruments in terms of rating evolutions and estimates of expected losses on the underlying assets. The collective provision covers the sub-investment grade positions downgraded since the date of reclassification, whereas the additional collective provision reflects the risk for future downgrades of the investment grade part of the portfolio. As of 31 December 2010, a collective provision of EUR 53 million and an additional collective provision of EUR 133 million were recognised (respectively EUR 40 million and EUR 266 million as per 31 December 2009).

If an investment classified as available for sale is impaired, the total difference between the acquisition cost and the current fair value of the instrument will be recognised as an impairment loss in the income statement under the line cost of risk.

In the case of investments reclassified as loans and receivables, impairments are limited to the losses reflecting the deterioration of the credit quality and do not reflect other changes in the fair value of the investments.

Fair value changes related to structured credit instruments reported under financial assets at fair value through profit or loss are shown in the income statement under net losses on financial assets at fair value through profit or loss.

8.h Fair value of financial instruments carried at amortised cost

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as of 31 December 2010. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to Fortis Bank as a going concern.

- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments.

- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful.

- The fair values shown below do not include the fair values of non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of Fortis Bank.

In millions of euros	31 December 2010		31 December 2009	
	Carrying value [1]	Estimated fair value	Carrying value [1]	Estimated fair value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	28,358	28,693	35,943	40,543
Loans and receivables due from customers	152,107	154,712	164,905	169,453
Held-to-maturity financial assets	3,073	3,188	3,525	3,575
FINANCIAL LIABILITIES				
Due to credit institutions	32,134	32,336	57,168	58,295
Due to customers	152,821	153,888	171,117	170,492
Debt securities	27,325	28,528	45,812	45,170
Subordinated debt	10,626	11,090	11,727	11,443

[1] The carrying amount does not include the re-measurement of portfolios of financial instruments in fair value hedging relationships. At 31 December 2010, this is included under "Re-measurement adjustment on interest-rate risk hedged portfolios" for EUR 537 million under assets, and EUR 359 million under liabilities (EUR 430 million and EUR 251 million, respectively, at 31 December 2009).

The fair value of a financial instrument is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The valuation techniques and assumptions used by Fortis Bank ensure that the fair value of financial assets and liabilities is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and held-to-maturity financial assets, or specific valuation models for other financial instruments as described in note 1, "Summary of significant accounting policies applied by Fortis Bank". In the case of loans, liabilities and held-to-maturity financial assets that have an initial maturity of less than one year (including demand deposits) or are granted on floating-rate terms, fair value equates to carrying amount. The same applies to most regulated savings products.

8.i Contingent assets and liabilities

Legal proceedings

Fortis Bank and its consolidated subsidiaries are involved as a defendant in various claims, disputes and legal proceedings in Belgium and in a number of foreign jurisdictions, arising in the ordinary course of the banking business, including in connection with their activities as lender, employer, investor and taxpayer.

Fortis Bank makes provision for such matters when in the opinion of management, after consulting legal advisors, it is probable that a payment will have to be made by Fortis Bank, and when the amount can be reasonably estimated.

With respect to further claims and legal proceedings against Fortis Bank (and its consolidated subsidiaries) of which management is aware (and for which, according to the principles outlined above, no provision has been made), management is of the opinion, after due consideration of appropriate professional advice that, while it is often not feasible to predict or determine the ultimate outcome of all pending or threatened legal and regulatory proceedings, such proceedings are without merit, can be successfully defended or that the outcome of these actions is not expected to result in a significant loss in the Fortis Bank Consolidated Financial Statements.

Following the restructuring of Fortis (referring to both 'Fortis SA/NV' and 'Fortis N.V.' and currently « Ageas SA/NV » and « Ageas NV » both referred to as Ageas),) at the end of September and beginning of October 2008, a number of groups representing shareholders, and others, have initiated (or threatened) legal action against various entities of the former Fortis group and/or certain members of their Board of Directors and management. These legal actions include amongst others:

MCS Noteholders claim against Ageas, Fortis Bank and others

Certain holders of MCS notes have filed two actions against the co-issuers of the MCS, including Fortis Bank, and against Bank of New York Corporate Trustee Services Ltd in its capacity of trustee before the Commercial Court of Brussels claiming the annulment of the MCS Notes conversion and the restitution of their MCS Notes and in secondary order claiming damages. Fortis Bank is of the opinion, after consultation with its legal advisors, that under the transaction documentation and Belgian law the claims have no merit. It is not expected that a court verdict be issued before the beginning of 2012.

Dutch State claim letter against Ageas and Fortis Bank

On 23 December 2010, the Dutch State (Ministerie van Financiën) sent Fortis Bank a claim letter in the order of EUR 186 million. The claim stems from the sale by Fortis Bank of the shares in Fortis Bank Nederland (Holding) N.V. (FBNH) to the Dutch State on 3 October 2008 and is based upon an alleged warranty breach. No proceedings have been initiated in this respect.

VEB and Deminor claim related to the sale of Fortis to the Dutch State

The Dutch VEB (Vereniging van Effectenbezitters NCVB) and Deminor International CVBA served a writ of summons on 27 April 2009 against the State of the Netherlands, Fortis N.V., Fortis SA/NV, Fortis Insurance N.V., Fortis Insurance International N.V. and Fortis Bank. The plaintiffs who base their action before the court in Amsterdam upon tort (i.e. the State having acted wrongfully against the two listed companies Fortis N.V. and Fortis SA/NV as well as towards Fortis Bank, by forcing the sale of the Dutch insurance and banking business to the State on 3 October 2008), are requesting (i) a declaratory decision that the State has forced the sale and acted wrongfully (ii) a declaratory decision that the State also acted wrongfully towards Fortis shareholders at that time (iii) a declaratory decision that the State is liable and must pay the shareholders damages (iv) alternatively if the claims under (i) and (ii) are denied, an injunction obliging Fortis N.V. and Fortis SA/NV to commence a legal action against the State to seek compensation within six months of the day on which the decision of the court is pronounced. A judgment is expected in the course of 2011.

VEB claim related to the Fortis rights issue

In September 2007, Fortis Bank acted together with Merrill Lynch as Joint Global Coordinator of a rights issue by Fortis SA/NV and Fortis N.V. (now respectively Ageas SA/NV and Ageas N.V.) for an amount of EUR 13.4 billion. The rights issue served to finance partly the participation by Fortis in the acquisition of ABN Amro Bank N.V. Fortis Bank has on 3 February 2011 received a writ of summons from the Dutch association of shareholders "VEB NCVB". VEB states that it is of the view that Fortis Bank, together with Ageas, Merrill Lynch and others, is jointly and severally liable in connection with the alleged shortcomings of the prospectus. VEB is seeking declared relief that the acts and omissions of Fortis Bank in connection with the prospectus were tortuous towards all who purchased Fortis shares from 24 September 2007 until 3 October 2008 and that Fortis Bank is liable for the damages sustained by the shareholders. No claim for damages has been made.

Stichting "Investor Claims Against Fortis" claim related to the Fortis rights issue

On 20 January 2011 the Dutch Stichting "Investor Claims Against Fortis" sent a letter to Fortis Bank claiming that Fortis Bank breached a duty of care when acting as Joint Global Coordinator of a rights issued by Fortis in 2007. The foundation intends to obtain a declaratory judgement under Dutch law. No proceedings have been initiated in this respect.

While the likelihood that such claims may effectively result in losses for Fortis Bank cannot be ruled out, such likelihood is considered very small based on our assessment of the situation. Other litigations and investigations are pending in relation to the restructuring of the Fortis group to which Fortis Bank is at this moment not a party. This includes, amongst others, an enquiry report into the management and course of events at Fortis ordered by the Dutch Enterprise Chamber (Ondernemingskamer) which has been filed in June 2010. After filing of the report the VEB requested the court to decide whether improper management occurred. The possibility can not be ruled out that the outcome of such litigations and/or investigations would also have an impact on Fortis Bank. The possibility cannot be ruled out that Fortis Bank, as a former member of the Fortis group, will become involved in such or other proceedings.

Like many other companies in the banking, investment, mutual funds and brokerage, Fortis Bank (and its consolidated subsidiaries) have received or may receive requests for information from supervisory, governmental or self-regulatory agencies. Fortis Bank responds to such requests and cooperates with the relevant regulators and other parties to address any issues they might have. Fortis Bank believes that any issues that have been identified do not represent a material or systemic problem to Fortis Bank or its businesses.

Other contingent assets and liabilities

Following the sale and split-off of FBN(H) from Fortis Bank as per the sales agreement of 3 October 2008, a separation agreement between Fortis Bank and FBN(H) was signed on 30 March 2009 including a transitional services agreement, which terminated and accordingly all services to be provided by Fortis Bank came to an end.

8.j Fees paid to the Statutory Auditors

The breakdown of the fees paid to the statutory auditors for the years 2010 and 2009 is as follows:

In thousand of euros	2010 Deloitte		2010 PricewaterhouseCoopers		2010 TOTAL		2009 TOTAL	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including:	2,360	36%	2,412	46%	4,772	41%	14,391	49%
- Fortis Bank	*1,087*	*17%*	*1,140*	*22%*	2,227	*19%*	*4,463*	*15%*
- Consolidated subsidiaries	*1,273*	*19%*	*1,272*	*24%*	2,545	*22%*	*9,928*	*34%*
Other reviews and services directly related to-the statutory audit engagement, including:	627	10%	2,653	51%	3,280	28%	5,926	20%
- Fortis Bank	*573*	*9%*	*2,507*	*48%*	3,080	*26%*	*3,497*	*12%*
- Consolidated subsidiaries	*54*	*1%*	*146*	*3%*	200	*2%*	*2,429*	*8%*
Sub-total	**2,987**	**46%**	**5,065**	**97%**	**8,052**	**69%**	**20,317**	**69%**
Non Audit								
Tax and legal	67	1%	63	1%	130	1%	1,791	6%
- Fortis Bank							*678*	*2%*
- Consolidated subsidiaries	*67*	*1%*	*63*	*1%*	130	*1%*	*1,113*	*4%*
Others	3,461	53%	110	2%	3,571	30%	7,381	25%
- Fortis Bank								
- Consolidated subsidiaries	*3,461*	*53%*	*110*	*2%*	*3,571*	*30%*	*7,381*	*25%*
Sub-total	**3,528**	**54%**	**173**	**3%**	**3,701**	**31%**	**9,172**	**31%**
TOTAL	**6,515**	**100%**	**5,238**	**100%**	**11,753**	**100%**	**29,489**	**100%**

The audit fees paid to auditors which are not member of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of Fortis Bank, mentioned in the table above, amounted to EUR 407 thousand for the year 2010.

8.k Comments on change of presentation

The Consolidated Financial Statements of Fortis Bank for the year ended 31 December 2010 are drawn up in alignment with the presentation used for the Consolidated Financial Statements of the parent company BNP Paribas, which differs significantly from the presentation used for the Consolidated Financial Statements of Fortis Bank for the year ended 31 December 2009. To facilitate the comparison between both financial years, Fortis Bank has restated the Consolidated Financial Statements of 2009 in accordance with the new presentation. This note provides further information about the change in presentation.

Comments on change of presentation - balance sheet

The total balance sheet in BNP Paribas' presentation decreased by EUR 6.7 billion compared to Fortis Bank's presentation, due to a different presentation of the accrued interest on interest rate swaps. In Fortis Bank's chart of accounts, accrued interest were reported under two lines "Accrued interest and other assets" and "Accrued interest and other liabilities", whereas in the chart of accounts of BNP Paribas, "accrued interest" are allocated to each balance sheet item that is interest bearing.

Interest rate swaps involve both interest payments and interest receipts calculated based on the fixed and floating interest rate on the underlying notional amounts.

In Fortis Bank's presentation, accrued interest income on interest rate swaps, having either positive or negative fair values, were reported under the caption "Accrued interest and other assets" and accrued interest charges on interest rate swaps having either positive or negative fair values, were reported under the caption "Accrued interest and other liabilities".

In BNP Paribas' presentation, accrued interest income and charges related to the interest rate swaps having positive fair values, are reported under the caption "Financial assets at fair value through profit or loss" and accrued interest income and charges related to the interest rate swaps having negative fair values, are reported under the caption "Financial liabilities at fair value through profit or loss". This change in presentation explains the decrease of the total balance sheet.

ASSETS

Cash and amounts due from central banks and post office banks correspond with the caption "Cash & cash equivalents" taking into account that:

- **Due from credit institution less than 3 months** of EUR 21,691 million was reported under "Cash and cash equivalents" in Fortis Bank's presentation and is now reported under "Loans and receivables due from credit institutions" in BNP Paribas' presentation.
- **Mandatory reserve deposits with central banks** of EUR 3,418 million were reported under "Due from banks" in Fortis Bank's presentation and are now reported under "cash and amounts due from central banks and post office banks" in BNP Paribas' presentation.

Financial assets at fair value through profit or loss correspond with the captions "Assets held for trading" and "Investment held at fair value through profit or loss" taking into account that:

- **Accrued interest income and charges** of EUR 5,525 million on interest rate swaps having positive fair values were reported under "Accrued interest and other assets" and "Accrued interest and other liabilities" in Fortis Bank's presentation and are now reported under "Financial assets at fair value through profit or loss" in BNP Paribas' presentation.
- **Accrued interest** related to "Investment – held at fair value through profit or loss" of EUR 108 million was reported under "Accrued interest and other assets" in Fortis Bank's presentation and is now reported under "Financial assets at fair value through profit or loss" in BNP Paribas' presentation.
- **Due from customers held at fair value** of EUR 1,924 million was reported under "Due from customers" in Fortis Bank's presentation and is now reported under "Financial assets at fair value through profit or loss" in BNP Paribas' presentation.

Derivatives used for hedging purposes were not shown in a separate line in Fortis Bank's presentation but were reported under captions "Accrued interest and other assets" and "Accrued interest and other liabilities". Fair value of the hedging derivatives EUR 323 million and accrued interest EUR 616 million relating to these derivatives are now reported under "Derivatives used for hedging purpose" in BNP Paribas' presentation.

Available-for-sale financial assets correspond with the caption "Investment – available for sale" taking into account that:

- **Accrued interest income** on the "Available for sale" portfolio of EUR 1,099 million was reported under "Accrued interest and other assets" in Fortis Bank's presentation and is now reported under "Available-for-sale financial assets" in BNP Paribas' presentation.

- **Fair value adjustments on interest risk hedged related to the available for sale portfolios** of EUR 69 million were reported under "Investment – available for sale" in Fortis Bank's presentation and are now reported under "Re-measurement adjustment on interest rate risk hedged portfolios" in BNP Paribas' presentation.

Loans and receivables due from credit Institutions correspond with the caption "Due from banks" taking into account that:

- **Accrued interest** relating to "Loans and receivables due from credit institutions" of EUR 22 million was reported under "Accrued interest and other assets" in Fortis Bank's presentation and is now reported under "Available-for-sale financial assets" in BNP Paribas' presentation.

- **Due from credit institution less than 3 months** of EUR 21,691 million was reported under "Cash and cash equivalents" in Fortis Bank's presentation and is now reported under "Loans and receivables due from credit institution" in BNP Paribas' presentation.

- **Mandatory reserve deposits with central banks** of EUR 3,418 million were reported under "Due from banks" in Fortis Bank's presentation and are now reported under "Cash and amounts due from central banks and post office banks" in BNP Paribas' presentation.

Loans and receivables due from customers correspond with the captions "Due from customers" and "Investment – Loans and receivables" taking into account that:

- **Accrued interest** relating to "Loans and receivables due from customers" of EUR 626 million was reported under "Accrued interest and other assets" in Fortis Bank's presentation and is now reported under "Loans and receivables due from customers" in BNP Paribas' presentation.

- **Due from customers held at fair value** of EUR 1,924 million was reported under "Due from customers" in Fortis Bank's presentation and is now reported under "Financial assets at fair value through profit or loss" in BNP Paribas' presentation.

- **Fair value adjustments on interest risk hedged loans to customers' portfolios** of EUR 361 million were reported under "Due from customers" in Fortis Bank's presentation and are now reported under "Re-measurement adjustment on interest rate risk hedged portfolios" in BNP Paribas' presentation.

- **Receivables from re-insurance operations** of EUR 9 million were reported under "Trade and other receivables" in Fortis Bank's presentation and are now reported under "Loans and receivables due from customers" in BNP Paribas' presentation.

Re-measurement adjustment on interest-rate risk hedged portfolios was not shown in Fortis Bank's presentation in a separate line on the balance sheet but was reported under the captions "Investment – available for sale" and ""Due from customers" for EUR 69 million and EUR 361 million respectively.

Held-to-maturity financial assets correspond with the caption "Investment – held to maturity" taking into account that:

- **Accrued interest** relating to "Held to maturity financial assets" of EUR 86 million was reported under "Accrued interest and other assets" in Fortis Bank's presentation and is now reported under "Held to maturity financial assets" in BNP Paribas' presentation.

Accrued income and other assets correspond with the captions "Accrued interest and other assets" and "Trade and other receivables" taking into account that:

- **Accrued interest income** of EUR 15,373 million on interest - bearing financial assets and liabilities (liabilities only refer to the interest rate swaps having negative fair values), was reported under "Accrued interest and other assets" in Fortis Bank's presentation. In BNP Paribas' presentation, the accrued interest income was allocated to the different interest-bearing financial asset and liabilities (liabilities only refer to the interest rate swaps having negative fair values) captions throughout the balance sheet.

	Fortis Bank Presentation as published in 2009 Annual Financial Statements	Change of presentation										BNP Paribas Presentation
		Accured Interests as in Fortis Bank Presentation	Accrued interests as in BNP Paribas Presentation	Due from credit institutions < 3 months	Mandatory reserve deposits with Central banks	Due from customers HFVPL	Hedging derivatives	Fair value adjustment on interest risk hedged		Other		
	31 Dec. 2009											31 Dec. 2009
ASSETS											**ASSETS**	
Cash and cash equivalents	22.605			(21.691)	3.418						Cash and amounts due from central banks and post office banks	4.332
Assets held for trading	51.955		5.525								Financial assets at fair value	
Investment - Held at fair value through - profit or loss	1.991		108			1.924					through profit or loss	61.503
			616				323				Derivatives used for hedging purposes	939
Investment - Available for sale	62.536		1.099					(69)			Available-for-sale financial assets	63.566
Due from banks	17.648		22	21.691	(3.418)						Loans and receivables due from credit institutions	35.943
Due from customers	143.335		626			(1.924)		(361)		9	Loans and receivables due from customers	164.905
Investment - Loans and Receivables	23.220											
								430			Remeasurement adjustment on interest-rate risk hedged portfolios	430
Investment - Held to maturity	3.439		86								Held-to-maturity financial assets	3.525
Current and deferred tax assets	3.693										Current and deferred tax assets	3.693
Trade and other receivables	2.247									(9)	Accrued income and other assets	32.645
Accrued interest and other assets	45.740	(15.373)	538				(323)			(175)		
Investment - Associates and joint ventures	1.771										Investments in associates	1.771
Investment - Investment property	681									(24)	Investment property	657
Property, plant and equipment	2.003									199	Property, plant and equipment	2.202
											Intangible assets	57
Goodwill and other intangible assets	349										Goodwill	292
Assets classified as held for sale	51.825										Assets classified as held for sale	51.825
TOTAL ASSETS	**435.038**	**(15.373)**	**8.620**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**TOTAL ASSETS**	**428.285**

LIABILITIES		Accured Interests as in Fortis Bank Presentation	Accrued interests as in BNP Paribas Presentation	Debt certificates HFVTPL	Subordinated liabilities held HFVTPL	Due to customers HFVTPL	Hedging derivatives	Fair value adjustment on interest risk hedged	Funding on Net Investment hedge	Other	LIABILITIES	
		Change of presentation										
										93	Due to central banks and post office banks	93
Liabilities held for trading	51.246		5.362	5.148	4.266	1.296				41	Financial liabilities at fair value through profit or loss	67.359
			381				1.058				Derivatives used for hedging purposes	1.439
Due to banks	55.179		(76)						2.199	(134)	Due to credit institutions	57.168
Due to customers	170.779		1.068			(1.296)				566	Due to customers	171.117
Debt certificates	50.577		383	(5.148)							Debt securities	45.812
								251			Remeasurement adjustment on interest-rate risk hedged portfolios	251
Current and deferred tax liabilities	354										Current and deferred tax liabilities	354
Accrued interest and other liabilities	28.595	(14.706)	552				(1.058)		(2.199)	(2.945)	Accrued expenses and other liabilities	8.239
										53	Technical reserves of insurance companies	53
Provisions	1.034									2.882	Provisions for contingencies and charges	3.916
Subordinated liabilities	15.961		283		(4.266)			(251)			Subordinated debt	11.727
Other borrowings	556									(556)		
Liabilities classified as held for sale	42.304										Liabilities classified as held for sale	42.304
TOTAL LIABILITIES	416.585	(14.706)	7.953	-	-	-	-	-	-	-	TOTAL LIABILITIES	409.832
											CONSOLIDATED EQUITY	
											Share capital and additional paid-in capital	29.651
											Retained earnings	(11.874)
											Net income for the period attributable - to shareholders	(665)
											Total capital, retained earnings and net income for the period attributable to shareholders	**17.112**
											Unrealised or deferred gains and losses attributable- to shareholders	(1.653)
Shareholders' equity	**15.459**										**Shareholders' equity**	**15.459**
											Retained earnings and net income for the period - attributable to minority interests	3.050
											Change in fair value of assets and liabilities - recognised directly in equity	(56)
Minority interests	**2.994**										**Total minority interests**	**2.994**
TOTAL EQUITY	18.453										TOTAL CONSOLIDATED EQUITY	18.453
TOTAL LIABILITIES AND EQUITY	435.038	(14.706)	7.953	-	-	-	-	-	-	-	TOTAL LIABILITIES AND EQUITY	428.285

- **Fair value of hedging derivatives** of EUR 323 million was reported under "Accrued interests and other assets" in Fortis Bank's presentation and is now reported under "Derivatives used for hedging purposes" in BNP Paribas' presentation.

- **Receivables from re-insurance operations** of EUR 9 million were reported under "Trade and other receivables" in Fortis Bank's presentation and are now reported under "Loans and receivables due from customers" in BNP Paribas' presentation.

- **Assets under construction for finance lease** of EUR 175 million were reported under "Accrued interest and other assets" in Fortis Bank's presentation and are now reported under "Property, plant and equipment" in BNP Paribas's presentation.

Investment property corresponds with the caption "Investment – investment property" taking into account that:

- **Investment properties on buildings, under construction and related depreciations of** EUR 24 million were reported under "Investment property" in Fortis Bank's presentation and are now reported under "Property, plant and equipment" in BNP Paribas' presentation.

Property, plant and equipment correspond with the caption "Property, plant and equipment" taking into account that:

- **Investment properties on buildings, under construction and related depreciations** of EUR 24 million were reported under "Investment property" in Fortis Bank's presentation and are now reported under "Property, plant and equipment" in BNP Paribas' presentation.

- **Assets under construction for finance lease of** EUR 175 million were reported under "Accrued interest and other assets" in Fortis Bank's presentation and are now reported under "Property, plant and equipment" in BNP Paribas' presentation.

Intangible assets of EUR 57 million and **Goodwill** of EUR 292 million shown separately in BNP Paribas' presentation, correspond with the caption "Goodwill and other intangible assets" of EUR 349 million in Fortis Bank's presentation.

LIABILITIES

Due to central banks and post office banks corresponds partly with the caption "Due to banks", taking into account that:

- **Deposits from central banks** of EUR 93 million were reported under "Due to banks" in Fortis Bank's presentation and are now reported under "Due to central banks and post office banks" in BNP Paribas' presentation.

Financial liabilities at fair value through profit or loss correspond with the caption "Liabilities held for trading" taking into account that:

- **Accrued interest income and charges** of EUR 5,362 million on interest rate swaps were reported under "Accrued interest and other assets" and "Accrued interest and other liabilities" in Fortis Bank's presentation and are now reported under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

- **Debt certificates held at fair value** of EUR 5,148 million were reported under "Debt certificates" in Fortis Bank's presentation and are now reported under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

- **Subordinated liabilities held at faire value** of EUR 4,266 million were reported under the "Subordinated liabilities" in Fortis Bank's presentation and are now reported under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

- **Due to customers held at fair value** of EUR 1,296 million was reported under the "Due to customers" in Fortis Bank's presentation and is now reported under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

- **Due to credit institutions held at fair value** of EUR 41 million was reported under "Due to banks" in Fortis Bank's presentation and is now reported now under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

Derivatives used for hedging purposes were not shown in a separate line in Fortis Bank's presentation but were reported under the captions "Accrued interest and other assets" and "Accrued interest and other liabilities". The fair value of the hedging derivatives of EUR 1,058 million and accrued interest of EUR 381 million relating to these derivatives are now reported under "Derivatives used for hedging purpose" in BNP Paribas' presentation.

Due to credit institutions corresponds with the caption "Due to banks" taking into account that:

- **Accrued interest** related to Due to credit institutions of EUR (76) million was reported in "Accrued interest and other liabilities" in Fortis Bank's presentation and is now reported under "Due to credit institutions" in BNP Paribas' presentation.

- **Funding on Net investment hedge on foreign investments** of EUR 2,199 million was reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and is now reported under "Due to credit institutions" in BNP Paribas' presentation.

- **Due to credit institutions held at fair value** of EUR 41 million was reported under the "Due to banks" in Fortis Bank's presentation and is now reported under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

- **Deposits from central banks** of EUR 93 million were reported under "Due to banks" in Fortis Bank's presentation and are now reported under "Due to central banks and post office banks" in BNP Paribas' presentation.

Due to customers corresponds with the caption "Due to customers" taking into account that:

- **Accrued interest** related to Due to customers of EUR 1,068 million was reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and is now reported under "Due to customers" in BNP Paribas' presentation.

- **Due to customers held at fair value** of EUR 1,296 million was reported under "Due to customers" in Fortis Bank's presentation and is now reported under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

- **Other Borrowings** of EUR 556 million were reported under "Other borrowings" in Fortis Bank's presentation and are now reported under "Due to customers" in BNP Paribas' presentation.

- **Other liabilities** of EUR 10 million were reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and are now reported under "Due to customers" in BNP Paribas' presentation.

Debt securities correspond with the caption "Debt securities" taking into account that:

- **Accrued interest** related to Debt securities of EUR 383 million was reported in "Accrued interest and other liabilities" in Fortis Bank's presentation and is now reported under "Debt securities" in BNP Paribas' presentation.

- **Debt certificates held at fair value** of EUR 5,148 million were reported under "Debt certificates" in Fortis Bank's presentation and are now reported under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

Re-measurement adjustment on interest-rate risk hedged portfolios was not shown in a separate line in Fortis Bank's presentation but was reported under the caption "Subordinated liabilities" for EUR 251 million.

Accrued expenses and other liabilities correspond with the caption "Accrued interest and other liabilities" taking into account that:

- **Accrued interest charges** of EUR 14,706 million on interest - bearing financial liabilities and assets (assets only refer to the interest rate swaps having positive fair values) were reported under "Accrued interest and other liabilities" in Fortis Bank's presentation. In BNP Paribas' presentation, the accrued interest charges were allocated to the different interest-bearing financial liabilities and assets (assets only refer to the interest rate swaps having positive fair values) captions throughout the balance sheet.

- **Net defined benefit liabilities** of EUR 2,882 million were reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and are now reported under "Provisions for contingencies and charges" in BNP Paribas' presentation.

- **Funding on Net investment hedge on foreign investments** of EUR 2,199 million was reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and is now reported under "Due to credit institutions" in BNP Paribas' presentation.

- **Fair value of derivatives used for hedging purposes** of EUR 1,058 million was reported under caption "Accrued interest and other liabilities" in Fortis Bank's presentation and is now reported under "Derivatives used for hedging purposes" in BNP Paribas' presentation.

- **Other liabilities** of EUR 10 million were reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and are now reported under "Due to customers" in BNP Paribas' presentation.

- **Technical reserves of insurance companies** of EUR 53 million were reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and are now reported under "Technical reserves of insurance companies" in BNP Paribas' presentation.

Technical reserves of insurance companies of EUR 53 million were reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and are now reported under "Technical reserves of insurance companies" in BNP Paribas' presentation.

Provisions for contingencies and charges correspond with the caption "Provisions" taking into account that:

- **Net defined benefit liabilities** of EUR 2,882 million were reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and are now reported under "Provisions for contingencies and charges" in BNP Paribas' presentation.

Subordinated debt corresponds with the caption "Subordinated liabilities" taking into account that:

- **Accrued interest** related to subordinated liabilities of EUR 283 million was reported under "Accrued interest and other liabilities" in Fortis Bank's presentation and is now reported under "Subordinated debt" in BNP Paribas' presentation.

- **Subordinated liabilities held at fair value** of EUR 4,266 million were reported under the "Subordinated liabilities" in Fortis Bank's presentation and are now reported under "Financial liabilities at fair value through profit or loss" in BNP Paribas' presentation.

- **Fair value adjustments on interest risk hedged subordinated liabilities** of EUR 251 million were reported under "Subordinated liabilities" in Fortis Bank's presentation and are now reported under "Re-measurement adjustment on interest rate risk hedged portfolios" in BNP Paribas' presentation.

Comments on change of presentation – income statement

Interest income and Interest expense correspond with the captions "Interest income" and "Interest expense" taking into account that:

- **The interest income and expense related to trading derivatives** of EUR 140 million were reported under "Interest income" and "Interest expense" in Fortis Bank's presentation and are now reported under "Net gain/loss on financial instruments at fair value through profit or loss" in BNP Paribas' presentation.

- **Finance expense on post-employment benefits** of EUR (35) million was reported under "Interest expense" in Fortis Bank's presentation and is now reported under "Operating expense" in BNP Paribas' presentation.

Net gain/loss on financial instruments at fair value through profit or loss corresponds with the caption "Other realized and unrealised gains and losses" taking into account that:

- **The interest income and expense related to trading derivatives** of EUR 140 million were reported under "Interest income" and "Interest expense" in Fortis Bank's presentation and are now reported under "Net gain/loss on financial instruments at fair value through profit or loss" in BNP Paribas' presentation.

- **The dividend income on equity securities (held for trading) and private equity securities (held at fair value through profit or loss)** of EUR 10 million were reported under "Dividend, share in result of associates and joint ventures and other investment income" in Fortis Bank's presentation and are now reported under "Net gain/loss on financial instruments at fair value through profit or loss" in BNP Paribas' presentation.

- **Other (un)realised gains and losses** of EUR (98) million were reported under "Other realised and unrealised gains and losses" in Fortis Bank's presentation and are now reported under "Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value" in BNP Paribas' presentation.

Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value corresponds with the caption "Realised capital gains (losses) on investments" taking into account that:

- **The dividend income on equity securities and other participating interest (available for sale)** of EUR 20 million was reported under "Dividend, share in result of associates and joint ventures and other investment income" in Fortis Bank's presentation and is now reported under "Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value" in BNP Paribas' presentation.

- **Other (un)realised gains and losses** of EUR (98) million were reported under "Other realised and unrealised gains and losses" in Fortis Bank's presentation and are now reported under "Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value" in BNP Paribas' presentation.

- **The realised gains and losses on property, plant and equipment for own use, investments in subsidiaries, equity associates and joint ventures, amortisation of net investment hedge reserves** of EUR 51 million were reported under "Realised capital gains (losses) on investments" in Fortis Bank's presentation and are now reported under "Net gain on non-current assets" in BNP Paribas' presentation.

- **The realised gains and losses on plant and equipment (operating lease) and investment property (land & building used by third party)** of EUR 4 million were reported under "Realised capital gains (losses) on investments" in Fortis Bank's presentation and are now reported under "Income from other activities" in BNP Paribas' presentation.

- **The change in provisions for impairments on equity securities, other participating interests and private equity securities (available for sale)** of EUR (64) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value" in BNP Paribas' presentation.

Income from other activities corresponds with the caption "Other income" taking into account that:

- **The realised gains and losses on plant and equipment (operating lease) and investment property (land & building used by third party)** of EUR 4 million were reported under "Realised capital gains (losses) on investments" in Fortis Bank's presentation and are now reported under "Income from other activities" in BNP Paribas' presentation.

- **Revenues charged to group entities** of EUR 112 million were reported under "Other income" in Fortis Bank's presentation and are now reported under "Operating expense" in BNP Paribas' presentation.

- **Rental income on investment property (Land and buildings)** of EUR 17 million was reported under "Dividend, share in result of associates and joint ventures and other investment income" in Fortis Bank's presentation and is now reported under "Income from other activities" in BNP Paribas' presentation.

- **Change in provisions for unearned premium** of EUR (4) million was reported in "Other income" in Fortis Bank's presentation and is now reported under "Expense on other activities" in BNP Paribas' presentation.

	Fortis Bank Presentation as published in 2009 Annual Financial Statements	Fortis Bank Presentation adjusted [1]	Change of presentation: Interest income / expense	Change of presentation: Dividend	Change of presentation: Realised or unrealised gains and losses	Change of presentation: Change in impairment	Change of presentation: Depre-ciation	Change of presentation: Other		BNP Paribas Presentation
	Year to 31 Dec. 2009	Year to 31 Dec. 2009								Year to 31 Dec. 2009
Interest income	52,574	51,760	(41,813)						Interest income	9,947
Interest expense	(48,814)	(48,574)	41,673					35	Interest expense	(6,866)
Net interest income	**3,760**	**3,186**	**(140)**						Net interest income	**3,081**
Fee and commission income	1,347	1,496							Commission income	1,496
Fee and commission expense	(464)	(440)							Commission expense	(440)
Net fee and commission income	**883**	**1,056**							Net commission income	**1,056**
Other realised and unrealised gains and losses	223	266	41,813 (41,673)	10	98				Net gain/loss on financial instruments at fair value through profit or loss	514
Realised capital gains (losses) on investments	25	42		20	(153)	(64)			Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value	(155)
Other income	298	288			4			(112) 17 4	Income from other activities	201
Other expenses	(1,695)	(1,523)				(47)	(28)	(4) 1,485	Expense on other activities	(117)
									Revenues	**4,580**
Change in impairments	(2,744)	(2,008)				169			Cost of risk	(1,839)
Staff expenses	(2,357)	(2,165)						(35) 112 (1,485)	Operating expense	(3,573)

Depreciation and amortisation of tangible and intangible assets	(334)	(270)			(33)	28		Depreciation,amortisation and impairment of of property, plant and equipment and intangible assets	(275)
								Gross operating income	**(1,107)**
Dividend, share in result of associates and joint ventures and other investment income	152	99	(30)		(22)		(17)	Share of earnings of associates	30
				51				Net gain on non-current assets	51
					(3)			Goodwill	(3)
Profit (loss) before taxation	**(1,789)**	**(1,029)**						**Pre-tax income**	**(1,029)**
Income tax expense	1,640	1,611						Corporate income tax	1,611
Net profit (loss) for the period before discontinued operations	**(149)**	**582**						**Net income before discontinued operations**	**582**
Net result of discontinued operations	(561)	(1,292)						Net result of discontinued operations	(1,292)
Net profit (loss) for the period	**(710)**	**(710)**						**Net income**	**(710)**
Net profit attributable to minority interests	(45)	(45)						Net income attributable to minority interests	(45)
Net profit (loss) attributable to shareholders	**(665)**	**(665)**						**Net income attributable to equity holders**	**(665)**

[1] *Income statement as at 31 December 2009 has been adjusted in accordance with the requirement of IFRS 5. Fortis lease group, Fortis Bank Turkey, Fastnet Belgium and Luxembourg, SADE as well as Fortis Bank's branches in Athens, Madrid, Budapest and Zurich have qualified as "discontinued operations" during the year 2010 and the income and expenses of the year 2009 relating to these entities were also reclassified and presented in the caption "Net result of discontinued operations".*

Expense on other activities corresponds with the caption "Other expenses" taking into account that:

- **Change in provisions for impairment on plant and equipment under operating lease** of EUR (47) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Expense on other activities" in BNP Paribas' presentation.

- **The depreciation on Investment property (land & building) used by a third party and plant and equipment under operating lease** of EUR (28) million was reported under "Depreciation, amortisation of tangible and intangible assets" in Fortis Bank's presentation and is now reported under "Expenses on other activities" in BNP Paribas' presentation.

- **Change in provisions for unearned premium** of EUR (4) million was reported in "Other income" in Fortis Bank's presentation and is now reported under "Expense on other activities" in BNP Paribas' presentation.

- **Other operating expenses, technology and system costs, change in provision on legal & tax litigations** of EUR (1,485) million were reported under "Other expense" in Fortis Bank's presentation and are now presented under "Operating expense" in BNP Paribas' presentation.

Cost of risk corresponds with the caption "Change in impairments" taking into account that:

- **The change in provisions for impairments on equity securities, other participating interests and private equity securities (available for sale)** of EUR (64) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value" in BNP Paribas' presentation.

- **Change in provisions for impairment on plant and equipment under operating lease** of EUR (47) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Expense on other activities" in BNP Paribas' presentation.

- **Change in provisions for impairment on property plant and equipment and other intangible assets** of EUR (33) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Depreciation, amortisation and impairment of property, plant and equipment and intangible assets" in BNP Paribas' presentation.

- **The change in provisions for impairments on equity associates and joint ventures** of EUR (22) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Share of earnings of associates" in BNP Paribas' presentation.

- **Change in provisions for impairment on Goodwill on subsidiaries** of EUR (3) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Goodwill" in BNP Paribas' presentation.

Operating expense corresponds with the caption "Staff expenses" taking into account that:

- **Finance expense on post-employment benefits** of EUR (35) million was reported under "Interest expense" in Fortis Bank's presentation and is now reported under "Operating expense" in BNP Paribas' presentation.

- **Revenues charged to group entities** of EUR 112 million were reported under "Other income" in Fortis Bank's presentation and are now reported under "Operating expense" in BNP Paribas' presentation.

- **Other operating expenses, technology and system costs, change in provision on legal & tax litigations** of EUR (1,485) million were reported under "Other expenses" in Fortis Bank's presentation and are now presented under "Operating expense" in BNP Paribas' presentation.

Depreciation, amortisation and impairment of property, plant and equipment and intangible assets correspond with the caption "Depreciation and amortisation of tangible and intangible assets" taking into account that:

- **The depreciation on Investment property (land & building) used by third party, plant and equipment under operating lease** of EUR (28) million was reported under "Depreciation, amortisation of tangible and intangible assets" in Fortis Bank's presentation and is now reported under "Expenses on other activities" in BNP Paribas' presentation.

- **Change in provisions for impairment on property plant and equipment and other intangible assets** of EUR (33) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Depreciation, amortisation and impairment of property, plant and equipment and intangible assets" in BNP Paribas' presentation.

Share of earnings of associates corresponds with the caption "Dividend, share in result of associates and joint ventures and other investment income" taking into account that:

- **The dividend income on equity securities (held for trading) and private equity securities (held at fair value through profit or loss)** of EUR 10 million was reported under "Dividend, share in result of associates and joint ventures and other investment income" in Fortis Bank's presentation and is now reported under "Net gain/loss on financial instruments at fair value through profit or loss" in BNP Paribas' presentation.

- **The dividend income on equity securities and other participating interest (available for sale)** of EUR 20 million was reported under "Dividend, share in result of associates and joint ventures and other investment income" in Fortis Bank's presentation and is now reported under "Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value" in BNP Paribas' presentation.

- **The change in provisions for impairments on equity associates and joint ventures** of EUR (22) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Share of earnings of associates" in BNP Paribas' presentation.

- **Rental income on investment property (Land and buildings)** of EUR 17 million was reported under "Dividend, share in result of associates and joint ventures and other investment income" in Fortis Bank's presentation and is now reported under "Income from other activities" in BNP Paribas' presentation.

Net gain on non-current assets corresponds partly with the caption "Realised capital gains (losses) on investments" taking into account that:

- **The realised gains and losses on property, plant and equipment for own use, investments in subsidiaries, equity associates and joint ventures, amortisation of net investment hedge reserves** of EUR 51 million were reported under "Realised capital gains (losses) on investments" in Fortis Bank's presentation and are now reported under "Net gain on non-current assets" in BNP Paribas' presentation.

Goodwill was not shown in Fortis Bank's presentation in a separate line but it corresponds partly with "Change in impairments" taking into account that:

- **Change in provisions for impairment on Goodwill on subsidiaries** of EUR (3) million was reported under "Change in impairments" in Fortis Bank's presentation and is now reported under "Goodwill" in BNP Paribas' presentation.

8.l Events after the reporting period

There have been no material events since the balance sheet date that would require adjustments to the Consolidated Financial Statements as at 31 December 2010.

On 3 June 2010, the Colakoglu Group and BNP Paribas entered into a memorandum of understanding regarding the merger of Türk Ekonomi Bankasi A.S. ("TEB") and Fortis Bank Turkey. Under the Memory of Understanding, which is subject to regulatory authorities' approval, it has been agreed that the two banks will be merged under TEB.

On 21 December 2010 and 30 December 2010 respectively, Capital Market Board of Turkey (CMB) and the Banking Regulation and Supervision Agency (BRSA) granted their approval on the merger between Türk Ekonomi Bankası A.Ş. (TEB) and Fortis Bank Turkey.

Subsequent to the CMB approval, the shareholders of both TEB and Fortis Bank A.Ş. were invited for the Extraordinary General Meeting of Shareholders of their respective company on January 25, 2011. The agenda of this meeting included (mainly) the approval of the financial statements dated June 30, 2010 on the basis of which the merger was realized and after the approval of the merger itself, on 14 February 2011, the two banks completed the legal merger.

After share transfers between the main shareholders following the merger, it is expected that TEB Mali Yatirimlar AS ("TEB Mali") shall remain the majority shareholder in the merged bank and that the Colakoglu Group and the BNP Paribas Group each will continue to hold 50% of TEB Mali.

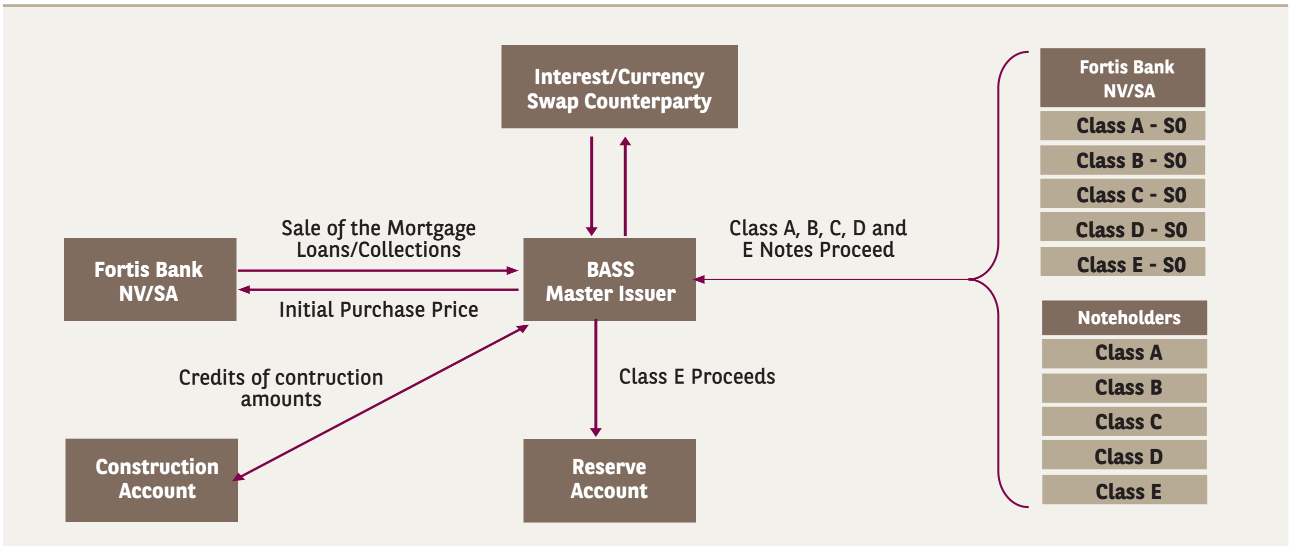
8.m Additional information on the Bass and Esmée securitisation transactions

Securitisation

BASS Master Issuer NV/SA, institutional company for investment in receivables under Belgian law

Description of the transaction

Bass Master Issuer NV/SA is a special purpose vehicle (SPV) created to securitise mortgage loans, originally granted by Fortis Bank NV/SA in Belgium. The mortgage loans are securitised based on the following structure:



Fortis Bank NV/SA transfers monthly interest and principal repayments on the securitised loans to BASS Master Issuer NV/SA. To the extent permitted under the provisions of the programme, BASS Master Issuer NV/SA uses the capital receipts to purchase new mortgage loans from Fortis Bank NV/SA. The interest payments BASS Master Issuer NV/SA receives are swapped on a quarterly basis for the interest payable on the issued bonds, plus the guaranteed excess spread of 0.20% a year.

The bonds issued under the BASS Master Issuer programme as at 31 December 2010 are shown in the following table. Bass master issuer was launched in June 2008. The total amount of notes issued under the programme has been increased over time.

Tranche	ISIN	Original notional in EUR	Notional as of 31 December 2010	Step up date	Legal final maturity	Coupon	Step up coupon	Fitch	Moodys	S&P
Bass 2008-1 A0	BE0002364363	15,750,000,000	23,400,000,000	15/07/2012	15/07/2052	3-m Euribor + 25	3-m Euribor + 25	AAA	Aaa	NR
Bass 2008-1 B0	BE0002365378	525,000,000	780,000,000	15/07/2012	15/07/2052	3-m Euribor + 45	3-m Euribor + 45	AA	Aa3	NR
Bass 2008-1 C0	BE0002366384	525,000,000	780,000,000	15/07/2012	15/07/2052	3-m Euribor + 60	3-m Euribor + 60	A	A2	NR
Bass 2008-1 D0	BE0002367390	700,000,000	1,040,000,000	15/07/2012	15/07/2052	3-m Euribor + 120	3-m Euribor + 120	BBB	NR	NR
Bass 2008-1 E0	BE0002368406	157,500,000	234,000,000	15/07/2012	15/07/2052	3-m Euribor + 600	3-m Euribor + 600	NR	NR	NR
Total Bass			**26,234,000,000**							

As at 31 December 2010, Fortis Bank NV/SA had transferred mortgage loans to the value of EUR 25,685,081,420.99 to BASS Master Issuer NV/SA.

Overview of relevant parties

Fortis Bank NV/SA plays several roles within the securitisation transaction, with several other roles played by parties outside the scope of Fortis Bank NV/SA. The following table contains an overview of the relevant parties:

Issuer of the bonds	BASS Master Issuer NV/SA, institutional company for investment in receivables under Belgian law. The company is not a subsidiary of Fortis Bank NV/SA and is represented by two Independent directors.
Seller of the loans	Fortis Bank NV/SA. Direct or indirect subsidiaries of Fortis Bank NV/SA may participate in the programme, subject to certain conditions, provided that a supplement to the prospectus is published.
Loan provider	Fortis Bank NV/SA or any subsidiary or predecessor of Fortis Bank NV/SA.
Loan servicer	Fortis Bank NV/SA
Administrator of BASS Master Issuer NV/SA	Intertrust (Nederland) B.V.
GIC counterparty	Fortis Bank NV/SA
Interest swap counterparty	Fortis Bank NV/SA
Security Agent	Stichting Security Agent BASS, foundation under Dutch law. The foundation is represented by an independent director.
Shareholders of BASS Master Issuer	Stichting Holding BASS, foundation under Belgian law, and Genfinance NV/SA. Stichting Holding BASS is represented by two Independent directors.
Domiciliary Agent	Fortis Bank NV/SA
Listing Agent	Fortis Bank NV/SA
Reference Agent	Fortis Bank NV/SA

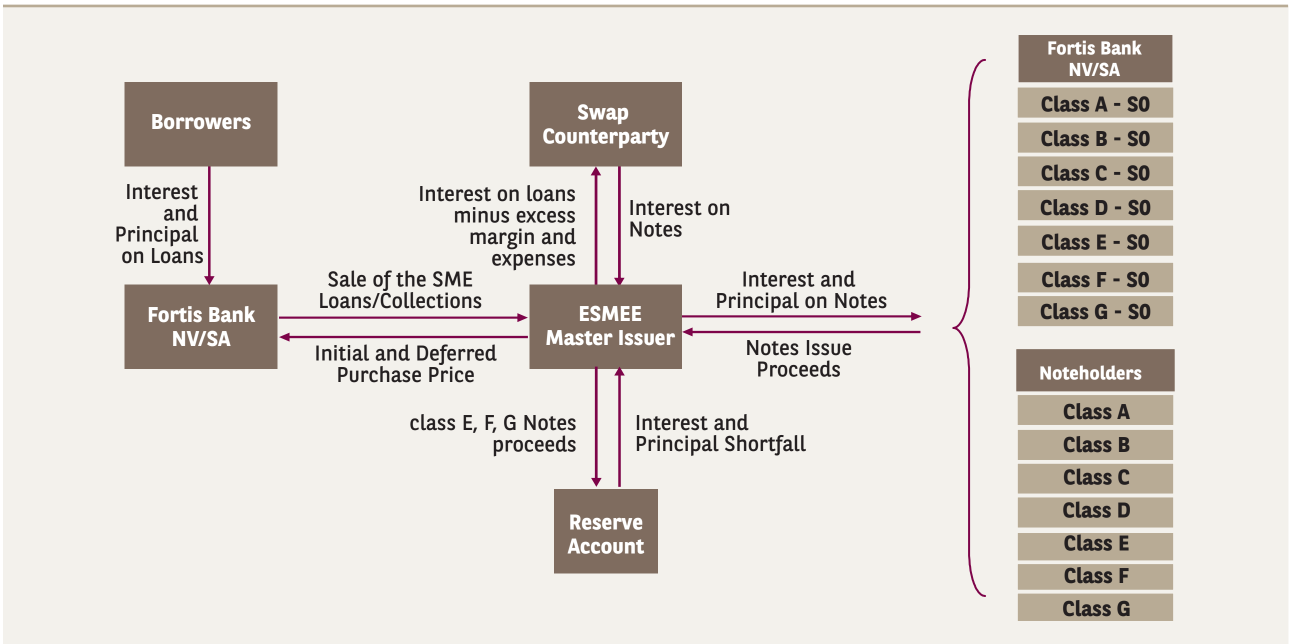
Other rights and obligations

Since the securitisation vehicle is fully consolidated with Fortis Bank NV/SA, all other mutual relationships between the two entities are also consolidated.

Esmée Master Issuer NV/SA, institutional company for investment in receivables under Belgian law

Description of the transaction

Esmée Master Issuer NV/SA is a second special purpose vehicle (SPV) created to securitise loans to self-employed people and small and medium-sized enterprises, originally granted by Fortis Bank NV/SA in Belgium. The loans are securitised based on the following structure:



Fortis Bank NV/SA transfers monthly interest and principal repayments on the securitised loans to Esmée Master Issuer NV/SA. To the extent permitted under the provisions of the programme, Esmée Master Issuer NV/SA uses the capital receipts to purchase new loans from Fortis Bank NV/SA, based on predetermined criteria that the loans are required to meet. The interest payments Esmée Master Issuer NV/SA receives are swapped on a quarterly basis for the interest payable on the issued bonds, plus the guaranteed excess spread of 0.75% a year.

The bonds issued under the Esmée Master Issuer programme as at 31 December 2010 are shown in the following table. Esmée Master Issuer was launched in December 2009.

Tranche	ISIN	Original notional in EUR	Notional as of 31 December 2010	Step up date	Legal final maturity	Coupon	Step up coupon	Fitch	Moodys	S&P
Esmee 2009-1 A0	BE0002387596	6,040,000,000	6,040,000,000	25/10/2011	25/10/2045	3-m Euribor + 35	3-m Euribor + 35	AAA	Aaa	NR
Esmee 2009-1 B0	BE0002388602	1,400,000,000	1,400,000,000	25/10/2011	25/10/2045	3-m Euribor + 75	3-m Euribor + 75	NR	A2	NR
Esmee 2009-1 C0	BE0002389618	320,000,000	320,000,000	25/10/2011	25/10/2045	3-m Euribor + 100	3-m Euribor + 100	NR	Baa2	NR
Esmee 2009-1 D0	BE0002390624	240,000,000	240,000,000	25/10/2011	25/10/2045	3-m Euribor + 150	3-m Euribor + 150	NR	Ba2	NR
Esmee 2009-1 E0	BE0002391630	96,000,000	96,000,000	25/10/2011	25/10/2045	3-m Euribor + 300	3-m Euribor + 300	NR	NR	NR
Esmee 2009-1 F0	BE0002392646	96,000,000	96,000,000	25/10/2011	25/10/2045	3-m Euribor + 400	3-m Euribor + 400	NR	NR	NR
Esmee 2009-1 G0	BE0002393651	88,000,000	88,000,000	25/10/2011	25/10/2045	3-m Euribor + 500	3-m Euribor + 500	NR	NR	NR
Total Esmée			8,280,000,000							

As at 31 December 2010, Fortis Bank NV/SA had transferred loans to self-employed people and small and medium-sized enterprises to the value of EUR 7,808,176,144.60 to Esmée Master Issuer NV/SA.

Overview of relevant parties

Fortis Bank NV/SA plays several roles within the securitisation transaction, with several other roles played by parties outside the scope of Fortis Bank NV/SA. The following table contains an overview of the relevant parties:

Issuer of the bonds	Esmée Master Issuer NV/SA, institutional company for investment in receivables under Belgian law. The company is not a subsidiary of Fortis Bank NV/SA and is represented by two Independent directors.
Seller of the loans	Fortis Bank NV/SA. Direct or indirect subsidiaries of Fortis Bank NV/SA may participate in the programme, subject to certain conditions, provided that a supplement to the prospectus is published.
Loan provider	Fortis Bank NV/SA or any subsidiary or predecessor of Fortis Bank NV/SA.
Loan servicer	Fortis Bank NV/SA
Administrator of Esmée Master Issuer NV/SA	Intertrust (Nederland) B.V.
GIC counterparty	Fortis Bank NV/SA
Interest swap counterparty	Fortis Bank NV/SA
Security Agent	Stichting Security Agent Esmée, foundation under Dutch law. The foundation is represented by an independent director.
Shareholders of Esmée Master Issuer	Stichting Holding Esmée, foundation under Belgian law, and Genfinance NV/SA. Stichting Holding Esmée is represented by two Independent directors.
Domiciliary Agent	Fortis Bank NV/SA
Listing Agent	Fortis Bank NV/SA
Reference Agent	Fortis Bank NV/SA

Other rights and obligations

Since the securitisation vehicle is fully consolidated with Fortis Bank NV/SA, all other mutual relationships between the two entities are also consolidated.

Report of the accredited statutory auditors

JOINT STATUTORY AUDITORS' REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FORTIS BANK SA/NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2010

Unsigned free translation of the joint statutory auditors' report originally prepared in French and Dutch.

As required by law and the Company's articles of association, we report to you in the context of our appointment as the Company's statutory auditors. This report includes our opinion on the consolidated financial statements and the required additional remarks and information.

Unqualified opinion on the consolidated financial statements with an explanatory paragraph

We have audited the consolidated financial statements of Fortis Bank SA/NV (the "Company") and its subsidiaries (the "Group") as of and for the year ended 31 December 2010, prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. The total of the consolidated balance sheet amounts to EUR (000,000) 347,967 and the consolidated profit and loss account shows a gain for the year (group share) of EUR (000,000) 1,907.

The Company's Board of Directors is responsible for the preparation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated financial statements contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Group, as well as the presentation of the consolidated financial statements taken as a whole. Finally, we have obtained from the Board of Directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets and liabilities and its financial position as of 31 December 2010 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Without further qualifying our opinion, we draw the attention to the note 8.i to the consolidated financial statements, in which is described that as a result of the 2008 events having impacted the Fortis group to which the Company belonged, a number of claimants have initiated legal actions against the former Fortis group, the Company and/or certain members of their boards of directors and management. The ultimate outcome of these matters and the potential consequences for the Company cannot presently be determined and therefore no provisions have been recorded in the consolidated financial statements.

Additional remarks and information

The Company's Board of Directors is responsible for the preparation and content of the management report on the consolidated financial statements.

Our responsibility is to include in our report the following additional remarks and information, which do not have any effect on our opinion on the consolidated financial statements:

- The consolidated report of the Board of Directors deals with the information required by the law and is consistent with the consolidated financial statements. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the matters disclosed do not present any obvious inconsistencies with the information we became aware of during the performance of our mandate.

- As indicated in the note 8.k to the consolidated financial statements, the consolidated financial statements of the Company for the year ended 31 December 2010 are drawn up in alignment with the presentation used for the consolidated financial statements of the parent company BNP Paribas, which differs significantly from the presentation used for the consolidated financial statements of Fortis Bank for the year ended 31 December 2009. To facilitate the comparison between both financial years, Fortis Bank has restated the consolidated financial statements of 2009 in accordance with the new presentation.

Brussels, 29 March 2011

The Joint Statutory Auditors

PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale
Represented by

R. Jeanquart
Reviseur d'Entreprises

Deloitte Reviseurs d'Entreprises sc sous forme d'une scrl
Represented by

Ph. Maeyaert
Reviseur d'Entreprises

F. Verhaegen
Reviseur d'Entreprises

Fortis Bank Annual Report 2010 (non-consolidated)

Report of the Board of Directors

A word from the Chairman and the CEO

For BNP Paribas Fortis, 2010 was a successful year, characterized by a strong commercial performance, resulting in a regained customer franchise and an increase of its market share. Although we take pride in our market share gains, we realize that there are still major changes in store for the banking industry, which will also have implications for BNP Paribas Fortis. In addition, towards the end of last year we experienced a toughening of competition in our domestic markets.

BNP Paribas Fortis is doing well and is in a stronger position also thanks to the integration with BNP Paribas, which is progressing ahead of schedule. Important transactions in 2010 include the completion of the sale of Fortis Investments to BNP Paribas and the integration of the European network of business centers in Corporate and Transaction Banking Europe. In Luxembourg, there was the merger of BGL BNP Paribas S.A. and BNP Paribas Luxembourg S.A. in a single entity, BGL BNP Paribas. In Turkey, Fortis Bank Turkey and Turk Ekonomi Bankasi (TEB) were merged in early 2011. We rebranded over 1,000 retail branches in Belgium and launched the Brussels based BNP Paribas competence centers and shared service centers.

The financial crisis has resulted in an intensified regulation of the banking industry. BNP Paribas Fortis has thoroughly analyzed the new regulatory initiatives and has worked actively to both comply and anticipate. This pro-active attitude, together with the continued de-risking of the balance sheet, explains BNP Paribas Fortis' very solid financial structure. At the end of 2010 BNP Paribas Fortis has a strong Tier 1 capital ratio of 16.5% and a favorable loan to deposit ratio, illustrating the company is in a good position to continue to play its vital role as financier of the real economy.

Despite the economic recovery and the normalization of financial markets in 2010, clients continued to show high risk aversion. In this market we managed to attract a record level of new savings, especially on our innovative savings account. Mortgage and business lending also posted significant growth. Revenue growth from higher volumes resulted in positive operating leverage. We would like to thank our customers for their trust and loyalty. We are committed to further tailoring our product offering and distribution to become an even better partner to help our customers realize their goals.

We believe that our main strength lies in our customer franchises. Through the relentless focus on customer service and client relationships we managed to materially improve our customer satisfaction in 2010, which is now back up to pre-crisis levels. We would like to take to the opportunity to express our gratitude to the 27,868 employees, including over 2,700 new staff, of BNP Paribas Fortis who put in a considerable effort to make the implementation of the Industrial Plan a success.

There are encouraging signs of an improving world economic outlook, also for our domestic markets. An improving economic environment should support us in realizing our ambitions in 2011: to reinforce the market leadership we regained over the last two years.

We have been able to strengthen the Board of Directors in 2010 with Sophie Dutordoir as an independent member. The Executive Managers Peter Vandekerckhove and Jean-Yves Fillion will be proposed as new Board members at the AGM on 21 April 2011.

We would like to thank Jean-Laurent Bonnafé for his crucial contribution in putting BNP Paribas Fortis firmly back on the rails and his key role in the successful integration with BNP Paribas.

Maxime Jadot
Chief Executive Officer (CEO)

Herman Daems
Chairman Board of Directors

Strong commercial performance of BNP Paribas Fortis

Economic context

The world economy has since summer 2009 been on the road to recovery and the year 2010 saw the economic upturn continue. Belgium has benefitted fully from this trend, not least due to its strong trade links with Europe's economic powerhouse, Germany. The Belgian economy grew by some 2% year-on-year, one of the best performances in the eurozone, and this growth was to a large extent achieved through domestic demand.

The resilience of the employment market underpinned the strong consumer confidence that has seen families increase their spending. Hence, 2010 was a good year for sales of durable consumer goods such as cars and houses. Business confidence was also on an uptrend. Thanks to the gradual disappearance of excess production capacity, the second half of the year saw an upturn in capital investment.

The Belgian banks responded to these positive developments with a more flexible approach to lending. Loans to households and companies rose by EUR 15 billion, some 5.6% of total loans outstanding. With an 8% overall year-on-year increase, deposit fund levels remained notably high.

Despite the encouraging economic growth, uncertainty continued to hover over the financial markets. While the banks had, to a large extent, managed to put the past behind them – which, coupled with the improved economic situation, enabled them to reduce their provisions for credit losses – nevertheless, the financial markets became embroiled from April onwards in the European sovereign debt crisis. Peripheral eurozone countries such as Greece, Ireland, Portugal and Spain were faced with a growing lack of confidence in their creditworthiness and the interest rates they were obliged to pay on their borrowings rose rapidly.

Due to these events, question marks remain over the sustainability of the economic recovery, which in turn meant that on the whole the equity markets were lagging behind during the year. Europe saw the Eurostoxx 50 index fall with 5.8%, while in the US the Dow Jones Industrial Average posted a more normal rise of 11% and the rest of the world produced rather mixed figures. Changes to the regulatory framework under the Basel III Accord will not make things any easier as the higher capital and liquidity requirements will mean lower profit potential for banks.

In this context, BNP Paribas Fortis was able to post a strong commercial performance, while the integration with BNP Paribas is progressing faster than expected. After a need analysis was carried out in 2009 and an overall 'Industrial Plan' drawn up detailing the necessary integration projects, the implementation phase was launched in earnest in 2010. All business lines and activities were impacted by the 1,150 projects designed to achieve practical integration. This did not however prevent BNP Paribas Fortis from remaining fully focused on its core businesses, on bolstering its market position and on improving customer satisfaction.

Changes in the scope of Fortis Bank SA/NV

Changes in the scope of Fortis Bank SA/NV during 2010 include inter alia completion of the sale of Fortis Investments Management to BNP Paribas and its integration within BNP Paribas Investment Partners SA, the Group's worldwide asset management arm. Meanwhile Fortis Bank took a 33.33% stake in BNP Paribas Investment Partners SA (28.22% directly and 5.11% through BGL BNP Paribas) and maintained unchanged its 25% + 1 share interest in AG Insurance, Belgian market leader in the insurance sector. The bank entered into a strategic partnership with AG Insurance in 2009 and the partnership agreement, which is due to run until at least 2020, provides for the distribution of AG Insurance products via BNP Paribas Fortis branches and Fintro intermediaries. BGL BNP Paribas took a stake amounting to 33.33% + 1 share in BNP Paribas Leasing, a French holding company which has ownership of all the leasing companies in the BNP Paribas Group.

Implementation of the Industrial Plan and new initiatives

The EUR 900 million worth of synergies to be achieved by 2012 under the Industrial Plan take pride of place in the announced schedule. The vast majority of the integration projects are making excellent progress, in line with the Industrial plan. The new business units' structure has already been put in place, the transfer of clients has been successfully completed in a number of countries and further alignment of the legal entities with the operational organisation carried out.

Competence Centers for Trade Services, Factoring, Cash Management and Corporate & Transaction Banking Europe, which provide support to the entire BNP Paribas Group, have been set up in Brussels. This has led to faster internationalisation of the Group's organisation, with more countries, languages and greater cultural knowhow. Shared expertise has also been developed by bringing together best practice from both BNP Paribas Fortis and BNP Paribas, and processes and operational efficiency have been improved by pooling knowhow and exercising better control over operational risks.

Focus on client satisfaction, new products and multichannel strategy

In addition to the integration projects, all businesses have been actively developing new products and solutions in order to increase customer convenience and satisfaction while at the same time strengthening our multichannel strategy. BNP Paribas Fortis is busy rolling out its new strategy designed to profile the bank as the benchmark banking partner of its clients, an attractive employer and a socially responsible enterprise. In 2010 the new business models were implemented, bringing a new range of products and services to the clients.

For example, BNP Paribas Fortis became the first large bank in Belgium to launch 'Mobile Banking', an innovative solution for an ever-growing customer group who want to be able to carry out financial transactions whenever they like and wherever they may be. This represents a further stage in our multi-channel approach and is one of the newest technological developments that the bank is offering its clients.

Other client-oriented initiatives in 2010 include:

- The opening of 'Belgian Desks' in China, India, Hong Kong and the United States
- Integration of the European network of Business Centers within BNP Paribas and the rollout of Corporate & Transaction Banking Europe (CTBE)
- Successive opening of 36 new Private Banking and Wealth Management Centers in Belgium
- Launch of new websites with much improved functions for Retail Banking, Private Banking and Corporate & Public Banking clients
- The complete rebranding of over 1,000 retail banking branches in Belgium and the conversion of 100 branches to an 'open architecture' plan
- Investments in contact centers as partners of the branches and other direct channels
- Recruitment of over 1,250 new staff, strong investment in our human capital is also planned for the coming years, in order to be able to provide an even better customer service.

The Board of Directors of Fortis Bank SA/NV will propose to the Annual General Meeting of Shareholders in April 2011 a gross dividend of EUR 0.80 per share over the year 2010.

The remainder of this section 'Core businesses of Fortis Bank' contains a description of the activities of each business line of BNP Paribas Fortis. The following chapters will complement this by describing the consolidated financial results of 2010.

Core businesses of Fortis Bank

Retail & Private Banking

In Retail & Private Banking, BNP Paribas Fortis occupies a leadership position in Belgium, with more than 9,000 employees serving 3.7 million clients (one third of the Belgian population) and strong positions in all banking products. Retail clients are reached by means of a multi-channel distribution strategy. The sales network includes 1,014 branches, complemented with 311 franchises under the Fintro brand and 650 points of sale of the 50/50 joint venture with Banque de La Poste. A network of 2,300 ATMs, completed with 1,220 non-cash machines (bank transfers) and 650 bank statement printers, online banking facilities (1.3 million users), mobile banking and phone banking are linked up in the BNP Paribas Fortis CRM platform, allowing a deployment of all systems across all channels. The long-term partnership with AG Insurance until 2020 leverages the distribution power of the retail network and builds on the experience gained in bancassurance over the years.

With EUR 54 billion Assets under Management and 36 Private Banking centers, BNP Paribas Fortis is an important player in the Belgian private banking market. Individuals with assets of more than EUR 250,000 are eligible for private banking services, creating a large customer base for investment purposes. Wealth Management caters to about 1,500 clients with potential assets of more than EUR 4 million. They benefit from a dedicated service model and are primarily served via two Wealth Management Centers in Antwerp and Brussels.

In 2010, Retail & Private Banking Belgium (RPB) showed remarkable progress in attracting new funds. The most significant growth engine here was the Online Premium Savings Account, which was launched in December 2009. Significant growth was also posted in business lending and in mortgage lending, with a rising market share here also. The new Private Bank crowned its first year of business with outstanding results and has clear market prospects with the Wealth Management contract.

The sustained customer satisfaction drive found its reward. RPB received a notably higher customer satisfaction rating than in June 2009, with expressions of satisfaction back up to pre-crisis levels. The five promises that underlie the bank's approach – listening, clear information, approachability, partnership and commitment – are being widely put into practice across the organisation and are highly valued by the customer.

Significant progress was achieved with RPB's multichannel-approach. Especially noteworthy here are the completely re-vamped, user-friendly website and the launch of Mobile Banking. However, the greatest attention was devoted to the branches, where the number of advisory staff was increased and the quality of the advice they provide was improved.

Notable efforts were made with the range of services to self-employed professionals and SMEs. Extra banking experts were recruited in this segment as well as credit and payment systems specialists. The extra administrative support has left more time available for advisory work. Thanks to these structural adaptations, RPB will be in a position to offer the full multichannel approach to all customer groups in 2011.

During the year, significant efforts were made in the field of communication in order to regain public trust and create a distinctive BNP Paribas Fortis identity. The watchwords of this drive were: positive image, objective information and a partner who can be relied upon to give clear, personalised advice.

Corporate & Public Banking, Belgium

Corporate & Public Banking, Belgium (CPBB) offers a comprehensive range of local and international financial services to Belgian enterprises, public entities and local authorities. With more than 450 corporate clients and 34,100 midcap clients, it is the market leader in both those categories, and a challenger in public banking (1,300 clients). The offering includes domestic banking products, specialised financial skills, and securities, insurance, real estate services, trade services, cash management, factoring and leasing, as well as mergers and acquisitions and capital market activities. A central team of more than 60 corporate bankers, 200 relationship managers at 22 business centers and skills officers ensure that BNP Paribas Fortis is close to the market. Combined with the European network of business centers, managed within Corporate and Investment Banking, CPBB is able to offer unified commercial management to its Belgian clients locally and abroad.

Relationship Managers at CPBB are present in client's companies as much possible, thinking alongside them to define key moments, proactively providing solutions and swiftly solving banking matters while suggesting new ideas and improvements to clients' daily operations. CPBB endeavours to build on its long-term client relationships in which it aspires to understand clients' strategic priorities and long-term goals.

2010 saw enhanced sales processes and improved Customer Relationship Management to support our proactive approach to clients, resulting in increased brand loyalty and recommendations by clients who recognise the strength of our relationship management and specialists.

In the course of the same year, CPBB launched its subsidiary BNP Paribas Fortis Factor, integrated the services of Arval into its offering, and marketed new Cash Management products such as Connexis, EasyCollect and SEPA Direct Debit value added services. Furthermore, CPBB successfully offered a full range of CIB skills in Capital Markets, Corporate and Structured Finance. It has also deployed ongoing initiatives to assure that its clients have efficient access to the BNP Paribas Group's European and international network.

In line with its strategy CPBB has rolled out an advertising campaign focusing its partnership with clients. These advertisements portray CPBB clients testifying about their Relationship Manager partnership and the solutions offered. They summarise what CPBB stands for: close, strategic partners who think alongside their clients and come up with solutions that help them reach their objectives.

Corporate & Investment Banking

BNP Paribas Fortis Corporate & Investment Banking (CIB) offers its clients (in Belgium and in Europe) full access to BNP Paribas CIB's product portfolio.

BNP Paribas Fortis CIB consists of six business lines: Capital Markets, Structured Finance, Corporate & Transaction Banking Europe, Corporate Finance & Equity Capital Markets, Institutional Banking Group Europe, and Private Equity.

Capital Markets, a sustainable Brussels-based platform focused on client-driven activities, offers the full-fledged product range of BNP Paribas. In Fixed Income, Capital Markets serves mainly Belgian clients, but also European Midcaps (clients of Corporate & Transaction Banking Europe). In Equity Derivatives, the focus is on serving Belgian clients, with some trading activity.

Structured Finance groups the activities of Corporate Acquisition Finance, Leveraged Finance, Export Finance and Project Finance. A regional platform for Global CIB is set up in Brussels, to serve clients in the Benelux countries, Northern & Central Europe (including Greece) and Turkey (the 'BNCET platform'). The team also manages the Public-Private Partnership financing for all Europe, leveraging BNP Paribas Fortis expertise in this domain.

Corporate & Transaction Banking Europe is an integrated banking network focused on servicing large mid-caps and international clients, and in particular subsidiaries of BNP Paribas clients throughout Europe. CTBE delivers daily banking products and services (vanilla loans, cash management, trade services, flow-hedging products and, when available, leasing, factoring and investment solutions products) to well-known corporates and financial institution clients in 17 non-domestic countries in Europe, through a network of more than 30 business centers for proximity with clients. Corporate & Transaction Banking Europe operates in close collaboration with two competence centers based in Belgium and operating for the whole BNP Paribas group: Cash Management and Global Trade Solutions. Cash Management provides companies with liquidity management services, as corporates are increasingly looking for global and homogeneous solutions at European level (e.g. SEPA solutions, cash pooling, and payment factories). Meanwhile, these companies continue to need comprehensive local offerings. Global Trade Solutions assists companies in their international trading activities, providing, for instance, international guarantees for commercial agreements between parties in different countries.

Corporate Finance is active in Merger & Acquisition Advisory and in Equity Capital Markets. Corporate Finance focuses on clients in Belgium and in Luxembourg.

Institutional Banking Group Europe is responsible for the relationship management with financial institutions. It promotes flow banking and plain vanilla products.

Private Equity continues to support the Belgian economy by investing in capital assets and mezzanine finance, allowing BNP Paribas Fortis to help its clients in their external development.

Notable deals concluded in 2010:

- BNP Paribas Fortis acted as Bookrunner and Duration Manager for a EUR 4 billion 30-year issue for the Kingdom of Belgium.

- BNP Paribas Fortis acted as a joint Bookrunner for the EUR 500 million 10-year issue for Eurogrid, a newly established holding company owned 60% by Elia System Operator and 40% by IFM (the Australian infrastructure fund).

- BNP Paribas Fortis acted as Bookrunner for the EUR 350 million 7.5-year issue for Group Bruxelles Lambert (GBL), targeted at the Belgian and Luxembourg retail and private banking investor base.

- BNP Paribas Fortis acted as a joint Bookrunner for the EUR 150 million Senior Unsecured Notes issue for Tessenderlo NV.

- BNP Paribas Fortis led the structuring and underwriting of the PLN 560 million Acquisition, Working Capital and Capex facilities supporting the largest Leveraged Finance deal in Poland in 2010 (Agros Nova). This high profile deal marked the successful entrance of BNP Paribas Fortis into the Central European leveraged finance market. Agros Nova was acquired by IK Investment Partners in August 2010. Headquartered in Warsaw and employing a total of around 2,300 staff, Agros Nova is a top three player in all of its business segments, comprising fruit and vegetable preserves, ready-made food and non-carbonated beverages.

- BNP Paribas Fortis arranged a EUR 165 million Acquisition and Working Capital Facility and a EUR 40 million Equity Bridge. This allowed Econocom, a company listed on the Brussels Stock Exchange, to acquire 100% of the shares of ECS, a wholly owned subsidiary of Société Générale. The transaction created a leading European services company with 3,800 staff and a turnover of EUR 1.6 billion and specialized in the management of IT and telecom resources for businesses.

- BNP Paribas Fortis played a prominent role in the structuring of "De Scholen voor Morgen" project, a landmark transaction in the field of Belgian Private Public Partnerships and one of the largest social infrastructure projects in Europe. The programme could involve the building of 211 new primary and secondary school buildings, covering around 700,000 m² over the next six years. The bank structured the whole project, became a shareholder of the project company alongside Fortis Real Estate and the Flemish Community, arranged a EUR 700 million Construction Facility and fully underwrote a EUR 1.5 billion Long Term Finance Facility guaranteed by the Flemish Region. The transaction was successfully closed in June 2010.

- BNP Paribas Fortis was appointed Sole Global Coordinator for the EUR 148 million rights issue for Agfa-Gevaert. The transaction was fully underwritten by a syndicate of four banks. Agfa-Gevaert is a leader in imaging systems and IT solutions. The company mainly operates in the printing industry and the healthcare sector as well as for specific industrial applications.

- BNP Paribas Fortis acted as one of the four Joint Global Coordinators and Joint Bookrunners of a EUR 300 million rights issue for Elia to acquire 60% of the German system operator 50Hertz.

- BNP Paribas Fortis was Ville de Luxembourg's exclusive financial advisor on the contribution of its energy distribution activities to Enovos group. The transaction, valued at more than EUR 300 million and closed after more than two years of negotiations, is a next step in the reorganisation of the Grand Duchy of Luxembourg's energy market. Enovos became owner of Leo, the second energy retailer in Luxembourg, and of a dense distribution network in the country's capital. In exchange, the City of Luxembourg becomes a shareholder in Enovos International and its grid management subsidiary Creos Luxembourg. BNP Paribas Fortis had a leading advisory role in the design, structuring and negotiation of the transaction.

BGL BNP Paribas

The year 2010 was strongly marked by the integration work required to implement the BNP Paribas industrial plan for Luxembourg as approved on 25 November 2009 by the BGL BNP Paribas Board of Directors, which forms part of the overall Group Industrial Plan. The integration process was formalised on 1 October 2010 when BGL BNP Paribas S.A. and BNP Paribas Luxembourg S.A. were absorbed into a single merged entity under the name of BGL BNP Paribas. Following this legal merger, the BNP Paribas Luxembourg activities were transferred to the technical and operational platforms of BGL BNP Paribas during the weekend of 30-31 October 2010.

In Luxembourg, BGL BNP Paribas ranks as:

- Nr 1 in Corporate Banking
- Nr 2 in Individual Banking
- Nr 1 Private Banking
- Nr 1 Financial sector employer
- Nr 1 Banking business within the 'Grande Région'

All the Group's core businesses are represented within BGL BNP Paribas.

Retail and Corporate Banking Luxembourg

Retail and Corporate Banking Luxembourg is the number two bank in the Grand Duchy for resident individuals and the number one bank for corporates. Through a network of 37 branches, BLG BNP Paribas provides a broad range of financial products and services to individual, professional and corporate clients. Retail and Corporate Banking takes a personalised approach to the clients, with a view to strengthening customer relations and optimising the provision of services and counselling in line with their real needs.

Retail and Corporate Banking maintained its business momentum during 2010, and continued to capitalise on the return of confidence among its clients. Some significant organisational changes were made during the year 2010, expanding Retail and Corporate Banking's fields of expertise and integrating the Retail side with the Corporate Banking arm.

In the individual banking segment, a programme was implemented across the branch network, designed to enhance expertise in three fields: adjusting the commercial approach to the client; developing the branch systems; and adapting the methods of new business prospecting. As part of the merger process, a number of clients were transferred to different business lines. In addition, the merger enabled BGL BNP Paribas to expand the product and service range to corporates.

To facilitate these changes, new systems were set up to help the various teams to provide an optimal client service. On the Retail Banking side, a new structure was put in place to support the branches. In addition, the setting up of Competence Centers has proved extremely useful in helping branches to provide expert guidance to clients and to carry out new business prospecting.

Meanwhile, the network structure was strengthened by the creation of four regional finance centers, a new procedure was set up for managing promotional campaigns; quality controllers were put in place at regional level; credit analysis was incorporated into the business line, and three business entities were merged on the Corporate Banking side with the aim of improving client service. On the communication and marketing side, a series of promotional campaigns were launched, aimed variously at individual, professional and corporate clients, making direct approaches to a total of 250,000 clients throughout the year.

A plan was drawn up with a view to creating stronger, deeper, long-term relationships with clients. The relationship-enhancement plan was set in motion in October 2010, supported by a training programme intended to familiarise all branch network staff with the new strategy and foster a business approach focused on client-needs. 55 training sessions were ran over 79 days, providing this training to some 550 staff members.

Investment Solutions

In Luxembourg, BNP Paribas Wealth Management is represented by BGL BNP Paribas. BNP Paribas Wealth Management was named by Euromoney as number one Private Banking in Luxembourg (with EUR 23.8 billion worth of Assets under Management) and number one Private Banking in the Eurozone in terms of clients' assets. Integrated wealth management solutions are specially tailored to the needs of high-net-worth clients, both resident and non-resident. These clients are offered a multilingual service and a broad international range of financial products and services, including structuring and management of investments, trust and corporate services, real estate management and insurance.

BNP Paribas Personal Investors, a BGL BNP Paribas service, specialises in consultancy and financial wealth management for active investors, via a variety of communication channels – by telephone or Internet as well as face-to-face consultations. The Personal Investors service is the number one for online savings and brokerage in continental Europe.

Corporate and Investment Banking

The BNP Paribas Corporate and Investment Banking arm in Luxembourg provides banking services linked to stock markets and money markets, brokerage, investment banking, structured finance, corporate hedging operations and both active and passive portfolio management. Corporate and Investment Banking clients are essentially companies and financial institutions domiciled in the Grand Duchy. The local sales and trading teams can rely on the backup – in terms of know-how and services – of the entire BNP Paribas Group.

The BNP Paribas Group in Poland

As a result of the global integration of BNP Paribas and Fortis Bank, in Poland the Group is represented by 10 companies with some 3,000 employees who specialise in various banking activities. The integration of BNP Paribas and Fortis Bank is a chance to boost cooperation and synergies between various entities of the Group in Poland, particularly between BNP Paribas Fortis and the BNP Paribas SA Branch in Poland. They remain separate legal entities, but joined their strengths in order to offer a wider range of high-quality services to clients in Poland.

Products, activities & client segmentation

BNP Paribas Fortis in Poland is a universal bank that offers a wide range of financial services to three market segments: individual customers (private banking included); micro, small and medium enterprises, and domestic and international corporations.

Commercial activities are organised in the following business lines: Retail Banking (including Personal Finance), Enterprise and Transaction Banking, and Fixed Income and Treasury.

From a client perspective, the strategy is to focus on individual customers from Mass Aspiring and Mass Affluent segments and to seek a strong position among enterprises. From the distribution perspective, the bank strives for continuous expansion of the sales network by increasing the number of branches and development of the integrated multichannel banking model. From a product perspective, the bank focuses on the enhancement of competence and innovation in consumer finance products and mortgages as well as in leasing, fixed income, cash management, wealth management, asset management and structured finance.

Achievements in 2010

In 2010, the bank resumed an active lending strategy towards its clients in individual and institutional banking but with a clear aim to develop a client overall relationship rather than simply sell products. At the beginning of the year, the bank introduced the campaign '2 billion złoty for enterprises', which was designed to support the financing of investments and current needs of both existing and new clients. The bank also signed an agreement with the European Investment Bank to finance investment by local corporates.

The bank continued to improve the competitiveness and breadth of its products for individual clients, be it mortgage loans (in mid-2010 the bank introduced dual-currency mortgage loans into its offer – the first loan of this type on the Polish market), consumer loans, car loans or savings and investment products.

The perimeter of Fortis Bank Polska's activities changed in the first half of 2010 when the Polish Financial Supervision Authority gave its consent to acquire part of the business of the BNP Paribas Branch in Poland. The BNP Paribas Branch in Poland focuses now on the largest Polish corporations and institutions and sophisticated investment banking products, while Fortis Bank Polska provides services to large enterprises (both Polish and international), mostly in terms of banking services, plain vanilla financing, leasing, cash management and global trade services.

In June 2010, the Polish Financial Supervision Authority agreed to the transformation of Fortis Private Investments Polska SA (a 100% subsidiary of Fortis Bank Polska) into an asset management company ('Towarzystwo Funduszy Inwestycyjnych').

Fortis Bank Turkey

BNP Paribas Fortis operates in Turkey via Fortis Bank Turkey, of which it is the majority shareholder with 94.11% of the shares. Retail Banking offers debit and credit cards, mortgage loans, personal loans, and investment and insurance products distributed through 294 branches and via internet, phone and mobile banking. Corporate banking services include international trade finance, asset and cash management, credit services, hedging of currency, interest and commodity risk, factoring and leasing. Through its commercial and small business banking departments, the bank offers a full range of banking services to small and medium-sized enterprises.

The Turkish economy rapidly recovered from the 2009 economic crisis, with a GDP growth of 8% in 2010.

Credit demand increased significantly mainly in general purpose loans, but due to very liquid markets the commercial margins were under pressure.

Fortis Bank Turkey continued to develop its Retail business with a strong emphasis on mortgage loans and personal loans, and a segmented offering in the SME market.

The ATM network expanded significantly with, amongst others, the installment of 400 merchant ATM's in the Migros supermarket chain.

Alternative distribution channels were further developed with new applications for internet and mobile banking, more particularly in the fields of loans, credit cards and deposits.

In Corporate Banking, margins suffered due to the high competition, but results were favorably impacted by high recoveries of loan loss provisions booked in 2009 and by almost no new provisions.

Further decreasing interest rates in Turkish lira influenced positively the market activities, but had a negative impact on the commercial income.

In June 2010, BNP Paribas Fortis, the controlling shareholder of Fortis Bank Turkey, and BNP Paribas and the Colakoglu Group, the controlling shareholders of Turk Ekonomi Bankasi (TEB), announced their decision to merge the 2 banks. After having received the approval of the competent Turkish authorities, the two banks completed the legal merger on 14 February 2011. The merged bank ranks 9th in the Turkish banking sector in terms of loans and deposits market share. The operational merger is expected to be completed by the end of 2011.

Principal risks and uncertainties

Fortis Bank's activities are exposed to a number of risks such as credit risk, market risk, liquidity risk and operational risk. To ensure that these risks are identified and adequately controlled and managed, the bank adheres to a number of internal control procedures and refers to a whole array of risk indicators, which are further described in Note 4, Risk Management of the Fortis Bank Consolidated Financial Statements 2010.

Fortis Bank is involved as a defendant in various claims, disputes and legal proceedings in Belgium and in some foreign jurisdictions, arising in the ordinary course of its banking business and following the restructuring of Fortis Bank and Fortis Group at the end of September and beginning of October 2008, as further described in Note 8.i of the Fortis Bank Consolidated Financial Statements 2010.

Events after the reporting period are further described in the note 8.l in the section "Additional information".

Comments on the evolution of the Balance Sheet

The **total balance sheet** at 31 December 2010 amounts to EUR 298 billion, a decrease of EUR 72 billion or 19% compared with 31 December 2009. This is mainly the result of the transfer of activities to other entities of the BNP Paribas group, in particular related to capital market activities and to branches based abroad.

Assets

The **government securities eligible for refinancing at the central bank** amount to EUR 20 million at 31 December 2010, reflecting a decrease of EUR 1 billion. In 2009, this caption contained essentially short-term government bonds belonging to the trading portfolio.

The **amounts receivable from credit institutions** reached EUR 41 billion in 2010, decreasing by EUR 5 billion or 12%, consisting of a decrease by EUR 6 billion in Belgium and an increase by EUR 1 billion in the foreign branches.

The amount of EUR 41 billion contains mainly reverse repurchase agreements (EUR 18 billion), current accounts and day to day loans (EUR 12 billion), interbank investments (EUR 9 billion) and Monetary reserve assets (EUR 1.5 billion) . At the end of 2010, the relative weight of interbank receivables represents 14% of total assets against 12% one year earlier.

The reduction of the interbank activity started at end of 2008 and has continued in 2009 and 2010. This is reflected in a decrease in the interbank investments and sight accounts (EUR 3 billion), in the reverse repurchase agreements (EUR 2 billion) and in the Monetary reserve assets (EUR 1.5 billion).

The **amounts receivable from customers** are EUR 91 billion at 31 December 2010, decreasing by EUR 36 billion or 28%, of which EUR 8 billion in Belgium and EUR 28 billion in the foreign branches.

The receivables from customers include terms loans (EUR 52 billion), reverse repurchase agreements (EUR 21 billion), mortgage loans (EUR 8 billion), advances on current accounts (EUR 6 billion) and other receivables (EUR 4 billion). At the end of 2010, they represent 31% of the total assets against 34% end of 2009.

The amounts transferred from receivables from customers to bonds, due to the securitization via “Special Purposed Vehicles”, amount to EUR 33 billion at the end of 2010, of which EUR 25 billion concerns mortgage loans and EUR 8 billion term loans.

The evolutions compared to 2009 can be described as follows. The term loans decrease in total with EUR 24 billion of which EUR 21 billion in the branches. The other claims decrease with EUR 4.7 billion and the current accounts drop with EUR 1 billion. This decline is also mainly caused by the transfer of the branches to the BNP Paribas Group.

In Belgium, the reverse repurchase agreements decrease with EUR 7 billion and the mortgage loans increase with EUR 1 billion. Excluding the securitisation of part of the mortgage loans (EUR 3 billion), the mortgage loans rise by EUR 4 billion.

The **bonds and other fixed-income securities** amount to EUR 96 billion. This portfolio decreases by EUR 11 billion or 10%, mainly in Belgium.

The EUR 96 billion bonds and other fixed-income securities consists for the largest part of an investment portfolio including borrowings from other issuers (EUR 52 billion), borrowings of public authorities (EUR 37 billion), and borrowings from financial institutions (EUR 5 billion). The trading portfolio amounts to EUR 2 billion. The bonds and other fixed-income securities represent 32% of the total assets against 29% at the end of 2009.

The total decrease is explained by the reduction of the trading portfolio (EUR 6 billion) and of the investment portfolio (EUR 5 billion).

The decrease of EUR 11 billion is located for EUR 8 billion in the public sector and for EUR 5 billion in the borrowings from credit institutions, compensated by an increase of EUR 2 billion in other borrowings. This increase contains the increase of the bonds (EUR 3 billion) related to the securitisation of a mortgage loan portfolio.

The **financial fixed assets** amount to EUR 9 billion at 31 December 2010. The reduction of EUR 7 billion or 44% is mainly due to the sale of the participations (Fimagen Holding, Fortis Capital Corp, Fortis Banque France, Artemis ...) and the liquidation of the funds Money Alpha and Money Beta (EUR 4 billion).

The **other assets** amount to EUR 6 billion at 31 December 2010 and decrease by EUR 2 billion or 30%. This decrease is in particular concentrated in Belgium due to less paid premiums on derivatives, essentially trading options (EUR 1.3 billion).

The **deferred charges and accrued income** amount to EUR 53 billion and decrease by EUR 8 billion or 13%, of which EUR 5 billion in Belgium and EUR 3 billion in the branches. This decline mainly concerns the accruals on derivatives, essentially on interest rate swaps (EUR 4 billion) and credit default swaps (EUR 2 billion), and is related to the reduction of the volumes of these derivatives, as well as to the general decrease of interest rates. The deferred charges and accrued income represent 18% of the total assets against 16% at the end of 2009.

Liabilities and shareholders' equity

The **amounts payable to credit institutions** represent EUR 43 billion at 31 December 2010. Overall they decrease by EUR 20 billion or 32% compared to 2009, of which EUR 15 billion in Belgium and EUR 5 billion in the foreign branches.

The amounts payable to credit institutions (EUR 43 billion) consists in particular of repurchase agreements (EUR 22 billion), interbank borrowings (EUR 14 billion) and credit institutions' sight accounts (EUR 7 billion). At the end of 2010, the relative weight of the interbank liabilities represents 14% of the total liabilities against 17% end of 2009.

The continued decrease of the interbank liabilities relates to the Bank's intention to reduce its assets which, consequently, strongly reduces its funding needs. The reduction in activity is mainly driven by the integration process of foreign branches activities into other entities of BNP Paribas group.

The repurchase agreements show a positive evolution of EUR 10 billion. However this effect is largely compensated by a strong decrease of the interbank borrowings (EUR 30 billion). This decrease is mainly composed of current accounts (EUR 12 billion), placements secured by collateral given (EUR 12 billion) and other advances against collateral (EUR 6 billion).

In Belgium, this decline is reflected in the interbank borrowings (EUR 9 billion) and in the advances against collateral with the NBB/BNB (EUR 10 billion), partly compensated by an increase of the repurchase agreements (EUR 5 billion).

In the foreign branches, the decrease concerns mainly the interbank borrowings.

The **amounts payable to clients** are at EUR 140 billion at 31 December 2010. This represents a reduction of EUR 28 billion or 39% and is split in EUR 22 billion in Belgium and EUR 6 billion in the foreign branches.

The amounts payable to clients (EUR 140 billion) consist mainly of savings deposits (EUR 54 billion), current accounts (EUR 33 billion), reverse repurchase agreements (EUR 27 billion), term deposits (EUR 21 billion) and short security sales (EUR 5 billion), representing 47% of total liabilities against 45% end 2009.

The strong decline mainly results from the repurchase agreements (EUR 15 billion mainly in Belgium), the term deposits (EUR 8 billion in Belgium and EUR 6 billion in the branches), the short security sales (EUR 5 billion mainly in Belgium) and the sight deposits (EUR 3 billion of which EUR 2 billion in Belgium). This decrease is compensated by a EUR 10 billion increase in saving deposits.

The **amounts payable represented by a security** reach EUR 25 billion at 31 December 2010. Overall, they decrease by EUR 16 billion or 39%, compared to 2009, split in EUR 12 billion in Belgium and EUR 4 billion in the foreign branches.

The amounts payable represented by a security (EUR 25 billion) consist mainly of certificates of deposits (EUR 11 billion), non-convertible bonds (EUR 8 billion) and savings certificates (EUR 6 billion), representing 8% of total liabilities against 11% end of 2009.

This decline is largely explained by the decrease of the certificates of deposits (EUR 8 billion of which EUR 4 billion in Belgium) and the decrease due to redemptions of the non-convertible bonds (EUR 6 billion mainly in Belgium).The savings certificates also decreased with EUR 2 billion, mainly in Belgium.

The **other amounts payable** represent EUR 8 billion at 31 December 2010, reflecting a decrease of EUR 3 billion or 24% in particular related to the decrease of the received premiums on the derivatives, essentially trading options (EUR 2.5 billion). This evolution is mainly concentrated in Belgium.

The **accrued charges and deferred income** amount to EUR 53 billion and drop by EUR 6 billion or 10%. This reduction of EUR 6 billion essentially concerns the accruals on derivatives and is due to decreasing volumes on interest rate options and interest rate swaps, as well as due to the general decrease of the interest rates.

The **fund for general banking risks** remains globally unchanged (EUR 1 billion), except for a small reversal (EUR 0.5 million) of the fund in Hong Kong.

The **shareholders' equity,** after result appropriation, amounts to EUR 12 billion end of December 2010 and increases by EUR 0.5 billion or 4%. The evolution is explained by the reserved profit of the year (EUR 1.5 billion), partly compensated by the reversal of the revaluation surpluses related to the sale of Fimagen Holding (EUR 1 billion). In addition, the General Assembly of the shareholders of 22 April 2010 decided to reduce, by EUR 20 billion, the amount of the share premiums, thereby discharging the losses of the preceding exercises.

Comments on the evolution of the Income statement

Fortis Bank is back in a situation of profit after three years of loss. The **result of the year**, before transfer from untaxed reserves, is a profit of EUR 1,875 million, compared to a loss of EUR 1,315 million in 2009. The year 2010 is influenced positively by some one-off elements, mainly the result of the disposal of participations (EUR 1,175 million) and foreign branches activities (EUR 156 million). The year 2010 is also impacted by the cost of the acquisition of some BNP Paribas activities (EUR 23 million). Furthermore, costs are quite high this year mainly due to the costs of integration into BNP Paribas (EUR 301 million).

Without those one-off events, the result is a profit of EUR 868 million. The retail banking net revenues are relatively stable. The market activities return to profit after being negative in the previous years. The costs, excluding integration costs, are decreasing while the level of impairments is far lower compared to last year.

The **interest margin** (captions I and II) amounts to EUR 2,627 million and reflects a decrease of EUR 168 million or 6% compared with 2009. This decrease is mainly explained by the progressive integration during 2010 of foreign branches in other entities of the BNP Paribas group.

The interest margin of retail banking was under pressure in 2010. On one hand, the interest rates on loans have decreased, compensated by an increasing loan volume. On the other hand, some products, particularly the sight and savings accounts, have affected negatively the interest margin.

The lower funding costs, particularly due to the sales of participations, have a positive impact on the interest margin.

Furthermore, the interest and similar income and charges decrease considerably due to the reduction of the interbank transactions and the market operations in Belgium.

Income from variable-income securities (caption III) amount to EUR 384 million, a decrease of EUR 166 million or 30% compared to 2009, mainly caused by lower received dividends due to the sale of participations.

The **commissions** (captions IV and V) amount to EUR 911 million.

The increase of EUR 77 million or 9% is the result of a rise in Belgium (EUR 138 million) and a decrease in the foreign branches (EUR 61 million).

In Belgium, the increase is due to the progression of the retail banking activities, in particular to the fees on payment transactions, securities and credits.

The commissions received and commissions paid are also impacted by the reorganisation of the capital market activities within the BNP Paribas group and by the transfer of foreign branches activities to other entities of the group.

The **profit on financial operations** (caption VI) amounts to EUR 264 million, up by EUR 483 million. The profit on exchange transactions and trading in securities and other financial instruments amounts to EUR 182 million in 2010 against a loss of EUR 108 million in 2009. The operating results of the capital market activities continued to progress, thanks to a gradual normalization of the markets and the policy of reducing the risks. The disposal of investment securities, mainly related to fixed-income securities, generates capital gains reaching EUR 82 million in 2010 versus capital losses of EUR 111 million in 2009.

The **general administrative expenses** (caption VII) amounts to 2,872 million, a decrease of EUR 12 million compared to 2009.

The remuneration, social charges and pensions go down by EUR 164 million or 9%, mainly due to a lower average workforce especially in the foreign branches and following the integration process with BNP Paribas.

The other administrative expenses increase by EUR 152 million mainly because the costs of integration into BNP Paribas Group have been booked in 2010 and due to rising contribution to the deposit guarantee scheme.

The **depreciations and amounts written off on formation expenses, intangible and tangible fixed assets** (caption VIII) amount to EUR 184 million, an increase with EUR 2 million compared to 2009.

The **amounts written off on the amounts receivable** and **on the investment portfolio** (captions IX + X) amount to EUR 251 million in 2010 against EUR 770 million in 2009, showing a decrease of EUR 519 million or 67%.

The lower level of impairments in 2010 is to be put in parallel with the improvement of quality of the loan portfolio, reflecting the overall economic recovery. In 2009, amounts written off were exceptionally high mainly because of the difficult economic environment.

The **provisions for risks and charges** (captions XI + XII) represent a charge of EUR 10 million in 2010 against EUR 258 million in 2009. The decrease of EUR 248 million can be explained by the important provisions booked in 2009 for VAT, legal matters and convergence in valuation methods.

The **other operating income** (caption XIV) amounts to EUR 200 million, up by EUR 15 million or 8% compared to 2009. This evolution can mainly be explained by the indemnity received for the breach of a building renting contract.

The **other operating charges** (caption XV) amount to EUR 259 million, up by 18 million or 7% compared to 2009. This evolution can mainly be explained by the impact of the downward revision of the VAT rate to be recovered.

The **extraordinary income** (caption XVII) amounts to EUR 2,004 million, being an increase with EUR 1,685 million and mainly due to the realized gains on financial fixed assets (EUR 1,325 million, included in Caption XVII D, in particular related to the cession of the participation in Fimagen Holding) and to the realized gains on foreign branches (EUR 648 million, included in Caption XVII E).

The **extraordinary charges** (caption XVIII) amount to EUR 1,020 million, a decrease of EUR 325 million or 24%, and concern mainly impairments on financial fixed assets (EUR 240 million, included in Caption XVIII B), provisions for early departures (EUR 118 million, included in Caption XVIII C), realized losses on financial fixed assets (EUR 150 million, incl. in Caption XVIII D) and realized losses on foreign branches (EUR 492 million, included in Caption XVIII E).

The **income taxes** (captions XIXbis + XX) show a positive figure of EUR 81 million in 2010, in comparison with a negative amount of EUR 97 million in 2009. The taxation level is influenced by regularisations of previous years as well as by the fiscal treatment of the provisions for early departures.

The 21 **foreign branches** situated in Athens, Bucharest, Budapest, Cologne, Copenhagen, Guangzhou, Hong Kong, Lisbon, London, Madrid, Milan, New York, Paris, Prague, Shanghai, Singapore, Stockholm, Taipei, Tokyo, Vienna and Zurich, have together a profit of EUR 268 million in 2010, against a loss of EUR 458 million in 2009.

Taking into account the transfer from the untaxed reserves, the **profit for the year available for appropriation** amounts to EUR 1,875 million.

Statement of the Board of Directors

The Board of Directors of Fortis Bank is responsible for preparing the Fortis Bank Consolidated Financial Statements as at 31 December 2010 in accordance with International Financial Reporting Standards as adopted by the European Union and the Fortis Bank Financial Statements as at 31 December 2010 in accordance with rules laid down in the (Belgian) Royal Decree of 23 September 1992 on the annual accounts of credit institutions.

The Board of Directors reviewed the Fortis Bank Consolidated and Non-consolidated Financial Statements on 17 March 2011 and authorised their issue.

The Board of Directors of Fortis Bank declares that, to the best of its knowledge, the Fortis Bank Consolidated Financial Statements and the Fortis Bank Financial Statements, give a true and fair view of the assets, liabilities, financial position and profit and loss of Fortis Bank and the undertakings included in the consolidation and that the information contained herein has no omissions likely to modify significantly the scope of any statements made.

The Board of Directors of Fortis Bank also declares that, to the best of its knowledge, the management report includes a fair review of the development, results and position of Fortis Bank and the undertakings included in the consolidation, together with a description of the principal risks and uncertainties with which they are confronted.

The Fortis Bank Consolidated Financial Statements and the Fortis Bank Financial Statements as at 31 December 2010 will be submitted to the Annual General Meeting of Shareholders for approval on 21 April 2011.

Brussels, 17 March 2011
The Board of Directors of Fortis Bank SA/NV

Corporate Governance

Fortis Bank has issued debt securities that are listed on a regulated market in the sense of article 2, 3° of the Law of 2 August 2002 regarding the supervision on the financial sector and financial services. In addition, but however without involvement of Fortis Bank itself, its shares are traded from time to time on a multilateral trading facility in the sense of article 2, 4° of the Law of 2 August 2002 regarding the supervision on the financial sector and financial services.

Taking into account the above and in accordance with article 96§2 of the Companies Code and article 1 of the Royal Decree of 6 June 2010, Fortis Bank has adopted the "Belgian Corporate Governance Code 2009" as its reference code (hereafter referred to as the "Code").

The Code can be consulted on http://www.corporategovernancecommittee.be

Compliance with the Code

Fortis Bank generally complies with the principles and provisions of the Code. Main differences relate to Principle 8 "Dialogue with shareholders". The fact that the Company is not able to comply with all of the provisions of Principle 8 of the Code is related to the ownership of Fortis Bank. On the one hand the 'free float' is limited to 0.07% of the issued shares. At the other hand, there is the commercial and operational integration of the Company within its controlling shareholder BNP Paribas SA that holds 74.93% of the issued shares.

BNP Paribas SA itself is a Euronext listed company which implies that certain legal provisions on the disclosure of sensitive information to the market need to be taken into account by Fortis Bank, its Directors and its staff. The Board of Directors is however determined to protect at all times the interests of all shareholders of Fortis Bank and will provide all of them with the necessary information and facilities to exercise their rights, in compliance with the Companies Code.

Fortis Bank did not receive any transparency declarations within the meaning of the Law of 2 May 2007 on the disclosure of significant shareholdings.

During 2010, Fortis Bank's non-executive directors had the opportunity to meet regularly without the presence of the CEO or other executive directors, at the occasion of the Board committee meetings (Provision 4.12 of the Code).

Governing Bodies

Board of Directors

Role and responsibilities

In accordance with legislation and regulations relating to credit institutions prevailing in Belgium, the Board of Directors is responsible for defining the general policy of the Bank ('policy function'), supervising the activities of the Executive Board, appointing and revoking the members of the Executive Board and supervising the Internal Control Functions ('supervisory function'). The Board of Directors decides on the company's values and strategy, its risk appetite and key policies.

In accordance with article 26 of the Banking Act[1] and article 22 of the articles of association of Fortis Bank ('Articles of Association'), the members of the Board of Directors have elected amongst themselves an Executive Board, of which the members are referred to as "Executive Directors". The Executive Board has received a general delegation of power to perform any acts necessary or relevant to manage the banking activities within the general policy framework set out by the Board of Directors ('management function').

Size and membership criteria

The Board of Directors shall be made up of not less than five and not more than thirty-five Directors. Members of the Board of Directors may or may not be shareholders, and are appointed for a period not exceeding four years.

Board members have the necessary qualities to exercise their function in an objective and independent way in order to guard the interests of Fortis Bank at all times.

According to the Fortis Bank' policy, the composition of the Board of Directors consists of an appropriate and balanced mix between the Executive Directors and the non-Executive Directors, whether independent or not.

Executive Directors may not constitute the majority of the Board. Fortis Bank, furthermore, strives to maintain an appropriate balance of skills and competences within the Board of Directors in accordance with the provisions of the Banking Act.

The establishment, composition, responsibilities and functioning of the Board of Directors and the Executive Board comply with the Code.

[1] *The Law of 22 March 1993 regarding the statute of and the supervision on credit institutions.*

Composition

On 17 March 2011, the composition of the Board of Directors is as follows:

DAEMS Herman	Chairman of the Board of Directors. Non-Executive Director. Member of the Board of Directors since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
CHODRON de COURCEL Georges	Vice-Chairman Board of Directors. Non-Executive Director. Member of the Board of Directors since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
JADOT Maxime	Executive Director. Chairman of the Executive Board and Chief Executive Officer since 01.03.2011. Member of the Board of Directors by cooptation since 13.01.2011 following the resignation of Mr. Eric RAYNAUD that same day. Board Member mandate expires on the Ordinary Annual GeneralShareholders' Meeting of 2012.
DIERCKX Filip	Executive Director. Vice-Chairman of the Executive Board. Member of the Board of Directors since 28.10.1998. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2013.
FOHL Camille	Executive Director, Member of the Board of Directors and the Executive Board since 01.01.2008. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2011.
MENNICKEN Thomas	Executive Director. Member of the Board of Directors and the Executive Board since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
BONNAFÉ Jean-Laurent	Non-Executive Director since his resignation as Chairman of the Executive Board on 28.02.2011. Member of the Board of Directors and the Executive Board since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
BOOGMANS Dirk	Independent Non-Executive Director. Member of the Board of Directors since 01.10.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
COUMANS Wim	Non-Executive Director proposed by SFPI/FPIM (*). Member of the Board of Directors since 27.01.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
DUTORDOIR Sophie	Independent Non-Executive Director. Member of the Board of Directors by cooptation since 30.11.2010 following the resignation of Mr. Gérard LAMARCHE on 02.07.2010. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
LAVENIR Frédéric	Non-Executive Director. Member of the Board of Directors from 14.05.2009 till 01.10.2009 and again since 10.12.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
PAPIASSE Alain	Non-Executive Director. Member of the Board of Directors since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
PRUVOT Jean-Paul	Non-Executive Director. Member of the Board of Directors since 27.01.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
STÉPHENNE Jean	Independent Non-Executive Director. Member of the Board of Directors since 26.04.2001. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2013.
VARÈNE Thierry	Non-Executive Director. Member of the Board of Directors since 14.05.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.
WIBAUT Serge	Non-Executive Director proposed by SFPI/FPIM (*). Member of the Board of Directors since 27.01.2009. Board Member mandate expires on the Ordinary Annual General Shareholders' Meeting of 2012.

Mr. Luc VANSTEENKISTE is permanent invitee to the Board of Directors and all Board Committees.

(*) Société Fédérale de Participations et Investissements or the Federale Participatie- en Investeringsmaatschappij.

The mandate of the Board Members appointed by cooptation is to be confirmed by the General Shareholders' Meeting of 21 April 2011. Fortis Bank organizes induction sessions for its director upon their nomination to the Board of Directors or a Board Committee.

The Fortis Bank Board of Directors, responsible for defining the general policy and supervising the activities of the Executive Board, is now composed of 16 Directors, of which 12 Non-Executive Directors (of which 3 are appointed as Independent Directors that comply with the criteria as laid down in article 526ter of the Companies Code) and 4 Executive Directors.

Between 1 January 2010 and December 31, 2010, the composition of the Board of Directors has undergone the following changes:

DAEMS Herman	Chairman Board of Directors
CHODRON de COURCEL Georges	Vice Chairman Board of Directors
BONNAFÉ Jean-Laurent	Chairman Executive Board
DIERCKX Filip	Vice Chairman Executive Board
FOHL Camille	Executive Director, Member of the Executive Board
MENNICKEN Thomas	Executive Director, Member of the Executive Board
RAYNAUD Eric	Executive Director, Member of the Executive Board
BOOGMANS Dirk	Independent Non-Executive Director
LAMARCHE Gérard	Independent Non-Executive Director (until 02.07.2010)
DUTORDOIR Sophie	Independent Non-Executive Director (since 30.11.2010)
STÉPHENNE Jean	Independent Non-Executive Director
VANSTEENKISTE Luc	Independent Non-Executive Director until 22.04.2010.
COUMANS Wim	Non-Executive Director
WIBAUT Serge	Non-Executive Director
LAVENIR Frédéric	Non-Executive Director
PAPIASSE Alain	Non-Executive Director
VARÈNE Thierry	Non-Executive Director
PRUVOT Jean-Paul	Non-Executive Director

Attendance to the meetings

The Board of Directors held 18 meetings in 2010. The attendance to the meetings was as follows:

	Number of Meetings held	Number of Attended Meetings
DAEMS, Herman	18	17
CHODRON de COURCEL, Georges	18	13
BONNAFÉ, Jean-Laurent	18	17
BOOGMANS, Dirk	18	18
COUMANS, Wim	18	18
DIERCKX, Filip	18	18
FOHL, Camille	18	13
LAMARCHE, Gérard (resigned from the Board of Directors)	18	3
LAVENIR, Frédéric	18	16
MENNICKEN, Thomas	18	18
PAPIASSE, Alain	18	4
PRUVOT, Jean-Paul	18	15
RAYNAUD, Eric	18	18
STÉPHENNE, Jean	18	15
VANSTEENKISTE, Luc	18	18*
VARÈNE, Thierry	18	16
WIBAUT, Serge	18	15
DUTORDOIR, Sophie (as of 30/11)	18	2

** For 10 out of 18 meetings, Mr. Vansteenkiste was present as permanent invitee.*

Evaluation of the Board of Directors

Under the lead of its Chairman, the Board of Directors regularly (i.e. at least every two years) assesses its size, composition, performance and those of the Board Committees, as well as its interaction with the executive management.

The evaluation process will have 4 objectives:

- assessing how the Board or the relevant Board Committee operates;
- checking that the important issues are suitably prepared and discussed;
- evaluating the actual contribution of each Director's work, the Director's presence at the Board and Board Committee meetings and his constructive involvement in discussions and decision-making; and
- checking the current composition of the Board or Board Committee against the Board's or Board Committee's desired composition.

The Chairman of the Board of Directors will discuss the outcome of the Board self - assessment with the Governance, Nomination and Remuneration Committee and the Board of Directors.

In 2010, the Chairman of the Board of Directors had individual meetings in this regard with all directors.

Remuneration

Information regarding the total remuneration for 2010, including benefits in kind and pension costs, of executive and non executive members of the Board of Directors, paid and payable by Fortis Bank are to be found in Note 8.d "Remuneration and benefits awarded to the Group's corporate officers" of the Fortis Bank Consolidated Financial Statements. This report is to be considered as the Remuneration Report in accordance with provision 7.2 of the Code.

Board Committees

In order to fulfil its role and responsibilities efficiently, the Board of Directors has set up an Audit, Risk and Compliance Committee and a Governance, Nomination and Remuneration Committee. The existence of these Committees does not affect the ability of the Board to set up further ad-hoc Committees to deal with specific matters if the need arises. Each Board Committee has an advisory function with respect to the Board. The appointment of Committee members is based on (i) their specific competences and experience, in addition to the general competence requirements for Board members, and (ii) the requirement that each Committee, as a group, possess the competences and experience needed to perform its tasks. The evaluation of the Board Committee is led by the Chairman of each Committee in the way as the evaluation of the Board of Directors.

The establishment, composition, responsibilities and functioning of the aforementioned Board Committees comply with the Code.

Audit, Risk & Compliance Committee ("ARCC")

The role of the ARCC is to assist the Board in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense within Fortis Bank, including internal control over financial reporting and risk.

Role and responsibilities

The ARCC shall monitor, review and make recommendations to the Board of Directors regarding:

Audit

The performance of the external audit process: the ARCC oversees the work performed by the external auditors, reviews their audit plan, formally evaluates their performance at least once every three years against stated criteria and makes recommendations to the Board of Directors regarding their appointment or reappointment, mandate renewal and remuneration. The ARCC follows up on questions or recommendations of the external auditors. The ARCC also monitors the independence of external audit firms, including the review and approval of non-audit services provided to Fortis Bank.

The performance of the internal audit process: the ARCC oversees the work performed by the internal audit department and endorses the annual audit plan, including focal point audit assignments, scope and audit budget. It monitors the follow-up that management gives to the internal audit's recommendations and takes part in the external quality assessment of the internal audit department organized at least once every five years and concurs in the appointment or dismissal of the General Auditor.

Risk

The major risk exposures of the Bank and the operation of internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations. This implies that the ARCC identifies and acknowledges major risk areas such as credit risk, market risk and liquidity risk.

Compliance & Operational Risk

The coherence and effectiveness of the internal control system: this includes the overseeing and reviewing of the coherence and the effectiveness of the internal control system of Fortis Bank, through oversight and controls, more specifically with regard to its permanent control, the compliance of its activities with internal and external law and regulations and the protection of its reputation. This includes the supervision of operational risk management. The ARCC concurs in the appointment or dismissal of the Head of Compliance & Operational Risk ("Conformité"). The ARCC also regularly reviews the effectiveness of the BNP Paribas Fortis Internal Alert System.

Financial Reporting

- the integrity of financial statements and of any report on Fortis Bank financial performance, this includes the consistent application of accounting principles (and changes thereto) and the quality of internal control over financial reporting;
- the consolidation scope and accounting principles; and
- the Annual Report and the statements to be made by the Board of Directors therein as well as any external or official communication on the financial statements or the financial performance of Fortis Bank.

Composition

The ARCC consists of at least three non-Executive Directors. At least half of its members should be independent directors. In case of a tied vote, the Chairman of the ARCC shall have a casting vote.

Members of the ARCC need to have the necessary skills and competences in the field of accounting, audit and financial businesses. The presence of the necessary skills and competences is also judged at the level of the ARCC, not only on an individual basis.

In accordance with article 526bis, §2 of the Companies Code, at least one member of the ARCC is both independent director and has the necessary skills and competences in the field of accounting, audit and financial business. Both Independent Directors in the Fortis Bank ARCC comply with this rule.

Present composition:

- Boogmans Dirk (independent director), Chairman
- Coumans Wim
- Daems Herman
- Stéphenne Jean (independent director)

Attendance to the meetings

The ARCC met 10 times in 2010.

	Number of Meetings held	Number of Attended Meetings
BOOGMANS, Dirk	10	10
DAEMS, Herman	10	9
COUMANS, Wim	10	10
STÉPHENNE, Jean	10	6
VANSTEENKISTE, Luc	10	10*

** For 4 out of 10 meetings, Mr. Vansteenkiste was present as a permanent invitee.*

Remuneration

Information regarding the remuneration for 2010, including of the members of the Audit, Risk & Compliance Committee, paid and payable by Fortis Bank are to be found in Note 8.d "Remuneration and benefits awarded to the Group's corporate officers" of the Fortis Bank Consolidated Financial Statements. This report is to be considered as the Remuneration Report in accordance with provision 7.2 of the Code.

Governance, Nomination and Remuneration Committee ("GNRC")

The mission of the GNRC is:

1) to assist the Board of Directors in matters relating to:
- the appointment of Board members and the members of the Executive Board (the "Executive Directors");
- the remuneration policies in general, including but not limited to the policies applicable to Directors, Executive Directors and Senior Management;
- the governance of the Bank on which the Board or the Chairman of the Board wishes to receive the GNRC's advice; and

2) to review and approve the individual compensation packages of Executive Directors and Senior Management.

Role and responsibilities

The GNRC shall monitor, review and make recommendations to the Board of Directors regarding:

Governance

- the adequacy of the Bank's corporate governance practices and rules and evaluating the Bank's compliance with its corporate governance rules;
- emerging corporate governance issues or significant developments in the applicable laws and/or corporate governance practices;
- all matters of corporate governance and on any corrective action to be taken; including advising on the Board of Directors and Board Committees' organization, memberships, functions, duties and responsibilities;
- related insider and affiliated party transactions and/or conflict of interest matters involving Executive and Non-Executive Directors;
- the (re)appointment of the Head of Compliance & Operational Risk ("Conformité"), upon proposal of the Chairman of the Executive Board;
- the disclosures in the Annual Report on the remuneration of Executive and Non-Executive Directors, on the processes that govern their nomination and remuneration, and on the activities of the GNRC.

Appointments

- the policies and criteria (independence requirements, competences and qualifications) that govern the selection and appointment of Board members, members of Board Committees and of the Executive Board and recommends changes to the Board of Directors where needed;
- verifying that the appointment and re-election process is organized objectively and professionally;
- recommendations to the Board with regard to the size of the Board of Directors, the appointment or re-election of Board members and with regard to the appointment or dismissal of Executive Directors:
    - the process of appointing or re-electing Non-Executive Board members is initiated and led by the Chairman of the Board, in close cooperation with the Chairman of the GNRC, who proposes to the GNRC candidate(s) for appointment. The GNRC considers such proposal and makes a recommendation to the Board of Directors, which then decides on the appointment or re-election proposals it will submit to the General Meeting of Shareholders for a decision;

- the re-election and succession process of the Chairman of the Board is conducted by the GNRC;
- all issues related to succession planning of the Executive Directors and the members of the executive management are to be monitored by the GNRC, in close cooperation with the Chairman of the Board; proposals in this regard are to be made by the Chairman of the Executive Board and further monitored and approved by the GNRC and/or the Board of Directors;
- for the termination and succession of the mandate of the Chairman of the Executive Board, the GNRC's recommendation is based on a proposal by the Chairman of the Board in close cooperation with the chairman of the GNRC, while for the appointment or dismissal of members of the Executive Board, recommendations are based on a proposal submitted by the Chairman of the Executive Board, in consultation with the GNCR[2];

- the reports on management development and Executive Board succession planning of the Chairman of the Executive Board;

- the (re)appointment of the General Auditor upon proposal of the Chairman of the Executive Board.

Remuneration

- the remuneration policies of Fortis Bank;

- the remuneration of the Executive Directors and staff members in accordance with the Fortis Bank remuneration policies;

- the objectives for the Chairman of the Executive Board, and, based on a proposal made by the Chairman of the Executive Board, for the other Executive Directors. For Senior Management, the GNRC reviews the main principles applied which will subsequently serve as benchmarks in their performance appraisals;

- the performance of Directors:

  - with regard to Non-Executive Directors, the GNRC evaluates their performance in the context of their reelection;
  - with regard to the Executive Directors, the GNRC evaluates their performance in the context of determining their remuneration. For Executive Directors, the GNRC receives a joint proposal by the Chairman of the Board of Directors and the Chairman of the Executive Board.

[2] *In line with article 22 of the Articles of Association.*

Composition

The GNRC is composed of at least three non-executive directors. At least half of its members should be independent directors.

Present composition:

- Herman Daems *(Chairman)*
- Dirk Boogmans *(independent director)*
- Sophie Dutordoir *(independent director)*
- Jean Stéphenne *(independent director)*
- Serge Wibaut

Attendance to the meetings

The GNRC met 14 times in 2010.

	Numbers of Meetings held	Numbers of Attended Meetings
DAEMS, Herman	14	13
WIBAUT, Serge	14	13
STÉPHENNE, Jean	14	10
VANSTEENKISTE, Luc	14	13*
BOOGMANS, Dirk (as of 27/07/2010)	14	6

** For 8 out of 14 meetings, Mr. Vansteenkiste was present as permanent invitee.*

Remuneration

Information regarding the remuneration for 2010, including of the members of the Governance, Nomination & Remuneration Committee, paid and payable by Fortis Bank are to be found in Note 8.d. "Remuneration and benefit awarded to the Group's corporate officers" of the Fortis Bank Consolidated Financial Statements. This report is to be considered as the Remuneration Report in accordance with provision 7.2 of the Code.

Executive Committee

The Executive Committee is a non-statutory body and has an advisory role to the Executive Board while facilitating the execution of the strategy and operational management of the Bank.

The Executive Committee now has 13 members and is composed of the 4 Executive Directors (together composing the Executive Board) and of 9 key heads of Businesses and Support Functions:

Maxime JADOT	Executive Director, Chairman of the Executive Board / Executive Committee and Chief Executive officer
Filip DIERCKX	Executive Director, Vice Chairman of the Executive Board / Executive Committee and Chief Operating Officer
Thomas MENNICKEN	Executive Director / Member of the Executive Board and the Executive Committee and Chief Risk Officer
Camille FOHL	Executive Director / Member of the Executive Board and the Executive Committee and Head of Europe Mediterranean
Luc HAEGEMANS	Member of the Executive Committee, Secretary General
Bert VAN ROMPAEY	Member of the Executive Committee, Head of Human Resources
Lars MACHENIL	Member of the Executive Committee, Chief Financial Officer
Jacques GODET	Member of the Executive Committee, Head of Technology, Operation & Property Services
Frédéric VAN GHELUWE	Member of the Executive Committee, Head of Capital Markets
Peter VANDEKERCKHOVE	Member of the Executive Committee, Head of Retail & Private Banking
Olivier DE BROQUEVILLE	Member of the Executive Committee, Head of Investment Solutions
Jean-Yves FILLION	Member of the Executive Committee, Head of Corporate & Investment Banking
Yvan DE COCK	Member of the Executive Committee, Head of Corporate & Public Banking

Internal Control Procedures

This chapter is the description of the internal control procedures as required by provision 1.3 of the Code.

The Fortis Bank financial reporting process for preparing the Annual Report 2010 is monitored using documented accounting policies and reporting formats, supported by a chart of accounts with detailed instructions and guidance. The submission of financial information from each entity to the central Finance department is subject to specific controls and certifications.

Roles and responsibilities regarding the preparation and processing of financial accounting and management accounting information

Acting under the authority of the Chief Operating Officer and the Chief Financial Officer, the Finance department is responsible for the preparation and processing of financial accounting and management accounting information. Its activities and responsibilities include among others:

- producing and distributing high quality financial statements ;
- producing qualitative management accounts, and providing all forecasted financial quantitative data needed for steering Fortis Bank ;
- supervising project management from a financial perspective ;
- optimizing Fortis Bank's financial position and ensuring that it is well presented to the financial markets ;
- coordinating Fortis Bank's development commercial and financial strategy and managing its external growth as part of the BNP Paribas Group ; and
- providing executive management with early warnings.

The responsibilities of the Finance department are exercised at different levels of Fortis Bank: within each entity by the local finance department, at the level of each business/business line and centrally by the Fortis Bank Finance department. Furthermore, additional controls are also performed at the level of BNP Paribas by the Finance department of each of the business lines and by Group Finance-Development.

The production of accounting and financial data, and the controls designed to ensure their reliability, are first handled by the financial department of each local entity which reports this information centrally and attests that it is reliable, based on the internal certification procedure described below.

The businesses/business lines of BNP Paribas then perform further controls at their level on the financial statements prepared by the accounting departments of each entity. They enhance the quality of the reporting by carrying out appropriate reconciliations of financial accounting and management accounting data and report the information (using the BNP Paribas' corporate tools managed by BNP Paribas' Group Finance-Development) to the Finance department of Fortis Bank.

The Finance department of Fortis Bank gathers, verifies and approves all the financial accounting and accounting management information produced by the local accounting department in line with formalised reporting procedures. It then consolidates these data for use by executive management, statutory auditors, BNP Paribas Group or for external reporting.

Production of accounting and financial information

Reporting policies and rules

The local financial statements for each entity are prepared under local GAAP while the Fortis Bank Consolidated Financial Statements are prepared under IFRS (International Financial Reporting Standards) as endorsed by the European Union.

The Reporting Policies team within the Finance department defines, based on IFRS, as endorsed by the European Union, the accounting policies to be applied for all Fortis Bank entities. These are based on BNP Paribas Group accounting policies. The Reporting Policies team monitors regulatory changes and prepares new internal accounting policies in line with the level of interpretation necessary to adapt them to the operations carried out by Fortis Bank. The BNP Paribas Group accounting manual is available together with additional documentation and guidance related to the specific Fortis Bank products and scope. This IFRS accounting manual is distributed to all accounting and reporting teams. It is regularly updated to reflect regulatory changes. The Reporting Policies team also handles requests for specific accounting analysis made by the local entities and the businesses/business lines.

The management accounting department draws up management reporting rules that apply to all Fortis Bank entities. Fortis Bank accounting and management control policies can be accessed via the internal network communication tool (intranet).

Systems used
The accounting systems used are the same as these used by the BNP Paribas Group. Dedicated teams within BNP Paribas' Group Finance-Development define the target architecture of the information systems to be used by the finance departments across the Group (accounting systems, cost-accounting systems, accounting and regulatory consolidated reporting systems and consolidated management reporting systems). They facilitate the sharing of information and the implementation of cross-functional projects in a context of increasing convergence of the different existing accounting platforms, both at the level of BNP Paribas Group and Fortis Bank.

The information used to prepare the Fortis Bank Consolidated Financial Statements is derived from the company's various transaction processing systems. All the systems have been designed and adapted in order to suit adequately Fortis Bank's specific reporting needs. Routing controls ensure at each level of the data transmission chain that these systems are adequately fed. Fortis Bank also regularly upgrades its systems to adapt them to the growth and increasing complexity of its business.

Dedicated teams are responsible for defining the accounting and control procedures in the back offices and accounting systems.

Process for collecting and preparing consolidated financial accounting and management accounting information
The process for collecting financial accounting and management accounting information is based on the accounting systems used within the BNP Paribas Group and is organised around two separate reporting channels, one dedicated to financial accounting data and the other to management accounting data, using the same integrated collection and consolidation software system known as MATISSE ("Management & Accounting Information System"). At local level, the accounting teams enter validated financial accounting and management accounting data into the system in accordance with Fortis Bank principles.

This reporting process applies to the channels dedicated to both financial accounting and management accounting data.

- Financial accounting data**:** the procedures for preparing Fortis Bank's Financial Statements are set out in the instructions distributed to all consolidated entities. This facilitates the standardisation of financial accounting data and compliance with Fortis Bank accounting standards. Each entity closes its accounts on a quarterly basis and prepares a consolidation reporting package in accordance with previously communicated reporting instructions and deadlines. The validation procedures which accompany each phase of the reporting process seek to verify that:
  - accounting standards have been correctly applied,
  - inter-company transactions have been correctly identified and eliminated for consolidation purposes,
  - consolidation entries have been correctly recorded.

The finance departments within the different businesses of BNP Paribas verify the consolidation packages coming from the accounting entities within their scope before reporting them to the Finance department of Fortis Bank (via BNP Paribas' Group Finance-Development), in charge of preparing the Consolidated Financial Statements of Fortis Bank.

- Management accounting data: management accounting information is reported on a monthly basis by each entity and business line to the relevant core business and business line, which then reports management reporting data consolidated at its level to the Budget and Strategic Management Control unit at Group Finance-Development.

Quarterly, for each entity and business, a reconciliation is performed between the main income and expense items based on management accounting data and the profit and loss account intermediate balances. This is supplemented by an overall reconciliation performed by Group Finance-Development to ensure consistency between consolidated financial accounting data and management accounting data. These two reconciliations form part of the procedure for ensuring reliable financial accounting and management accounting data.

Procedure for control of financial accounting and management accounting information

Accounting internal control within the Finance department
To ensure the monitoring of internal controls centrally, a dedicated department Financial Permanent Control has been set up within the Finance department.

The mission of Financial Permanent Control is to assure, on a continuous basis, the reliability of the processes used for producing and validating the financial figures for Fortis Bank, and to ensure compliance with the legal and regulatory reporting requirements. Other activities consist amongst others in maintaining the relations with the external auditors and to ensure that their recommendations are well applied through Fortis Bank, monitoring the certifications issued by Fortis Bank, and verifying the valuation of the financial instruments.

Internal certification process

As already mentioned, Fortis Bank procedures on accounting control include a certification process, which aims at confirming that the information provided in the MATISSE reporting system has been adequately verified. The results of the certification process are presented quarterly to the Fortis Bank Audit, Risk and Compliance Committee and are an integral part of the accounting process.

Therefore, each entity submitting a MATISSE reporting package has to fill in several certificates on a quarterly basis, using the FACT tool (Finance Accounting Control Tool), an internet/intranet-based application dedicated to the certification process within the BNP Paribas Group. These certificates are made up of standardised questions, of which many refer to the application of the relevant accounting procedures and principles.

The main objective of the certification process is to ensure transparency and to give an accurate overview of the accounting internal control of the entity.

The main task of Financial Permanent Control is to provide a level of comfort to the CFO, the Fortis Bank Audit, Risk and Compliance Committee, the external auditors as well as the Belgian regulator that internal control measures are well maintained for the entities part of the Fortis Bank scope.

The certification process encompasses several axes of certification, amongst others:

- a certification that the accounting data reported are reliable and comply with the Fortis Bank accounting policies ;
- a certification that the accounting internal control system designed to ensure the quality of accounting data is operating effectively.

This internal certification process forms part of the overall accounting internal control monitoring system and enables the Finance department of Fortis Bank, which has the overall responsibility for the preparation and the quality of the Fortis Bank Consolidated Financial Statements, to be informed of any problems related to the preparation of the financial statements and to monitor the implementation by the accounting entities of appropriate corrective measures and, if necessary, to book appropriate provisions. Regarding Fortis Bank in Belgium, the certification process is supported by an extensive set of sub-certificates which cover from an end-to-end perspective all the activities of the company.

Measurement of financial instruments and determining the results of market transactions

The Finance department delegates the determination and control of market values or models of financial instruments to the different departments involved in measuring financial instruments within the overall process of monitoring market risk and management data. Overviewing the accuracy of these operations remains the responsibility of the Finance department.

The purposes of these control procedures within Finance are as follows:

- to ensure that transactions involving financial instruments are properly recorded in Fortis Bank's books for producing financial and management data ;
- to guarantee the quality of financial instruments measurement and reporting used both in preparing the financial and management accounts and in managing and monitoring market and liquidity risks ; and
- to ensure that the results of market transactions are accurately determined and correctly analysed.

General inspection team

The General Inspection department is in charge of the periodic controls within Fortis Bank. It includes a team of inspectors specialised in financial audits. This reflects the strategy of strengthening Fortis Bank's internal audit capability both in terms of technical scope and the areas of accounting risk tackled in the audit engagements undertaken.

The General Inspection department can intervene independently in all the entities and areas of Fortis Bank. The General Inspection can inspect any subject it deems necessary and has unlimited access to all documents, persons and property of the audited entity. The general mission of General Inspection can be summarized as follows:

- to add value and improve Fortis Bank's operations through independent, objective assurance and consulting activity.
- to help Fortis Bank achieve its objectives by driving a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- to carry out periodic controls on the compliance of operations on the level of risk actually incurred, on the compliance with procedures, and on the effectiveness and appropriateness of the permanent control system.

When performing assignments, General Inspection is bound by a number of specific principles, amongst which:

- auditors must remain independent, objective and impartial in their investigations and in reporting the results of their work to General Management and to the audited entities ;
- auditors cannot engage directly in acts of operational management.

Finally, General Inspection has a duty of vigilance and alert at all levels. It informs General Management about all major internal control deficiencies as soon as detected.

Relations with the statutory auditors

In 2010, the college of accredited Statutory Auditors was composed of:

- PricewaterhouseCoopers Reviseurs d'Entreprises SCRL, represented by M. Roland JEANQUART;
- Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises SC SCRL, represented by MM. Philip MAEYAERT and Frank VERHAEGEN.

The Statutory Auditors are appointed by the General Shareholders' Meeting, upon advice of the Audit, Risk and Compliance Committee and upon proposal of the Board of Directors.

The Statutory Auditors are required to issue a report every financial year in which they give their opinion concerning the fairness of the Consolidated Financial Statements of Fortis Bank and its subsidiaries.

The Statutory Auditors also carry out limited reviews of the quarterly accounts. As part of their statutory audit assignment:

- They examine any significant changes in accounting standards and present their recommendations concerning choices with a material impact to the Audit, Risk and Compliance Committee ;

- They present the relevant entity and the Finance department with their findings, observations and recommendations for the purpose of improving certain aspects of the internal control system for the preparation of accounting and financial information, reviewed in the course of their audit.

The Audit, Risk and Compliance Committee of the Board of Directors is informed concerning accounting choices that have material impact on the financial statements so they can submit these choices further to the Board of Directors for final decision making.

Conflict of Interests

In addition to the legal provisions on Conflicts of Interest in the Companies Code, the company has to comply with a number of circular letters issued by the CBFA and aiming at avoiding conflicts of interest between Fortis Bank and its directors or executive management, amongst others in relation to external functions and credits.

Further, the Company has a general conflicts of interest policy and code of conduct in place which states that the achievement of commercial, financial, professional or personal objectives must not stand in the way of compliance with these principles:

- Act fairly, honestly and transparently;
- Respect others;
- Comply with the law, the regulations and professional standards;
- Comply with instructions;
- Work in the customers' best interests;
- Ensure that market integrity is respected;
- Manage conflicts of interests;
- Behave professionally;
- Protect Fortis Bank's interests; and
- Report any irregularities observed

Finally, directors and executive management of Fortis Bank have been assessed by the CBFA before their formal appointment and this in accordance with the Banking Act. Before issuing an approval or 'nihil obstat', the CBFA conducts an inquiry which covers also the absence of certain conflicts of interest.

Proposed appropriation of the result for the accounting period

Profit for the year for appropriation	EUR	1,874.5	million
Loss brought forward from the previous year	EUR	(20,045.6)	million
Transfer from share premiums	EUR	20,045.6	million
Profit to be appropriated	EUR	1,874.5	million

Appropriation to statutory reserve	EUR	94.0	million
Profit to be carried forward	EUR	1,371.6	million
Dividend	EUR	386.6	million
Other allocations	EUR	22.3	million

In accordance with the aforementioned profit appropriation for the financial year 2010, the Board of Directors of Fortis Bank will request the approval of the General Meeting of Shareholders for the distribution of a gross dividend of EUR 0.80 per share. This corresponds to a net dividend of EUR 0.60. For shares with VVPR-strips the net dividend amounts to EUR 0.68.

As part of its pursuit of cheaper capital, Fortis Bank issued innovative financial debt instruments ('Redeemable Perpetual Cumulative Coupon Debt Securities') on the international market on 26 September 2001 for a total amount of EUR 1 billion. The purpose of the issue was to bolster Fortis Bank's solvency in a proactive manner and hence to support the further development of banking operations, in terms of corporate and consumer credit provision and of marketing operations. The move also anticipates new solvency regulations, including coverage of additional risk categories such as operating risk. Since these securities are, by their nature, highly subordinated liabilities, the Banking, Finance and Insurance Commission has agreed to rate them as equal to tier one capital. A number of conditions have to be met to this end, including the possibility of converting the securities into Fortis Bank profit-sharing instruments under certain circumstances. To allow profit-sharing instruments to be issued on submission of these securities, the Extraordinary Meeting of Shareholders of 23 November 2001 added Article 5bis to the articles of association. The authorised capital was also adjusted to enable the Board of Directors, amongst other things, to pay the interest on the securities by issuing new Fortis Bank shares, if that should prove necessary. Article 5bis of the articles of association further lists the circumstances in which profit-sharing instruments of this kind may be issued, the characteristics of those instruments, the dividend restrictions applying to them and various other provisions.

The Board of Directors has also undertaken to abide by the following regulatory limits: if actually issued, the profit-sharing instruments, together with other innovative capital instruments issued by Fortis Bank that qualify as tier one, will not amount to more than 15% of Fortis Bank's tier one capital and if actually used, the profit-sharing instruments, together with other similar instruments or shares without voting rights issued by Fortis Bank, will not amount to more than one third of Fortis Bank's authorised capital, including issue premiums.

On 27 October 2004, Fortis Bank issued Directly Issued Perpetual Securities to the value of EUR 1 billion with a goal and characteristics that are broadly comparable with the Redeemable Perpetual Cumulative Coupon Debt Securities dating from 2001. The regulatory limits described above also apply for this issue. In order to facilitate the issue of Directly Issued Perpetual Securities, the Articles of Association were amended at an Extraordinary General Meeting of Shareholders on 28 April 2005. A new Article 5ter was added, which defines in detail the circumstances under which profit-sharing instruments will be issued, their characteristics, the associated dividend restrictions and various other provisions.

On 19 December 2007, Fortis Bank issued the Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) with a nominal value of EUR 3 billion and a denomination of EUR 250,000 each. The coupons on the securities are payable quarterly at a variable rate per annum of 3 month Euribor + 2.0%. For regulatory purposes, the CASHES securities are treated as part of Tier 1 capital. The coupons of the CASHES securities constitute direct and subordinated obligations of each of Fortis Bank S.A./N.V., Ageas S.A./N.V. (formerly Fortis S.A./N.V.) and Ageas N.V. (formerly Fortis N.V.) as obligors. The coupons of CASHES are subordinated to all other loans, subordinated loans and preference shares, but rank senior to ordinary shares. The principal amount of the securities will not be repaid in cash. The sole recourse of the note holders of the CASHES securities against any of the co-obligors with respect to the principal amount is equal to 125,313,283 shares that Fortis Bank has pledged in favour of the CASHES holders. Those shares have no dividend entitlement or voting rights until the exchange. The CASHES securities have no maturity date, but may be exchanged into Ageas (ex-Fortis) shares at a price of EUR 23.94 per share at the discretion of the holder. From 19 December 2014, the bonds will be automatically exchanged into Ageas (ex-Fortis) shares if the price of the Ageas (ex-Fortis) share is equal to or higher than EUR 35.91 on twenty successive trading days.

Information related to Article 523 of the Belgian Companies code

Indemnification of directors – Conflict of interest

On 2 December 2010 and on 13 January 2011, meetings of the Board of Directors of the company were held to consider a proposal that the liability incurred by its directors should be indemnified by the company in certain instances. Below is the text of the deliberations and resolutions on this proposal, as recorded in the minutes of those meetings:

Meeting of 2 December 2010

- On 21 and 27 January 2009, on 28 July 2009 and on 5 November 2009, the Board of Directors of the company decided that the potential liability incurred by its directors in the exercise of their mandate should be indemnified by the company in certain instances.

- The Chairman explains that the company should consider also granting an indemnity to Mrs. Sophie DUTORDOIR to protect her from the liability that she may incur as director of the company. The Chairman refers to the considerations underlying the decisions of the Board of 21 and 27 January 2009, of 28 July 2009 and of 5 November 2009, which remain relevant to date. The Chairman therefore proposes that the company undertakes to indemnify Mrs. Sophie DUTORDOIR in all instances where she acted in good faith and in a manner she believed to be in the best interest of the company, except where the liability of a director would arise out of a fraud or willful misconduct or where such liability would be covered by an insurance policy (whether or not subscribed by the company) benefiting to such director.

- The Chairman confirmed that, in compliance with article 523 of the Company Code, prior to any deliberation, Mrs. Sophie DUTORDOIR has informed the other directors and the auditors of the company that she has to be considered as having an interest conflicting with the decisions to be taken by the Board in connection with this item of the agenda given that she would benefit personally from the indemnity described above.

- Mrs. Sophie DUTORDOIR left the meeting room and did not participate in the deliberation and the resolution of the Board recorded in paragraphs 5 and 6 below.

- The other Directors acknowledged that the indemnity described above would be in line with market practices in Belgium considering the specificities of the company. This indemnity would be in the best interest of the company since the company needs to be able to attract and maintain directors and to benefit from their valuable contribution. Furthermore, the other Directors benefit from a similar indemnity and not granting such indemnity to these Directors would be a difference in treatment that cannot be justified and that would make it very difficult to attract and maintain directors going forward. The Directors participating in the deliberation further acknowledged that there should be no financial consequences for the company arising from this indemnity other than those resulting from any payment made by the company there under.

- The other Directors then proceeded with the deliberation. They discussed the indemnification undertaking and unanimously decided that the company shall indemnify and shall hold harmless Mrs. Sophie DUTORDOIR to the fullest extent permitted by applicable law, against or from all liabilities, expenses, damages or other amounts reasonably incurred or borne by her in connection with any proceeding or claim brought by a third party (including, without limitation, a shareholder of the company acting for his own account) against her as a director of the company in respect of any decision, action or omission which was made or occurred (or which is claimed to have been made or to have occurred) before, on or after the date of this meeting, provided however that:

  - she acted in good faith and in a manner she believed to be in the best interest of the company; and

  - this indemnification undertaking shall not be applicable (i) in respect of liabilities, expenses, damages or other amounts arising out of a fraud or willful misconduct of a director; nor (ii) if, and to the extent that, any such liabilities, expenses, damages or other amounts are covered by an insurance policy (whether or not subscribed by the company) benefiting the relevant director.

Meeting of 13 January 2011

- On 21 and 27 January 2009, on 28 July 2009, on 5 November 2009 and on 2 December 2010, the Board of Directors of the company decided that the potential liability incurred by its directors in the exercise of their mandate should be indemnified by the company in certain instances.

- The Chairman explains that the company should consider also granting an indemnity to Mr. Maxime JADOT to protect him from the liability that he may incur as director of the company. The Chairman refers to the considerations underlying the decisions of the Board of 21 and 27 January 2009, of 28 July 2009, of 5 November 2009 and of 2 December 2010, which remain relevant to date. The Chairman therefore proposes that the company undertakes to indemnify Mr. M. JADOT in all instances where he acted in good faith and in a manner he believed to be in the best interest of the company, except where the liability of a director would arise out of a fraud or willful misconduct or where such liability would be covered by an insurance policy (whether or not subscribed by the company) benefiting to such director.

- The Chairman confirmed that, in compliance with article 523 of the Company Code, prior to any deliberation, Mr. M. JADOT has informed the other directors and the auditors of the company that he has to be considered as having an interest conflicting with the decisions to be taken by the Board in connection with this item of the agenda given that he would benefit personally from the indemnity described above.

- Mr. M. JADOT left the meeting room and did not participate in the deliberation and the resolution of the Board recorded in paragraphs 5 and 6 below.

- The other Directors acknowledged that the indemnity described above would be in line with market practices in Belgium considering the specificities of the company. This indemnity would be in the best interest of the company since the company needs to be able to attract and maintain directors and to benefit from their valuable contribution. Furthermore, the other Directors benefit from a similar indemnity and not granting such indemnity to these Directors would be a difference in treatment that cannot be justified and that would make it very difficult to attract and maintain directors going forward. The Directors participating in the deliberation further acknowledged that there should be no financial consequences for the company arising from this indemnity other than those resulting from any payment made by the company there under.

- The other Directors then proceeded with the deliberation. They discussed the indemnification undertaking and unanimously decided that the company shall indemnify and shall hold harmless Mr. M. JADOT to the fullest extent permitted by applicable law, against or from all liabilities, expenses, damages or other amounts reasonably incurred or borne by him in connection with any proceeding or claim brought by a third party (including, without limitation, a shareholder of the company acting for his own account) against him as a director of the company in respect of any decision, action or omission which was made or occurred (or which is claimed to have been made or to have occurred) before, on or after the date of this meeting, provided however that:

  - he acted in good faith and in a manner he believed to be in the best interest of the company; and

  - this indemnification undertaking shall not be applicable (i) in respect of liabilities, expenses, damages or other amounts arising out of a fraud or willful misconduct of a director; nor (ii) if, and to the extent that, any such liabilities, expenses, damages or other amounts are covered by an insurance policy (whether or not subscribed by the company) benefiting the relevant director.

Information related to Article 524 of the Belgian Companies code

Introduction

Background

The Board of Directors of Fortis Bank NV/SA decided on 2 July 2009 to appoint a committee of independent directors, composed of Mr. Luc Vansteenkiste (coordinating the activities of the committee of independent directors), Mr. Jean Stéphenne and Mr. Gérard Lamarche, to deliver a written reasoned opinion in accordance with article 524 §1 of the Companies Code ("**Opinion**") in respect of a number of contemplated related parties transactions between various affiliates of BNP Paribas S.A. ("**BNPP**") and Fortis Bank NV/SA ("**the Company**" or "Fortis Bank") in the context of the integration of certain activities of Fortis Bank NV/SA with certain activities of BNPP.

On 1 October 2009, the Board of Directors of Fortis Bank NV/SA appointed (through cooptation) Mr. Dirk Boogmans as independent director and he joined subsequently the committee of independent directors.

Scope of the Opinion

In accordance with article 524 §1 of the Companies Code, decisions or transactions in execution of a decision of a listed company that concern (i) relationships between the listed company and an affiliated company thereof, with the exception of its subsidiaries or (ii) relationships between a subsidiary of the listed company and an affiliated company of such subsidiary, but which is not a subsidiary of the subsidiary concerned, must be submitted to a prior assessment by a committee of independent directors, before being decided upon by the board of directors.

Pursuant to article 524 §2 of the Companies Code, the committee must, in a written reasoned opinion, (i) describe the nature of the decision or transaction; (ii) give an assessment of the economic benefit or disadvantage of the transaction for the company and for its shareholders; (iii) describe the financial consequences of the transaction for the company and (iv) assess whether or not the decision or transaction is such that it may cause a disadvantage to the company that, in the light of the company's strategy, is manifestly abusive ("***kennelijk onrechtmatig***"/"***manifestement abusif***"). If the committee is of the opinion that the decision or transaction is not manifestly abusive, but could still be detrimental to the company, the committee must clarify which benefits the company derives from the decision or transaction that compensate for such disadvantage.

Composition of the Committee of Independent Directors

As set out above, the committee of independent directors consisted of Mr. Luc Vansteenkiste (until the 22nd of April 2010), Mr. Dirk Boogmans, Mr. Gérard Lamarche and Mr. Jean Stéphenne (the "**Committee**"). The members of the Committee all confirm that they are independent directors within the meaning of article 524 of the Companies Code.

Independent expert designated in accordance with article 524 §2 of the Companies Code

The Committee has designated UBS Limited, 1 Finsbury Avenue, London, EC2M 2PP, United Kingdom, as independent expert in accordance with article 524 §2 of the Companies Code to assist the Committee in the performance of its task and the provision of its written opinion (the "**Independent Expert**" or "**UBS**"). The exact scope of UBS's engagement and responsibility was set out in engagement letters between UBS and the Committee dated 17 September 2009 and 25 June 2010 (including any amendments, the "**Engagement Letter**"). UBS has confirmed in the Engagement Letter that it can act as an independent expert in the meaning of article 524 §2 of the Companies Code and it is remunerated by the Company. As set out in the Engagement Letter, the task of UBS is to:

- assist the Committee in its review of the financial terms of the Transactions proposed by the Fortis Bank management team including a review of the valuations prepared by BNP Paribas Corporate Finance. UBS will prepare a written report to support its advice, including interim reporting if the Committee so requires;

- assist the Committee in its review and analysis of the information memorandum prepared by the management team and the written proposals by the Company's Executive Board on each of the Integration Transactions and such other information as shall be supplied to UBS by the Committee and/or the Company;

- deliver a fairness opinion on the proposed financial terms of each Integration Transaction (each, being a "Fairness Opinion", and together being the "Fairness Opinions"). Delivery of the Fairness Opinions shall be subject to a satisfactory review of all necessary information by UBS and the receipt of all internal approvals as at the date of issuance of the relevant Fairness Opinion;
- work together with the Committee's legal advisers in the preparation of the Opinion; and
- respond to follow-on questions reasonably raised by the Committee, and within the competency of UBS, following submission of the Opinion.

Basis for this Opinion – Activities of the Committee

These Opinions have been prepared, ***inter alia***, on the basis of the information provided by the management of the Company, BNPP and of BGL BNP Paribas SA and on the basis of the Fairness Opinions.

Both the management of Fortis Bank NV/SA and BNPP have confirmed to the Committee that the business plans submitted to the Committee and to the Independent Expert that have served as the basis for the valuation of the Transaction and its assessment by the Committee, have been approved by the Executive Board of Fortis Bank and the BNPP competent body respectively, and that currently no other relevant business plans covering the relevant entity exist.

The Committee has also received confirmation from Fortis Bank management and BNPP Management (each of them only for the entities/assets that they sell) that, to the best of their knowledge, all the material risks which the Transaction may entail for the Company have been properly identified and disclosed to the Committee.

The Committee has retained the law firm Eubelius, represented by Koen Geens and Marieke Wyckaert, to assist it on legal matters.

As described in the Fortis Bank Annual Report 2009, the Committee has met in 2009 on several occasions and has on a regular basis consulted and exchanged information and views with Fortis Bank NV/SA, BNPP management, the Independent Expert and the Company's statutory auditor. In the course of 2010, the Committee continued having such meetings and conference calls on:

- 11 February 2010
- 26 February 2010
- 9 March 2010
- 17 March 2010
- 18 March 2010
- 25 March 2010
- 3 June 2010
- 11 June 2010
- 21 June 2010
- 24 June 2010
- 25 June 2010
- 28 June 2010

Global integration project

Description of the general background of the Global Integration Project

On 12 May 2009 and 13 May 2009, BNP Paribas acquired control over Fortis Bank NV/SA by acquiring 74.93% of the shares of Fortis Bank NV/SA and 15.96% of the shares of BGL BNP Paribas S.A. ("**BGL**") (Fortis Bank NV/SA itself holding 50% +1 of the shares in the latter). Federale Participatie- en Investeringsmaatschappij / Société Fédérale de Participations et d'Investissement ("**FPIM/SFPI**"), a holding company owned by the Belgian State, holds 25% of Fortis Bank NV/SA. Private investors hold the remaining 0.07% of the shares of Fortis Bank NV/SA.

Immediately after BNP Paribas acquired control over Fortis Bank NV/SA, a global integration project was initiated (known as Project Knight) to organize the integration of Fortis Bank NV/SA and the BNPP Group (the "Global Integration Project"). BNPP and Fortis Bank NV/SA management have indicated to the Committee and to the board that the main purposes of the Global Integration Project are to consolidate and integrate both groups following the acquisition of 74.93% of Fortis Bank NV/SA, to streamline and simplify the group structure, to achieve synergies between the various activities of each group and to identify opportunities for value creation. The underlying assumption of the Global Integration Project, as communicated to the Committee, is that there are substantial overlaps and complementarities between the activities of BNPP and Fortis Bank NV/SA both in terms of products and services offered, geographical presence, support services, IT infrastructure and back- and middle office functions.

A group integration committee consisting of thirteen members, twelve of them being members of the Executive committees of BNPP and Fortis Bank NV/SA, has been set up to steer the Global Integration Project. Six domain integration committees have been created in accordance with the various business lines and segments consisting of managers of those various business lines. In addition, 61 task forces have been organized to define the new image and strategy of the group and to prepare action plans. Approximately 320 working groups (representing up to 2.500 individuals) have been instructed to validate the strategic options identified through this process and to translate those options financially.

It has been reported to the Committee that as a result of this exercise, more than 1.000 projects are set to start as from 1 December 2009 to implement the integration of both groups (such as the integration of IT platforms, the reorganization of legal entities, the reallocation of customers, marketing strategies and various other matters).

In the context of this Global Integration Project, it was also proposed to integrate certain activities of Fortis Bank NV/SA and BNPP by transferring and re-allocating certain assets and activities between the various group entities. As part of this exercise, a number of transactions have been taken place (the "Integration Transactions").

The economic transfer date for the Integration Transactions reported in the Fortis Bank Annual Report 2009 has been set at 1 January 2010. The economic transfer date for the Integration Transactions reported below has been set at 1 July 2010 (except for the Fortis Bank Turkey transaction and certain of the transactions included in the "Transaction H"). Aside from the Integration Transactions in relation to the Chinese Branches of Fortis Bank, all of the Integration Transactions reported in the Fortis Bank Annual Report 2009 were closed in 2010. The Integration Transactions that are reported below have been closed in 2010 as well or are scheduled to be closed in the first half of 2011 (inter alia the transaction under 3.5 below "Fortis Bank Turkey").

Principles governing the price setting for the Integration Transactions as agreed between Fortis Bank NV/SA and BNPP

The initial purchase price equals the estimated tangible net book value per 30 June 2010 (as regards the Integration Transactions reported below except the Fortis Bank Turkey transaction) plus a goodwill or minus badwill, in accordance with the following formula:

	Net Book Value
-	Goodwill and other intangible assets
+	Forecast H1 / 2010 Net Result
=	**Tangible Net Book Value (estimated as at 30/6/2010)**
+/-	Goodwill / Badwill
=	**Initial Purchase Price**

The final purchase price is to be determined by adjusting the initial price with the (positive or negative) difference between the estimated tangible net book value and the audited tangible net book value; the goodwill or badwill remaining constant. Other adjustments may also be taken into account so as to avoid any double counting.

A procedure is provided for in order to deal with disputes over the price adjustments. As soon as reasonably practicable after the delivery of the necessary documents to determine the price adjustment, and in no event more than a specified period of time (ranging between 15 and 30 days) thereafter, the parties shall agree on the amount of the price adjustment. If the parties do not reach an agreement on the price adjustment before the expiry of said period of time, the items in dispute shall be referred to an independent expert mutually selected by (i) the parties, or (ii) failing an agreement between the parties, by a court or another independent institution. The independent expert shall only make corrections to the price adjustment in respect of the items still in dispute and shall make such corrections in accordance with the accounting principles as agreed between the parties. The independent expert shall render its decision as to the items in dispute in writing within 30 days from the date on which the items in dispute are referred to it and shall give reasonable details in support of its decision. Each party shall cooperate with the independent expert and provide it with reasonable access to the books, records, personnel and representatives of it and its subsidiaries and such other information as the independent expert may require in order to render its determination. The independent expert's decision shall be final and binding on the parties. The fees and expenses of the independent expert shall be equally shared by the parties.

This is a usual mechanism to settle disputes over price adjustments.

If the purchase price is less than zero, the selling entity shall in principle contribute cash to the relevant company or business (by way of recapitalization or any other technique of equivalent effect) in an amount equal to the absolute value of the purchase price.

Integration transactions

As mentioned in the Fortis Bank Annual Report 2009, the Board of Directors, during its meetings of 5 November, 26 November and 9 December, decided on a number of Integration Transactions, each time based on the Management Proposal and the Opinion of the Committee. The Auditors issued per Integration Transaction a Report. The Annual Report 2009 contains all relevant information in this regard.

On the 26th of March 2010 and the first of July 2010, the Board of Directors approved additional Integration Transactions.

Branches of Fortis Bank in Greece (Athens), Switzerland (Zurich) and Hungary (Budapest) (the so-called "Transaction G")

Management proposal

- Management proposes that Fortis Bank transfers through a sale for cash the activities of the branches of Fortis Bank in Greece (Athens), Switzerland (Zurich) and Hungary (Budapest) to BNPP or one of its branches or affiliates, as well as certain derivative positions relating to these branches and transfers, through a sale for cash, the private banking activities (including books) and the investment banking activities (excluding books but including teams and future business) of Fortis Bank Spain (Madrid) branch to BNPP or one of its branches or affiliates.

- The initial purchase price to be paid by BNPP or one of its affiliates or branches for the transfer of the activities of the branch of Fortis Bank in Greece (Athens) amounts to EUR 3.3 million.

- The initial purchase price to be paid by BNPP or one of its affiliates or branches for the transfer of the activities of the branch of Fortis Bank in Switzerland (Zurich) amounts to EUR 0.6 million.

- The initial purchase price to be paid by BNPP or one of its affiliates or branches for the transfer of the activities of the branch of Fortis Bank NV/SA in Hungary (Budapest) would be negative by EUR 200,000.

- Fortis Bank will pay a so called "credit value adjustment", i.e. a charge to compensate BNPP for the credit exposure assumed by BNPP as a result of the transfer of the counterparty risk relating to OTC derivatives transactions with certain clients of Fortis Bank in Greece, Hungary and Switzerland. The "credit value adjustment" will be calculated as at 30 June 2010 on the basis of audited IFRS financial statements of Fortis Bank as of 30 June 2010. The amount of such "credit value adjustment" was estimated at EUR 860,484 as at 31 December 2009.

- The initial purchase price to be paid by BNPP or the designated purchasing BNPP branch or affiliate in relation to the transfers from the Fortis Bank Spain (Madrid) branch, amounts to EUR 18.3 million.

- Fortis Bank will give a specific indemnification in relation to the private banking business in Spain.

Opinion of the Committee

"Based on the considerations above and after having reviewed the financial terms of the Transaction with the Independent Expert, UBS Limited, the Committee is of the opinion that the proposed Transaction will not cause a prejudice to Fortis Bank NV/SA that is abusive given the strategy of the Company. The Committee also believes that the Transaction is unlikely to result in adverse consequences that are not compensated for by benefits for Fortis Bank NV/SA."

Decision

On the basis of the foregoing, the additional information provided by the Chairman in the course of the meeting and the views expressed by the members of the Board, the Directors decide to approve unanimously the Transaction G, on the terms and conditions as they are substantially described in the management proposal and reflected in the opinion of the CID in connection therewith.

Report of the Auditor

Unsigned free translation of the joint statutory auditors' report originally prepared in French and Dutch

To the members of the Board of Directors
Fortis Bank SA/NV
Montagne du Parc 3
1000 Brussels

Joint statutory auditors' report pursuant to article 524 of the Companies' Code in connection with the decision of the Board of Directors on 26 March 2010

Dear Sirs,

In accordance with the requirements of article 524 of the Companies' Code and with the related assignment you have asked us to carry out in our capacity as the company's statutory auditors, we are pleased to report to you the results of the specific audit procedures we have performed in respect of the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors concerning the following transactions, foreseen in the context of the plan for integrating Fortis Bank SA/NV into the BNP Paribas group (the "Planned Transactions").

The sale for cash to BNP Paribas SA, to one of its branches or subsidiaries of the activities of the branches of Fortis Bank NV/SA in Greece (Athens), in Switzerland (Zürich) and in Hungary (Budapest) and some derivatives products positions of these branches.

The sale for cash to BNP Paribas SA, to one of its branches or subsidiaries of the "private banking" activities (including clients' portfolio) and "investment banking" activities (except current products' portfolio at the transfer date) of the branch of Fortis Bank NV/SA in Spain (Madrid).

The committee of independent directors requested an independent expert to express a fairness opinion on the financial terms of the Planned Transactions and on the resulting valuation report.

In the context of the transactions described above, the specific audit procedures carried out and the resulting conclusions are as follows:

- We reviewed and agreed the information included in the opinion rendered by the committee of independent directors with that included in the report of the independent expert designated by the committee;

- To the extent that the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors was derived from the accounting information relating to the financial position as of 31 December 2009 or an earlier date, and that it has been the subject of an audit or a limited review in accordance with the applicable professional standards, either by ourselves or by another auditor or other person in another country exercising a function similar to that of a statutory auditor in Belgium, we are assured that such information corresponded with that included in the above-mentioned accounting information;

- We reviewed and found that the conclusion included in the minutes of the meeting of the Board of Directors was the same as that appearing in the opinion rendered by the committee of independent directors; please note that the initial purchase price for the branch of Fortis Bank SA/NV in Switzerland (Zürich) included in the opinion rendered by the committee of independent directors (EUR 0.8 million) has been reduced to EUR 0.6 million in the minutes of the meeting of the Board of Directors due to the identification of an error in the calculation of the net equity of this branch; and

- We read the parameter ("cost of equity") and valuation methods set out in the valuation report prepared by the management of Fortis Bank SA/NV and found that they were not inconsistent with relevant information available in the market and with generally accepted practice. We also reviewed and found that the arithmetical formulas used by the management of Fortis Bank SA/NV in its valuation report were applied correctly.

We emphasise that, in the absence of relevant, objective and comprehensive measurement criteria in the law relating to the reliability of information, the specific audit procedures we carried out, as described above, are not sufficient to enable us to provide, in accordance with generally accepted professional auditing standards, any assurance as to the conclusions rendered by the committee of independent directors in its considered opinion. In addition, we believe it is useful to recall the fact that our assignment did not require us in expressing any opinion on the legitimate and fair character of the Planned Transactions.

We draw your attention to the conditional and indefinite nature of the terms of the Planned Transactions, as noted in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the board of directors.

Our report may only be used in the intended context of article 524 of the Companies' Code and may not be used for any other purpose. It is to be attached to the minutes of the meetings of the Board of Directors called to deliberate on the Planned Transactions and, as for the decision of the committee of independent directors and the extract of the minutes of the meeting of the Board of Directors, is to be included in the management report.

Sint-Stevens-Woluwe, 7 May 2010

The joint statutory auditors
PricewaterhouseCoopers Reviseurs d'Entreprises scrl
Represented by

R. Jeanquart J. Steenwinckel

Deloitte Reviseurs d'Entreprises sc sous forme d'une scrl
Represented by

F. Verhaegen Ph. Maeyaert

Branches of BNPP in the United Kingdom (London), Germany (Cologne), Spain (Madrid) and Portugal (Lisbon) and Fortis Bank Polska SA (the so-called "Transaction H")

Management proposal

Management proposes that Fortis Bank acquires from BNPP the activities of its Corporate Transaction Group executed by its branches in Germany (Frankfurt), the United Kingdom (London), Spain (Madrid), Portugal (Lisbon) and Poland (Warsaw) by transferring them to the Fortis Bank branches in Gemany, the United Kingdom, Spain and Portugal and to Fortis Bank Polska SA respectively. In addition, BNPP will refer its 'Corporate & Transaction Banking Europe' clients in the future to Fortis Bank, as agreed under the Framework Agreement. As a consideration for this Transaction, Fortis Bank will pay to BNPP a lump sum fee of EUR 32 million (ex-VAT, if any) for the flow banking business in Spain, Portugal, the United Kingdom and Germany. Fortis Bank Polska SA will pay an initial purchase price of PLN 467,400,000.

Opinion of the Committee

"Based on the considerations above and after having reviewed the financial terms of the Transaction with the Independent Expert, UBS Limited, the Committee is of the opinion that the proposed Transaction will not cause a prejudice to Fortis Bank NV/SA that is abusive given the strategy of the Company. The Committee also believes that the Transaction is unlikely to result in adverse consequences that are not compensated for by benefits for Fortis Bank NV/SA."

Decision

On the basis of the foregoing, the additional information provided by the Chairman in the course of the meeting and the views expressed by the members of the Board, the Directors decide to approve unanimously the Transaction H, on the terms and conditions as they are substantially described in the management proposal and reflected in the opinion of the CID in connection therewith.

Report of the Auditor

Unsigned free translation of the joint statutory auditors' report originally prepared in French and Dutch

To the members of the Board of Directors
Fortis Bank SA/NV
Montagne du Parc 3
1000 Brussels

Joint statutory auditors' report pursuant to article 524 of the Companies' Code in connection with the decision of the Board of Directors on 26 March 2010

Dear Sirs,

In accordance with the requirements of article 524 of the Companies' Code and with the related assignment you have asked us to carry out in our capacity as the company's statutory auditors, we are pleased to report to you the results of the specific audit procedures we have performed in respect of the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors concerning the following transactions, foreseen in the context of the plan for integrating Fortis Bank SA/NV into the BNP Paribas group (the "Planned Transactions").

Granting for cash by BNP Paribas SA or through its branches in Germany (Frankfurt), in the United Kingdom (London), in Spain (Madrid) and in Portugal (Lisbon) to the branches of Fortis Bank NV/SA in Germany, in the United Kingdom, in Spain and in Portugal of the exclusive right to provide products of activities of the "Corporate Transaction Group" to new or existing corporate and institutional clients established in these countries (excluding the current portfolio at the transfer date).

The sale for cash of the "Corporate Transaction Group" activities of the branch of BNP Paribas SA in Poland (Warsaw) to Fortis Bank Polska (including current assets and liabilities portfolio related to these activities).

The committee of independent directors requested an independent expert to express a fairness opinion on the financial terms of the Planned Transactions and on the resulting valuation report.

In the context of the transactions described above, the specific audit procedures carried out and the resulting conclusions are as follows:

- We reviewed and agreed the information included in the opinion rendered by the committee of independent directors with that included in the report of the independent expert designated by the committee;

- To the extent that the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors was derived from the accounting information relating to the financial position as of 31 December 2009 or an earlier date, and that it has been the subject of an audit or a limited review in accordance with the applicable professional standards, either by ourselves or by another auditor or other person in another country exercising a function similar to that of a statutory auditor in Belgium, we are assured that such information corresponded with that included in the above-mentioned accounting information;

- We reviewed and found that the conclusion included in the minutes of the meeting of the Board of Directors was the same as that appearing in the opinion rendered by the committee of independent directors; and

- We read the parameter ("cost of equity") and valuation methods set out in the valuation report prepared by the management of Fortis Bank SA/NV and found that they were not inconsistent with relevant information available in the market and with generally accepted practice. We also reviewed and found that the arithmetical formulas used by the management of Fortis Bank SA/NV in its valuation report were applied correctly.

We emphasise that, in the absence of relevant, objective and comprehensive measurement criteria in the law relating to the reliability of information, the specific audit procedures we carried out, as described above, are not sufficient to enable us to provide, in accordance with generally accepted professional auditing standards, any assurance as to the conclusions rendered by the committee of independent directors in its considered opinion. In addition, we believe it is useful to recall the fact that our assignment did not require us in expressing any opinion on the legitimate and fair character of the Planned Transactions.

We draw your attention to the conditional and indefinite nature of the terms of the Planned Transactions, as noted in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the board of directors.

Our report may only be used in the intended context of article 524 of the Companies' Code and may not be used for any other purpose. It is to be attached to the minutes of the meetings of the Board of Directors called to deliberate on the Planned Transactions and, as for the decision of the committee of independent directors and the extract of the minutes of the meeting of the Board of Directors, is to be included in the management report.

Sint-Stevens-Woluwe, 7 May 2010

The joint statutory auditors
PricewaterhouseCoopers Reviseurs d'Entreprises scrl
Represented by

R. Jeanquart J. Steenwinckel

Deloitte Reviseurs d'Entreprises sc sous forme d'une scrl
Represented by

F. Verhaegen Ph. Maeyaert

BNP Paribas Personal Finance Belgium SA (the so-called "House Transaction")

Management proposal

Management proposes that Fortis Bank NV/SA acquires the mortgage business of BNP Paribas Personal Finance Belgium SA in exchange for cash. The initial purchase price that Fortis Bank will pay based on an estimated net book value per 30 June 2010, amounts to EUR 3.6 million. BNP Paribas Personal Finance SA, being the indirect parent company of BNPP Personal Finance Belgium SA, will guarantee 90% of the risk of the portfolio transferred.

Opinion of the Committee

"Based on the considerations above and after having reviewed the financial terms of the Transaction with the Independent Expert, UBS Limited, the Committee is of the opinion that the proposed Transaction will not cause a prejudice to Fortis Bank NV/SA that is abusive given the strategy of the Company. The Committee also believes that the Transaction is unlikely to result in adverse consequences that are not compensated for by benefits for Fortis Bank NV/SA."

Decision

On the basis of the foregoing, the additional information provided by the Coordinator in the course of the meeting and the views expressed by the members of the Board, the Directors decide to approve unanimously the House Transaction, on the terms and conditions as they are substantially described in the management proposal and reflected in the opinion of the CID in connection therewith.

Report of the Auditor

Unsigned free translation of the joint statutory auditors' report originally prepared in French and Dutch

To the members of the Board of Directors
Fortis Bank SA/NV
Montagne du Parc 3
1000 Brussels

Joint statutory auditors' report pursuant to article 524 of the Companies' Code in connection with the decision of the Board of Directors on 26 March 2010

Dear Sirs,

In accordance with the requirements of article 524 of the Companies' Code and with the related assignment you have asked us to carry out in our capacity as the company's statutory auditors, we are pleased to report to you the results of the specific audit procedures we have performed in respect of the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors concerning the following transaction, foreseen in the context of the plan for integrating Fortis Bank SA/NV into the BNP Paribas group (the "Planned Transactions").

The sale for cash to Fortis Bank NV/SA of the BNP Paribas Personal Finance Belgium SA mortgage loans activities, and a simultaneous granting by BNP Paribas Personal Finance Belgium SA of a guarantee covering 90% of the mortgage loans portfolio sold.

The committee of independent directors requested an independent expert to express a fairness opinion on the financial terms of the Planned Transaction and on the resulting valuation report.

In the context of the transaction described above, the specific audit procedures carried out and the resulting conclusions are as follows:

- We reviewed and agreed the information included in the opinion rendered by the committee of independent directors with that included in the report of the independent expert designated by the committee;

- To the extent that the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors was derived from the accounting information relating to the financial position as of 31 December 2009 or an earlier date, and that it has been the subject of an audit or a limited review in accordance with the applicable professional standards, either by ourselves or by another auditor or other person in another country exercising a function similar to that of a statutory auditor in Belgium, we are assured that such information corresponded with that included in the above-mentioned accounting information;

- We reviewed and found that the conclusion included in the minutes of the meeting of the Board of Directors was the same as that appearing in the opinion rendered by the committee of independent directors; and

- We read the parameter ("cost of equity") and valuation methods set out in the valuation report prepared by the management of Fortis Bank SA/NV and found that they were not inconsistent with relevant information available in the market and with generally accepted practice. We also reviewed and found that the arithmetical formulas used by the management of Fortis Bank SA/NV in its valuation report were applied correctly.

We emphasise that, in the absence of relevant, objective and comprehensive measurement criteria in the law relating to the reliability of information, the specific audit procedures we carried out, as described above, are not sufficient to enable us to provide, in accordance with generally accepted professional auditing standards, any assurance as to the conclusions rendered by the committee of independent directors in its considered opinion. In addition, we believe it is useful to recall the fact that our assignment did not require us in expressing any opinion on the legitimate and fair character of the Planned Transaction.

We draw your attention to the conditional and indefinite nature of the terms of the Planned Transaction, as noted in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the board of directors.

Our report may only be used in the intended context of article 524 of the Companies' Code and may not be used for any other purpose. It is to be attached to the minutes of the meetings of the Board of Directors called to deliberate on the Planned Transaction and, as for the decision of the committee of independent directors and the extract of the minutes of the meeting of the Board of Directors, is to be included in the management report.

Sint-Stevens-Woluwe, 7 May 2010

The joint statutory auditors
PricewaterhouseCoopers Reviseurs d'Entreprises scrl
Represented by

R. Jeanquart J. Steenwinckel

Deloitte Reviseurs d'Entreprises sc sous forme d'une scrl
Represented by

F. Verhaegen Ph. Maeyaert

Institutional Banking Group ("IBG") UK

Management proposal

Reference is made to the decision taken by the Board of Directors in relation to Merchant Banking UK on 5 November 2009. The Board of Directors is now informed that parts of the Merchant Banking UK Transaction have to be reversed. In this regard, Management proposes that Fortis Bank NV/SA carves out the IBG UK Activity and Targetti file from the Transaction as decided on November 5th last year. It is further specified this will have no impact on the capital dotation. The result of these adjustments to the Transaction is that the goodwill part of the consideration owed by BNPP for the transfer of the UK Merchant Banking activities will be increased by EUR 8 million from EUR 53 million to EUR 61 million (equivalent).

Opinion of the Committee

"Based on the considerations above and after having reviewed the terms of the Revised Protocol Agreement, the Committee is of the opinion that the proposed adjustments to the Transaction and the Revised Protocol Agreement have no significant impact on the conclusions of the Committee in respect of the transfer of the UK Merchant banking activities to the BNPP Branch in London as set forth in its opinion delivered to the Board of Directors of 5 November 2009. The IBG business is relatively small compared to the UK merchant banking activities as a whole and the valuation of the IBG activities is merely derived from the valuation of the FIG activities in the context of the original transaction as approved by the Board of Directors on 5 November 2009; the impact of the exclusion of the Targetti transaction and related deposits, as well as the understatement of the total capital dotation is neutral. A new fairness opinion is therefore not required."

Decision

On the basis of the foregoing, the additional information provided by the Chairman in the course of the meeting and the views expressed by the members of the Board, the Directors decide to approve unanimously the IBG UK Transaction, on the terms and conditions as they are substantially described in the management proposal and reflected in the opinion of the CID in connection therewith.

Report of the Auditor

Unsigned free translation of the joint statutory auditors' report originally prepared in French and Dutch

To the members of the Board of Directors
Fortis Bank SA/NV
Montagne du Parc 3
1000 Brussels

Joint statutory auditors' report pursuant to article 524 of the Companies' Code in connection with the decision of the Board of Directors on 26 March 2010

Dear Sirs,

In accordance with the requirements of article 524 of the Companies' Code and with the related assignment you have asked us to carry out in our capacity as the company's statutory auditors, we are pleased to report to you the results of the specific audit procedures we have performed in respect of the information included in the supplement to the opinion rendered by the committee of independent directors on 5 November 2009 and in the minutes of the meeting of the Board of Directors concerning the following transaction, foreseen in the context of the plan for integrating Fortis Bank SA/NV into the BNP Paribas group (the "Planned Transaction").

The cancellation of the sale of assets and liabilities of the IBG activity ("Institutional Banking Group") and of the sale of deposits related to the "Targetti" operation held by the London branch of Fortis Bank SA/NV to the London branch of BNP Paribas SA, approved by the Board of Directors on 5 November 2009.

The committee of independent directors requested an independent expert to express a fairness opinion on the financial terms of the Planned Transaction and on the resulting valuation report.

In the context of the transaction described above, the specific audit procedures carried out and the resulting conclusions are as follows:

- To the extent that the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors was derived from the accounting information relating to the financial position as of 30 June 2009 or an earlier date, and that it has been the subject of an audit or a limited review in accordance with the applicable professional standards, either by ourselves or by another auditor or other person in another country exercising a function similar to that of a statutory auditor in Belgium, we are assured that such information corresponded with that included in the above-mentioned accounting information;

- We reviewed and found that the conclusion included in the minutes of the meeting of the Board of Directors was the same as that appearing in the opinion rendered by the committee of independent directors; and

- We read the parameter ("cost of equity") and valuation methods set out in the valuation report prepared by the management of Fortis Bank SA/NV and found that they were not inconsistent with relevant information available in the market and with generally accepted practice. We also reviewed and found that the arithmetical formulas used by the management of Fortis Bank SA/NV in its valuation report were applied correctly.

We emphasise that, in the absence of relevant, objective and comprehensive measurement criteria in the law relating to the reliability of information, the specific audit procedures we carried out, as described above, are not sufficient to enable us to provide, in accordance with generally accepted professional auditing standards, any assurance as to the conclusions rendered by the committee of independent directors in its considered opinion. In addition, we believe it is useful to recall the fact that our assignment did not require us in expressing any opinion on the legitimate and fair character of the Planned Transaction.

Our report may only be used in the intended context of article 524 of the Companies' Code and may not be used for any other purpose. It is to be attached to the minutes of the meetings of the Board of Directors called to deliberate on the Planned Transaction and, as for the decision of the committee of independent directors and the extract of the minutes of the meeting of the Board of Directors, is to be included in the management report.

Sint-Stevens-Woluwe, 28 April 2010

The joint statutory auditors
PricewaterhouseCoopers Reviseurs d'Entreprises scrl
Represented by

R. Jeanquart J. Steenwinckel

Deloitte Reviseurs d'Entreprises sc sous forme d'une scrl
Represented by

F. Verhaegen Ph. Maeyaert

Fortis Bank Turkey

Management proposal

The contemplated transaction as proposed by the Management aims at reorganizing the operations of the BNPP group in Turkey. ***One the one hand***, each of BNP Paribas and Colakoglu (the "Turkish Partner") hold 250,000,000 shares or 50% of the capital and voting rights of Teb Mali Yatirimlar A.S. ("Teb Mali"). Teb Mali mainly holds 84.25% of the shares in Türk Ekonomi Bankasi A.S. ("TEB") and has a few other assets. BNP Paribas and the Turkish Partner each hold 0.48% of the shares in TEB; the remaining 14.79% of the shares in TEB are held by the public. Fortis Bank NV/SA, ***on the other hand***, holds 94.11% of the shares in the listed Turkish bank Fortis Bank A.S.; the remaining 5.89% of the shares in Fortis Bank A.S. are held by the public.

Management proposes that Fortis Bank NV/SA will be involved in the creation of a **new constellation of the activities of the BNPP Group in Turkey** in the following manner: (i) Fortis Bank NV/SA will replace BNPP as shareholder of Teb Mali, whose shares will be held by Fortis Bank NV/SA (50%) and the Turkish Partner (50%); (ii) Fortis Bank A.S. will merge into TEB and the shares in the merged bank will be directly held by Teb Mali (55%), Fortis Bank NV/SA (14%), BNPP (20.5%) and the public (10.5%). Fortis Bank NV/SA's (direct and indirect) shareholding in the merged bank will amount to 41.5% (the "Target Shareholding"). In order to achieve this new structure, the Transaction would be implemented through several steps, which are subject to regulatory approvals.

Opinion of the Committee

"Based on the considerations above and after having reviewed the financial terms of Transaction with the Independent Expert, UBS Limited, the Committee is of the opinion that the proposed Transaction will not cause a prejudice to Fortis Bank NV/SA that is abusive given the strategy of the Company. The Committee also believes that the Transaction is unlikely to result in adverse consequences that are not compensated for by benefits for Fortis Bank NV/SA."

The members of the Board discuss the Management Proposal and the report of the CID.

Decision

On the basis of the foregoing, the additional information provided by the Chairman in the course of the meeting and the views expressed by the members of the Board, the Directors decide to approve unanimously the Transaction, on the terms and conditions as they are substantially described in the management proposal and reflected in the opinion of the CID in connection therewith.

The Board confirms that the procedure set out in Article 524, §2 of the Belgian Company Code has been complied with in respect of the approval by the Board of each of the transactions described above.

Report of the Auditor

Unsigned free translation of the joint statutory auditors' report originally prepared in French and Dutch

To the members of the Board of Directors
Fortis Bank SA/NV
Montagne du Parc 3
1000 Brussels

Joint statutory auditors' report pursuant to article 524 of the Companies' Code in connection with the decision of the Board of Directors on 1st july 2010

Dear Sirs,

In accordance with the requirements of article 524 of the Companies' Code and with the related assignment you have asked us to carry out in our capacity as the company's statutory auditors, we are pleased to report to you the results of the specific testing procedures we have performed in respect of the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors concerning the transactions included in the proposed reorganization of activities in Turkey of BNP Paribas Group carried out through its partnership with Hasan Colakoglu in Turk Ekonomi Bankasi A.S. and the subsidiary Fortis Bank A.S. of Fortis Bank S.A./N.V. (the "Planned Transaction").

The reorganization will be completed in 6 successive stages, each depending on the prior execution of the previous. They can be summarized as follows:

- The repurchase by Fortis Bank S.A./N.V. of the participation of BNP Paribas S.A. in TEB Mali Yatirimlar A.S. (« TEB Mali »), the holding controlling TEB A.S.;
- The realization of the related operations aimed in particular to put some operations under supervision of BNP Paribas Group and to generate cash for TEB Mali. These operations are the transfer of a controlling participation in TEB Finansal Kiralama A.S. ("TEB Leasing") by TEB A.S., the transfer of a controlling participation in TEB Cetelem by TEB Mali, the closing of an exclusive distribution agreement with BNP Paribas Group of bank and insurance products in favour of Fortis Bank A.S. and the distribution of a dividend by TEB A.S. to his shareholders;
- The merger of TEB A.S. and Fortis Bank A.S.;
- The capital increase in cash of TEB Mali subscribed by its two shareholders, Fortis Bank S.A./N.V. and the Turkish partner Hasan Colakoglu;
- The transfer by Fortis Bank S.A./N.V. of shares of the new merged entity to TEB Mali, so that the latter takes control of 55% of the merged bank, and to BNP Paribas S.A.; and
- The transfer by Fortis Bank S.A./N.V. of shares of TEB Mali to the Turkish partner Hasan Colakoglu so that each of the partners holds 50% of the capital of that holding.

The committee of independent directors requested an independent expert to review the financial conditions of the Planned Transactions and the valuation report that follows.
In the context of the transactions described above, the specific audit procedures carried out and the resulting conclusions are as follows:

- We reviewed and agreed the information included in the opinion rendered by the committee of independent directors with that included in the report of the independent expert designated by the committee;

- To the extent that the information included in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the Board of Directors was derived from the accounting information relating to the financial position as of 31 March 2010 or an earlier date, and that it has been the subject of an audit or a limited review in accordance with the applicable professional standards, by an auditor in another country exercising a function similar to that of a statutory auditor, we are assured that such information corresponded with that included in the abovementioned accounting information. We have noted that the net asset value mentioned in the reports of the independent expert was below TRY 8.8 million for TEB A.S. and higher than TRY 6.8 million for Fortis Bank A.S. in relation to the net assets reviewed at 31 March 2010;

- We reviewed and found that the conclusion included in the minutes of the meeting of the Board of Directors was the same as that appearing in the opinion rendered by the committee of independent directors; and

- We read the parameters ("trading multiples" and "cost of equity") and valuation methods set out in the valuation report prepared by the independent expert and found that they were not inconsistent with relevant information available in the market and with generally accepted practice. We also reviewed and found that the arithmetical formulas used by the independent expert in its valuation report were applied correctly.

We emphasise that, in the absence of relevant, objective and comprehensive measurement criteria in the law relating to the reliability of information, the specific audit procedures we carried out, as described above, are not sufficient to enable us to provide, in accordance with generally accepted professional auditing standards, any assurance as to the conclusions rendered by the committee of independent directors in its considered opinion. In addition, we believe it is useful to recall the fact that our assignment did not require us in expressing any opinion on the legitimate and fair character of the Planned Transactions.

We draw your attention to the conditional and non-final nature of the terms of the Planned Transactions, as noted in the opinion rendered by the committee of independent directors and in the minutes of the meeting of the board of directors.

Our report may only be used in the intended context of article 524 of the Companies' Code and may not be used for any other purpose. It is to be attached to the minutes of the meetings of the Board of Directors called to deliberate on the Planned Transactions and, as for the decision of the committee of independent directors and the extract of the minutes of the meeting of the Board of Directors, is to be included in the management report.

Diegem, 28 September 2010

The joint statutory auditors
PricewaterhouseCoopers Reviseurs d'Entreprises scrl
Represented by

R. Jeanquart J. Steenwinckel

Deloitte Reviseurs d'Entreprises sc sous forme d'une scrl
Represented by

F. Verhaegen Ph. Maeyaert

Final merger ratio

The Turkish Capital Markets Board ("CMB") and the Turkish Banking Regulation and Supervision Agency both granted their approval on the merger between TEB and Fortis Bank A.Ş. The CMB did also approve the exchange ratio, i.e. 49.9% TEB / 50.1% Fortis Bank A.Ş.

Fortis Bank Financial Statements 2010 (non-consolidated)

Balance sheet after appropriation

No.	BE 403.199.702	C-estb. 2.1

BALANCE SHEET AFTER APPROPRIATION

	Annexe	Codes	Financial year	Previous financial year
ASSETS				
I. Cash, balances with central banks and giro offices		10100	351,579	450,001
II. Government securities eligible for refinancing at the central bank		10200	19,992	1,407,911
III. Amounts receivable from credit institutions	5.1	10300	**40,838,054**	**46,080,467**
A. At sight		10310	12,412,946	13,426,442
B. Other amounts receivable (at fixed term or period of notice)		10320	28,425,108	32,654,026
IV. Amounts receivable from customers	5.2	10400	91,241,507	127,441,852
V. Bonds and other fixed-income securities	5.3	10500	**95,916,770**	**106,948,112**
A. Of public issuers		10510	38,032,831	45,938,138
B. Of other issuers		10520	57,883,939	61,009,974
VI. Corporate shares and other variable-income securities	5.4	10600	1,059,803	995,648
VII. Financial fixed assets	5.5 / 5.6.1	10700	**9,222,319**	**16,452,954**
A. Participating interests in affiliated enterprises		10710	5,910,871	14,443,466
B. Participating interests in other enterprises linked by participating interests		10720	3,002,917	1,467,223
C. Other company shares constituting financial fixed assets		10730	227,090	341,355
D. Subordinated claims on affiliated enterprises and on other enterprises linked by participating interests		10740	81,441	200,910
VIII. Formation expenses and intangible fixed assets	5.7	10800	82,703	33,210
IX. Tangible fixed assets	5.8	10900	983,518	973,285
X. Own shares		11000	0	0
XI. Other assets	5.9	11100	5,504,109	7,890,040
XII. Deferred charges and accrued income	5.10	11200	53,253,241	61,598,306
TOTAL ASSETS		19900	**298,473,596**	**370,271,787**

No.	BE 403.199.702		C-estb. 2.2

	Annexe	Codes	Financial year	Previous financial year
LIABILITIES				
BORROWINGS		201/208	286,550,386	358,805,409
I. Amounts payable to credit institutions	5.11	20100	42,540,363	62,104,255
A. At sight		20110	8,547,988	9,203,975
B. Resulting from refinancing by rediscounting of trade bills		20120	0	0
C. Other amounts payable (at fixed term or period of notice)		20130	33,992,376	52,900,280
II. Amounts payable to clients	5.12	20200	140,193,353	167,814,377
A. Savings deposits		20210	54,010,775	43,712,394
B. Other amounts payable		20220	86,182,578	124,101,983
1. At sight		20221	34,406,006	37,313,693
2. At fixed term or period of notice		20222	51,776,572	86,788,290
3. Resulting from refinancing by rediscounting of trade bills		20223	0	0
III. Amounts payable represented by a security	5.13	20300	24,779,626	40,477,111
A. Bills and bonds in circulation		20310	13,869,501	21,734,161
B. Other		20320	10,910,124	18,742,950
IV. Other amounts payable	5.14	20400	8,861,033	11,223,306
V. Accrued charges and deferred income	5.15	20500	52,613,869	58,744,312
VI. Provisions and deferred taxes		20600	949,798	956,499
A. Provisions for risks and charges		20610	949,687	956,275
1. Pensions and similar obligations		20611	0	43
2. Fiscal charges		20612	10,586	11,320
3. Other risks and charges	5.16	20613	939,102	944,912
B. Deferred taxes		20620	111	224
VII. Fund for general banking risks		20700	871,681	872,088
VIII. Subordinated amounts payable	5.17	20800	15,740,664	16,613,461
SHAREHOLDERS' EQUITY		209/213	11,923,209	11,466,378
IX. Capital	5.18	20900	9,374,878	9,374,878
A. Subscribed capital		20910	9,374,878	9,374,878
B. Uncalled capital		20920	0	0
X. Share premiums		21000	230,475	20,276,054
XI. Revaluation surpluses		21100	0	1,008,723
XII. Reserves		21200	946,280	852,302
A. Statutory reserve		21210	405,184	311,184
B. Unavailable reserves		21220	36,988	36,987
1. For own shares		21221		0
2. Miscellaneous		21222	36,988	36,987
C. Untaxed reserves		21230	151,100	151,433
D. Available reserves		21240	353,008	352,698
XIII. Profit brought forward (loss brought forward) (+)/(-)		21300	1,371,577	(20,045,579)
TOTAL LIABILITIES		29900	298,473,596	370,271,787

No.	BE 403.199.702		C-estb. 2.3

OFF-BALANCE SHEET ITEMS

	Annexe	Codes	Financial year	Previous financial year
I. Contingent liabilities	5.22	30100	**45,774,283**	**50,819,943**
A. Unnegotiated acceptances		30110	5,441	63,701
B. Guarantees in the nature of credit subsitutes		30120	8,946,746	6,559,593
C. Other guarantees		30130	34,032,614	37,546,272
D. Documentary credits		30140	2,789,482	6,650,377
E. Assets pledged by secured guarantees on behalf of third parties		30150	0	0
II. Commitments which may give rise to a credit risk	5.22	30200	**62,322,148**	**74,625,054**
A. Firm commitments to make funds available		30210	9,037,938	5,768,621
B. Commitments in respect of spot purchases of transferable securities or other assets		30220	318,838	340,852
C. Available margin under confirmed credit lines		30230	52,962,836	68,515,580
D. Commitments to underwrite and place securities		30240	2,536	0
E. Repurchase commitments resulting from imperfect repurchase agreements		30250	0	0
III. Assets entrusted to the credit institution		30300	**115,486,240**	**117,615,108**
A. Held on an organized trusteeship basis		30310	0	0
B. Safe custody deposits and similar arrangements		30320	115,486,240	117,615,108
IV. Amounts to be paid up on corporate shares		30400	401,649	530,686

Income statement

No.	BE 403.199.702	C-estb. 3

INCOME STATEMENT (vertical presentation)

		Annexe	Codes	Financial year	Previous financial year
I.	**Interest and similar income**	5.23	40100	5,845,202	8,307,088
	A. Of which : from fixed-income securities		40110	2,297,699	3,090,359
II.	**Interest and similar charges**		40200	(3,217,858)	(5,511,577)
III.	**Income from variable-income securities**	5.23	40300	**384,073**	**550,188**
	A. Corporate shares and units and other variable-income securities		40310	60,111	36,696
	B. Participating interests in affiliated enterprises		40320	312,192	498,412
	C. Participating interests in other enterprises linked by participating interests		40330	10,520	11,956
	D. Other corporate shares and units constituting financial fixed assets		40340	1,251	3,124
IV.	**Commission received**	5.23	40400	**1,247,548**	**1,207,313**
	A. Brokerage and commissions		40410	563,945	
	B. Remuneration for management services, counseling and custody		40420	251,191	
	C. Other commissions received		40430	432,411	
V.	**Commission paid**		40500	(336,379)	(373,465)
VI.	**Profit (loss) on financial operations (+)/(-)**	5.23	40600	**264,170**	**(218,827)**
	A. Exchange transactions and trading in securities and other financial instruments		40610	182,426	(108,224)
	B. Disposal of investment securities		40620	81,744	(110,603)
VII.	**General administrative expenses**		40700	**(2,872,312)**	**(2,884,026)**
	A. Remuneration, social charges and pensions		40710	(1,744,831)	(1,908,670)
	B. Other administrative expenses		40720	(1,127,481)	(975,356)
VIII.	**Depreciation of and amounts written off on formation expenses, intangible and tangible fixed assets**		40800	(183,803)	(182,201)
IX.	**Write off on amounts receivables and provisions for the headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section: dotations (utilisations) (+)/(-)**		40900	(282,660)	(544,796)
X.	**Write off on the investment portfolio of bonds, shares and other fixed-income or variable-income securities: dotations (utilisations) (+)/(-)**		41000	31,656	(225,001)
XI.	**Provisions for risks and charges other than those referred to by headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section: dotations (utilisations) (+)/(-)**		41100	66,211	36,566
XII.	**Provisions for risks and charges other than those covered by the headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section**		41200	(76,676)	(294,732)
XIII.	**Transfers from (Appropriation to) the fund for general banking risks (+)/(-)**		41300	438	0
XIV.	**Other operating income**	5.23	41400	199,596	184,403
XV.	**Other operating charges**	5.23	41500	(259,439)	(241,260)
XVI.	**Current profit (Current loss) before taxes (+)/(-)**		41600	**809,767**	**(190,327)**

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		Annexe	Codes	Financial year	Previous financial year
XVII.	**Extraordinary income**		41700	**2,003,552**	**318,176**
	A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets		41710	0	0
	B. Write-back of amounts written off on financial fixed assets		41720	15,584	222,370
	C. Write-back of provisions for exceptional risks and charges		41730	0	5,585
	D. Capital gains on disposal of fixed assets		41740	1,332,236	83,567
	E. Other extraordinary income	5.25	41750	655,732	6,653
XVIII.	**Extraordinary charges**		41800	**(1,019,854)**	**(1,345,336)**
	A. Extraordinary depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets		41810	0	(5,862)
	B. Amounts written off on financial fixed assets		41820	(240,360)	(1,267,042)
	C. Provisions for extraordinary risks and charges dotations (utilisations) (+)/(-)		41830	(118,180)	(16,972)
	D. Capital losses on disposal of fixed assets		41840	(153,289)	(26,444)
	E. Other extraordinary charges	5.25	41850	(508,025)	(29,018)
XIX.	**Profit (Loss) for the year before taxes (+)/(-)**		41910	**1,793,465**	**(1,217,490)**
XIXbis.	**A. Transfers to deferred taxes**		41921	0	0
	B. Transfers from deferred taxes		41922	113	989
XX.	**Income taxes (+)/(-)**	5.26	42000	**80,942**	**(98,443)**
	A. Taxes		42010	36,423	(104,218)
	B. Adjustment of income taxes and write-back of tax provisions		42020	44,518	5,775
XXI.	**Profit (Loss) for the year (+)/(-)**		42100	**1,874,520**	**(1,314,944)**
XXII.	**Transfers to untaxed reserves (from untaxed reserves) (+)/(-)**		42200	23	1,774
XXIII.	**Profit (Loss) for the year available for appropriation (+)/(-)**		42300	**1,874,543**	**(1,313,170)**

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INCOME STATEMENT (vertical presentation)

		Annexe	Codes	Financial year	Previous financial year
EXPENSES					
II.	**Interest and similar charges**		40200	(3,217,858)	(5,511,577)
V.	**Commission paid**		40500	(336,379)	(373,465)
VI.	**Profit from (loss on(-)) financial operations**		40600	264,170	(218,827)
	A. Exchange transactions and trading in securities and other financial instruments		40610	182,426	(108,224)
	B. Disposal of investment securities		40620	81,744	(110,603)
VII.	**General administrative expenses**		40700	(2,872,312)	(2,884,026)
	A. Remuneration, social charges and pensions		40710	(1,744,831)	(1,908,670)
	B. Other administrative expenses		40720	(1,127,481)	(975,356)
VIII.	**Depreciation of and amounts written off on formation expenses, intangible and tangible fixed assets**		40800	(183,803)	(182,201)
IX.	**Write off on amounts receivables and provisions for the headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" which may give rise to a credit risk" in the off-balance sheet section**		40900	(282,660)	(544,796)
X.	**Write off on the investment portfolio of bonds, shares and other fixed-income or fixed-income or variable-income securities**		41000	31,656	(225,001)
XII.	**Provisions for risks and charges other than those covered by the headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section**		41200	(76,676)	(294,732)
XIII.	**Transfers from (Appropriation to) the fund for general banking risks (+)/(-)**		41300	438	0
XV.	**Other operating charges**	5.23	41500	(259,439)	(241,260)
XVIII.	**Extraordinary charges**		41800	(1,019,854)	(1,345,336)
	A. Extraordinary depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets		41810		(5,862)
	B. Amounts written off on financial fixed assets		41820	(240,360)	(1,267,042)
	C. Provisions for extraordinary risks and charges dotations (utilisations) (+)/(-)		41830	(118,180)	(16,972)
	D. Capital losses on disposal of fixed assets		41840	(153,289)	(26,444)
	E. Other extraordinary charges	5.25	41850	(508,025)	(29,018)
XIXbis.	**A. Transfers to deferred taxes**		41921	0	0
XX.	**A. Taxes**	5.26	42010	36,423	(104,218)
XXI.	**Profit for the year**		42100	1,874,520	(1,314,944)
XXII.	**Transfers to untaxed reserves (-)**		42200	23	1,774
XXIII.	**Profit for the year available for appropriation**		42300	1,874,543	(1,313,170)

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INCOME STATEMENT (vertical presentation)

		Annexe	Codes	Financial year	Previous financial year
INCOME					
I.	**Interest and similar income**	5.23	40100	5,845,202	8,307,088
	A. Of which : from fixed-income securities		40110	2,297,699	3,090,359
III.	**Income from variable-income securities**	5.23	40300	384,073	550,188
	A. Corporate shares and units and other variable-income securities		40310	60,111	36,696
	B. Participating interests in affiliated enterprises		40320	312,192	498,412
	C. Participating interests in other enterprises linked by participating interests		40330	10,520	11,956
	D. Other corporate shares and units constituting financial fixed assets		40340	1,251	3,124
IV.	**Commission received**	5.23	40400	1,247,548	1,207,313
	A. Brokerage and commissions		40410	563,945	0
	B. Remuneration for management services, counseling and custody		40420	251,191	0
	C. Other commissions received		40430	432,411	0
VI.	**Profit from financial operations**	5.23	40600	264,170	(218,827)
	A. Exchange transactions and trading in securities and other financial instruments		40610	182,426	(108,224)
	B. Disposal of investment securities		40620	81,744	(110,603)
IX.	**Write-back of amounts written off (Amounts written off(-)) on amounts receivable and write-back of provisions (provisions(-)) for the headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section**		40900	(282,660)	(544,796)
X.	**Write-back of amounts written off (Amounts written off(-)) on the investment portfolio of bonds, shares and other fixed-income or variable-income securities**		41000	31,656	(225,001)
XI.	**Uses and write-back of provisions for risks and charges other than those referred to by headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section**		41100	66,211	36,566
XIII.	**Transfers from the fund for general banking risks**		41300	438	0
XIV.	**Other operating income**	5.23	41400	199,596	184,403
XVII.	**Extraordinary income**		41700	2,003,552	318,176
	A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets		41710	0	0
	B. Write-back of amounts written off on financial fixed assets		41720	15,584	222,370
	C. Write-back of provisions for exceptional risks and charges		41730	0	5,585
	D. Capital gains on disposal of fixed assets		41740	1,332,236	83,567
	E. Other extraordinary income	5.25	41750	655,732	6,653
XIXbis.	**B. Transfers from deferred taxes**		41922	113	989
XX.	**B. Adjustment of income taxes and write-back of tax provisions**	5.26	42020	44,518	5,775
XXI.	**Loss for the year**		42100	1,874,520	(1,314,944)
XXII.	**Transfers to untaxed reserves**		42200	23	1,774
XXIII.	**Loss for the year available for appropriation**		42300	1,874,543	(1,313,170)

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APPROPRIATION ACCOUNT

	Codes	Financial year	Previous financial year
A. Profit (Loss) to be appropriated (+)/(-)	49100	(18,171,036)	(20,045,579)
1. Profit (Loss) for the financial year available for appropriation (+)/(-)	(42300)	1,874,543	(1,313,170)
2. Profit (Loss) brought forward from the previous financial year (+)/(-)	(21300P)	(20,045,579)	(18,732,409)
B. Transfers from equity	49200	20,045,579	0
1. From capital and share premium account	49210	20,045,579	0
2. From reserves	49220	0	0
C. Appropriations to equity	49300	(94,000)	0
1. To capital and share premium account	49310	0	0
2. To statutory reserve	49320	(94,000)	0
3. To other reserves	49330	0	0
D. Profit (loss) to be carried forward (+)/(-)	49400	(1,371,577)	(20,045,579)
E. Shareholders' contribution in respect of losses	49500	0	0
F. Distribution of profit	49600	(408,966)	0
1. Dividends	49610	(386,593)	0
2. Directors	49620	0	0
3. Other allocations	49630	(22,373)	0

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ANNEXE

I. STATEMENT OF AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS (heading III of the Assets)

	Codes	Financial year	Previous financial year
A. FOR THE HEADING AS A WHOLE:	(10300)		
1. Amounts receivable from affiliated enterprises	50101	2,893,715	2,780,321
2. Amounts receivable from other enterprises linked by participating interests	50102	0	0
3. Subordinated amounts receivable	50103	0	0
B. OTHER AMOUNTS RECEIVABLE FROM ON CREDIT INSTITUTIONS (TERM OR PERIOD OF NOTICE)	(10320)		
1. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution	50104	0	1,738,583
2. Breakdown of these amounts receivable (at sight or at notice) by residual period to maturity :			
a. Up to three months	50105	16,733,705	
b. Over three months and up to one year	50106	6,448,805	
c. Over one year and up to five years	50107	3,442,440	
d. Over five years	50108	1,800,158	
e. Indeterminate period	50109	0	

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II. STATEMENT OF AMOUNTS RECEIVABLE FROM CUSTOMERS (heading IV of the assets)

	Codes	Financial year	Previous financial year
1. Amounts receivable from affiliated enterprises	50201	7,050,618	13,134,666
2. Amounts receivable from other enterprises linked by participating interests	50202	444,863	45,000
3. Subordinated amounts receivable	50203	0	0
4. Bills eligible for refinancing at the central bank of the country or countries where the credit institution is established	50204	0	508,890
5. Breakdown of amounts receivable by residual period to maturity :			
a. Up to three months	50205	32,851,123	
b. Over three months and up to one year	50206	13,471,169	
c. Over one year and up to five years	50207	12,442,814	
d. Over five years	50208	27,083,347	
e. Indeterminate period	50209	5,393,054	
6. Breakdown of amount receivable by the nature of the debtors			
a. Receivables from governments	50210	6,636,821	9,270,000
b. Receivables from private customers	50211	7,471,344	10,435,622
c. Receivables from corporates	50212	77,133,342	107,736,230
7. Breakdown of amounts receivable by nature :			
a. Trade bills (including own acceptances)	50213	228,229	
b. Amounts resulting from hire-purchase and similar claims	50214	0	
c. Loans with flat-rate charges	50215	318,199	
d. Mortgage loans	50216	8,360,971	
e. Other term loans for periods of over one year	50217	35,256,898	
f. Other amounts receivable	50218	47,077,211	
8. Geographical breakdown of amounts receivable			
a. Claims on Belgium	50219	51,991,347	
b. Claims on foreign countries	50220	39,250,160	
9. Analytical data concerning mortgage loans with reconstitution at the institution or coupled with life insurance and capitalization contracts			
a. The principal sums initially lent	50221	0	
b. The reconstitution fund and mathematical reserves relating to these loans	50222	0	
c. The net outstanding amount of these loans (a - b)	50223	0	

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III. **STATEMENT OF BONDS AND OTHER FIXED-INCOME SECURITIES (heading V of the assets)**

	Codes	Financial year	Previous financial year
A. GENERAL STATEMENT	(10500)		
1. Bonds and other securities issued by affiliated enterprises	50301	28	46,082
2. Bonds and other securities issued by other enterprises linked by participating interests	50302	226	5,178
3. Bonds and securities representing subordinated claims	50303		
4. Geographical breakdown of securities			
a. Belgian public issuers	50304	15,470,409	
b. Foreign public issuers	50305	22,562,423	
c. Belgian non-public issuers	50306	33,542,301	
d. Foreign non-public issuers	50307	24,341,638	
5. Listings			
a. Book value of listed securities	50308	66,754,130	
b. Market value of listed securities	50309	66,866,823	
c. Book value of non-listed securities	50310	29,162,640	
6. Terms			
a. Residual term up to one year	50311	7,508,532	
b. Residual term over one year	50312	88,408,238	
7. Breakdown according to whether securities belong			
a. To the commercial portfolio	50313	2,877,621	
b. To the investment portfolio	50314	93,039,149	
8. For the commercial portfolio :			
a. Positive difference between the market value and the acquisition value for bonds and securities valued at their market value	50315	20,181	
b. Positive difference between the market value and the book value for bonds and securities valued in accordance with article 35ter § 2 (2)	50316	24,968	
9. For the investment portfolio			
a. Positive difference in respect of all securities combined whose redemption value is higher than their book value	50317	286,920	
b. Negative difference in respect of all securities combined whose redemption value is lower than their book value	50318	612,875	

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	Codes	Financial year	Previous financial year
B. DETAILED STATEMENT OF THE BOOK VALUE OF THE INVESTMENT PORTFOLIO AND OTHER FIXED-INCOME SECURITIES			
1. Acquisition value at the end of the previous financial year	50323P		99,497,700
2. Changes during the financial year :	50319		
a. Acquisitions	50320	21,348,681	
b. Transfers	50321	(26,715,890)	
c. Adjustments made in accordance with Article 35 ter § 4 and 5 (+)/(-)	50322	(177,320)	
3. At the end of the financial year	50323	93,953,172	
4. Transfers between portfolios			
a. Transfers from the investment portfolio to the commercial portfolio	50324		
b. Transfers from the commercial portfolio to the investment portfolio	50325		
c. Impacts of on the result	50326		
5. Write offs at the end of the previous financial year	50332P		1,064,226
6. Changes during the financial year :	50327		
a. Charged	50328	57,085	
b. Taken back because surplus	50329	(78,216)	
c. Cancelled	50330	(314,758)	
d. Transferred from one heading to another	50331	185,685	
7. Write offs at the end of the financial year	50332	914,023	
8. Net book value at the end of the financial year	(50314)	93,039,149	

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IV. STATEMENT OF SHARES AND OTHER VARIABLE-INCOME SECURITIES (heading VI of the assets)

	Codes	Financial year	Previous financial year
A. GENERAL STATEMENT	(10600)		
1. Geographical breakdown of the issuers of the securities			
a. Belgian issuers	50401	17,509	21,102
b. Foreign issuers	50402	1,042,293	974,546
2. Listings			
a. Book value of listed securities	50403	366,226	
b. Market value of listed securities	50404	366,226	
c. Book value of non-listed securities	50405	693,577	
3. Breakdown according to whether securities belong			
a. To the commercial portfolio	50406	363,386	
b. To the investment portfolio	50407	696,417	
4. For the commercial portfolio :			
a. Positive difference between the acquisition value and the market value for securities valued at their market value	50408	14,080	
b. Positive difference between the market value and the book value for securities valued in accordance with article 35 ter § 2 (2)	50409	0	

No.	BE 403.199.702	C-estb. 5.4.2

	Codes	Financial year	Previous financial year
B. DETAILED STATEMENT OF THE BOOK VALUE OF THE INVESTMENT PORTFOLIO SHARES AND OTHER VARIABLE SECURITIES			
1. Acquisition value at the end of the previous financial year	50414P		945,427
2. Changes during the financial year	50410		
a. Acquisitions	50411	178,491	
b. Transfers	50412	(188,857)	
c. Other changes (+)/(-)	50413	0	
3. Acquisition value at the end of the financial year	50414	935,061	
4. Transfers between portfolios			
a. Transfers from the investment portfolio to the commercial portfolio	50415	(27)	
b. Transfers from the commercial portfolio to the investment portfolio	50416		
c. Impact on the result	50417	27	
5. Write offs at the end of the previous financial year	50423P		287,675
6. Changes during the financial year	50418		
a. Recorded	50419	56,117	
b. Taken back because surplus	50420	(55,884)	
c. Cancelled	50421	(49,264)	
d. Transferred from one heading to another (+)/(-)	50422	0	
7. Write offs at the end of the financial year	50423	238,644	
8. Net book value at the end of the financial year	(50407)	696,417	

No.	BE 403.199.702	C-estb. 5.5.1

V. STATEMENT OF THE FINANCIAL FIXED ASSETS (heading VII of the assets)

	Codes	Financial year	Previous financial year
A. GENERAL STATEMENT			
1. Breakdown of the financial fixed assets by economical sector			
a. Participating interests in affiliated enterprises which are credit institutions	50501	4,192,124	5,587,137
b. Participating interests in affiliated enterprises which are not credit institutions	50502	1,718,747	8,856,329
c. Participating interests in other enterprises linked by participating interests and which are credit institutions	50503	63,248	16,747
d. Participating interests in other enterprises linked by participating interests and which are not credit institutions	50504	2,939,669	1,450,476
e. Other company shares constituting financial fixed assets of entities which are credit institutions	50505	58	1,424
f. Other company shares constituting financial fixed assets of entities which are not credit institutions	50506	227,033	339,931
g. Subordinated claims on affiliated enterprises which are credit institutions	50507	81,441	200,910
h. Subordinated claims on affiliated enterprises which are not credit institutions	50508	0	0
i. Subordinated claims on other enterprises linked by participating interests and which are credit institutions	50509	0	0
j. Subordinated claims on other enterprises linked by participating interests and which are not credit institutions	50510	0	0
2. Listings			
a. Participating interests in affiliated enterprises which are listed	50511	1,343,045	
b. Participating interests in affiliated enterprises which are not listed	50512	4,567,826	
c. Participating interests in other enterprises linked by participating interests which are listed	50513	63,270	
d. Participating interests in other enterprises linked by participating interests which are not listed	50514	2,939,646	
e. Other company shares constituting financial fixed assets which are listed	50515	214,905	
f. Other company shares constituting financial fixed assets which are not listed	50516	12,186	
g. Amount of subordinated claims represented by listed securities	50517	0	

No.	BE 403.199.702		C-estb. 5.5.2

	Codes	Financial year	Previous financial year
B. DETAILED STATEMENT OF THE BOOK VALUE			
PARTICIPATING INTERESTS IN AFFILIATED ENTERPRISES			
1. Acquisition value at the end of the previous financial year	50522P		18,345,454
2. Changes during the financial year	50518		
a. Acquisitions	50519	110,420	
b. Disposals and cessation of use	50520	(10,779,230)	
c. Transferred from one heading to another (+)/(-)	50521		
3. Acquisition value at the end of the financial year	50522	7,676,644	
4. Surpluses at the end of the previous financial year	50528P		1,121,745
5. Changes during the financial year	50523		
a. Recorded	50524		
b. Acquired from third parties	50525		
c. Cancelled	50526	(1,008,723)	
d. Transferred from one heading to another (+)/(-)	50527		
6. Surpluses at the end of the financial year	50528	113,023	
7. Write offs at the end of the previous financial year	50535P		5,023,732
8. Changes during the financial year	50529		
a. Recorded	50530	121,875	
b. Taken back because surplus	50531		
c. Acquired from third parties	50532		
d. Cancelled	50533	(3,266,811)	
e. Transferred from one heading to another (+)/(-)	50534		
9. Write offs at the end of the financial year	50535	1,878,796	
10. Net book value at the end of the financial year	10710	5,910,871	

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	Codes	Financial year	Previous financial year
C. DETAILED STATEMENT OF THE BOOK VALUE PARTICIPATING INTERESTS IN OTHER ENTERPRISES LINKED BY PARTICIPATING INTERESTS			
1. Acquisition value at the end of the previous financial year	50540P		1,521,409
2. Changes during the financial year	50536		
a. Acquisitions	50537	1,524,487	
b. Disposals and cessation of use	50538	(133)	
c. Transferred from one heading to another (+)/(-)	50539	(189)	
3. Acquisition value at the end of the financial year	50540	3,045,574	
4. Surpluses at the end of the previous financial year	50546P		(190)
5. Changes during the financial year	50541		
a. Recorded	50542		
b. Acquired from third parties	50543		
c. Cancelled	50544	190	
d. Transferred from one heading to another (+)/(-)	50545		
6. Surpluses at the end of the financial year	50546	0	
7. Write offs at the end of the previous financial year	50553P		53,996
8. Changes during the financial year	50547		
a. Recorded	50548	4,254	
b. Taken back because surplus	50549	(15,584)	
c. Acquired from third parties	50550		
d. Cancelled	50551	(8)	
e. Transferred from one heading to another (+)/(-)	50552		
9. Write offs at the end of the financial year	50553	42,657	
10. Net book value at the end of the financial year	10720	3,002,917	

No.	BE 403.199.702	C-estb. 5.5.4

	Codes	Financial year	Previous financial year
D. DETAILED STATEMENT OF THE BOOK VALUE OTHER COMPANY SHARES CONSTITUTING FINANCIAL FIXED ASSETS			
1. Acquisition value at the end of the previous financial year	50558P		2,369,356
2. Changes during the financial year	50554		
a. Acquisitions	50555	19	
b. Disposals and cessation of use	50556	(58)	
c. Transferred from one heading to another (+)/(-)	50557		
3. Acquisition value at the end of the financial year	50558	2,369,317	
4. Surpluses at the end of the previous financial year	50564P	0	0
5. Changes during the financial year	50559		
a. Recorded	50560		
b. Acquired from third parties	50561		
c. Cancelled	50562		
d. Transferred from one heading to another (+)/(-)	50563		
6. Surpluses at the end of the financial year	50564	0	
7. Write offs at the end of the previous financial year	50571P		2,028,001
8. Changes during the financial year	50565		
a. Recorded	50566	114,232	
b. Taken back because surplus	50567		
c. Acquired from third parties	50568		
d. Cancelled	50569	(6)	
e. Transferred from one heading to another (+)/(-)	50570		
9. Write offs at the end of the financial year	50571	2,142,226	
10. Net book value at the end of the financial year	10730	227,090	

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	Codes	Financial year	Previous financial year
E. DETAILED STATEMENT OF THE BOOK VALUE SUBORDINATED CLAIMS ON AFFILIATED ENTERPRISES			
1. Net book value at the end of the previous financial year	50579P		200,910
2. Changes during the financial year	50572		
a. Additions	50573		
b. Repayments	50574	(120,000)	
c. Amounts written off recorded	50575		
d. Amounts written off taken back	50576		
e. Exchange differences (+)/(-)	50577	531	
f. Others (+)/(-)	50578		
3. Net book value at the end of the financial year	50579	81,441	
4. Cumulative write-ofss at the end of the financial year	50580	0	

No.	BE 403.199.702	C-estb. 5.5.6

	Codes	Financial year	Previous financial year
F. DETAILED STATEMENT OF THE BOOK VALUE SUBORDINATED CLAIMS ON OTHER ENTERPRISES LINKED BY PARTICIPATING INTERESTS			
1. Net book value at the end of the previous financial year	50588P		0
2. Changes during the financial year	50581		
a. Additions	50582		
b. Repayments	50583		
c. Amounts written off recorded	50584		
d. Amounts written off taken back	50585		
e. Exchange differences (+)/(-)	50586		
f. Others (+)/(-)	50587		
3. Net book value at the end of the financial year	50588	0	
4. Cumulative write-ofss at the end of the financial year	50589		

No.	BE 403.199.702	C-estb.	5.6.1

VI. INFORMATION ON PARTICIPATIONS

A. PARTICIPATIONS AND CIVIL RIGHTS IN OTHER ENTITIES

The following list shows the enterprises in which the credit institution has a participating interest as defined in the Royal Decree of 23 September 1992, and also other enterprises in which the company holds rights representing at least ten percent of the subscribed capital.

Name, full address of the headoffice and for an entity under the Belgian law, the ENTITY NUMBER	Civil rights held				Data extracted from the latest annual accounts available			
	directly			via subsidiaries	Annual accounts as at	Currency code	Shareholder's equity	Net result
	Type	Number	%	%			(+) or (-) (in thousands of monetary units)	
AG Insurance Brussels BE 404.494.849		157,822	25.00		31/12/2009	EUR	2,122,318	283,947
Alandes B.V. Amsterdam		1	50.00		31/12/2009	EUR	20	13
Alpha Card Watermael-Boitsfort BE 463.926.551		735,000	50.00		31/12/2009	EUR	8,959	1,237
Alpha Credit Brussels BE 445.781.316		1,146,937	100.00		31/12/2009	EUR	139,799	24,672
ASLK-CGER Services Brussels BE 458.523.354		89	89.00				Liquidation	
Astir B.V. Amsterdam		1	100.00		31/12/2008	EUR	68	12
Atrialis		1	100.00		31/03/2010	EUR	13	(17)
Banking Funding Company S.A. Brussels BE 884.525.164		20,586	33.47		31/12/2009	EUR	747	64
Banque de La Poste S.A. Brussels BE 456.038.471		300,000	50.00		31/12/2009	EUR	189,994	10,259
BBOF III Investors B.V. Amsterdam		24,300	12.13		31/12/2009	EUR	7,251	(2,106)
Bedrijvencentrum Dendermonde N.V. Dendermonde BE 438.558.081		500	19.61		31/12/2009	EUR	1,073	28
Bedrijvencentrum Regio Aalst N.V. Erembodegem BE 428.749.502		80	14.23		31/12/2009	EUR	666	7
Bedrijvencentrum Vilvoorde N.V. Vilvoorde BE 434.222.577		400	10.20		31/12/2009	EUR	1,238	24
Bedrijvencentrum Waasland N.V. Sint-Niklaas BE 427.264.214		400	16.03		31/12/2009	EUR	688	(86)

Bedrijvencentrum Zaventem N.V. Zaventem Zuid 8 BE 426.496.726		751	24.98		31/12/2009	EUR	197	21
Belgolaise N.V. Brussels BE 403.200.294	(1) (2)	449,999 119,250	100.00		31/12/2009	EUR	28,758	1,318
BEM-Flemish Construction & Investment Company N.V. Brussels BE 461 612 904		2,793	12.05		31/12/2009	EUR	4,193	(105)
BGL BNP Paribas Luxembourg		13,989,568	50.00		31/12/2009	EUR	5,742,800	432,400
BNP Paribas Fortis Funding Luxembourg		19,999	100.00		31/12/2009	EUR	38,588	9,351
BNP Paribas Fortis Yatirimlar Holding Anonim Sirketi Istanbul		49,996	99.99	0.01		YLT	Startup phase	
BNP Paribas Investment Partners Paris		406,433	28.22	2.56	31/12/2009	EUR	600,800	380,345
BNPP Fortis Factor Leuven BE 819.568.044		8,999	99.99			EUR	Startup phase	
Brand & Licence Company Brussels BE 884.499.250		123	20.00		31/12/2009	EUR	150	19
Certifimmo V S.A. Brussels BE 450.355.261		12,261	99.99	0.01	31/12/2009	EUR	5,190	1,545
China-Belgium Direct Equity investment Fund Beijing		10,000,000	10.00		31/12/2009	CNY	1,146,412	559,978
Coppefis Brussels BE 453.987.813		74	98.67	1.33	31/12/2009	EUR	627	585
Comptoir Agricole de Wallonie Nivelles BE 400.364.530		2,499	99.96	0.04	31/12/2009	EUR	1,890	226
Coöperatieve H2 Equity Pratners Fund III U.A. Amsterdam		6,670,994	24.07		31/12/2009	EUR	17,287	(2,248)
Credissimo Seraing BE 403.977.482		124,999	100.00		31/12/2009	EUR	12,943	177
Credissimo Hainaut Tournai BE 402.495.065		465,570	99.72		31/12/2009	EUR	3,120	8
Crédit pour Habitations Sociales Watermael-Boitsfort		70,629	77.56	3.89	31/12/2009	EUR	13,341	742
Crédit Social de la Province du Brabant Wallon Nivelles BE 400.351.068		11,013	12.10	0.08	31/12/2009	EUR	4,374	106
Demetris Groot-Bijgaarden BE 452.211.723		9,999	99.99	0.01	31/12/2009	EUR	2,800	2,516
Dikodi Amsterdam		42	100.00		31/12/2009	EUR	(16,994)	(496)

Discontokantoor van Turnhout Turnhout BE 404.154.755		10,000	100.00		31/12/2009	EUR	36	(1)
Distri-Invest S.A. Brussels BE 431. 242.105		102	51.00		31/03/2010	EUR	124	12
Dominet S.A. Piaseczno		25,615	100.00		31/12/2009	PLN	286,352	6,986
Domus Flandria N.V. Antwerpen BE 436.825.642		22,500	11.22		31/12/2009	EUR	26,884	2,210
Eiser Global Infrastructure Fund LTD London			26.50		31/12/2009	EUR	199,983	14,560
Europay Belgium S.C. Brussels BE 434.197.536		13,618	39.73	0.15	31/12/2009	EUR	1,316	4,242
European Carbon Fund Luxembourg		15,000,000	10.53		31/12/2009	EUR	-	(13,894)
FB Energy Trading S.à.r.l. Luxembourg		10,434,106	100.00		31/12/2009	USD	70,511	56,899
FB Holdings Canada Corp. Calgary, Canada		26,000,000	100.00		31/12/2009	USD	26,000	-
FB Transportation Capital LLC Wilmington, USA		5,000,000	100.00		31/12/2009	USD	5,000	(21,530)
FCM Private Equity, S.L. Spanje		314,830	100.00		31/12/2009	EUR	3,644	24
Finest Brussels BE 449.082.680		14,793	99.99		12/11/2009	EUR	8	(1,281)
Fintrimo S.A. Sint-Joost-ten-Noode BE 0874.308.807		300	50.00	12.50	31/12/2009	EUR	274	1
Fortis Bank A.S. Gayrettepe		988,169,379	94.11		31/12/2009	YTL	1,961,108	111,222
Fortis Bank Escritorio de Representacao Ltda Sao Paulo		450,000	75.00		31/12/2009	BRL	1,182	297
Fortis Bank Polska Warszawa		18,848,593	78.13	21.74	31/12/2009	PLN	1,368,834	(428,670)
Fortis Bank Reinsurance S.A. Luxembourg		25,000	100.00		31/12/2009	EUR	7,762	-
Fortis Film Fund S.A. Brussels		99	99.00	1.00	31/12/2009	EUR	97	(1)
Fortis Finance Belgium S.C.R.L. Brussels BE 879.866.412		599,998	100.00		31/12/2009	EUR	651	82
Fortis Funding LLC New York		100,000	100.00		31/12/2009	USD	2,100	(2,635)

Fortis Holding Malta B.V. Amsterdam		55,123,082	100.00		31/12/2009	EUR	65,894	19,215
Fortis Int'l Finance Dublin Dublin		209,386,065	100.00		31/12/2009	EUR	327,039	9,157
Fortis Lease Iberia Barcelona Spain		1,170,000	21.39	13.10	31/12/2009	EUR	15,569	(9,136)
Fortis Private Equity Asia Fund Brussels BE 0866.161.894		22,199	100.00		31/12/2009	EUR	8,266	(102)
Fortis Private Equity Belgium Brussels BE 421.883.286		557,866	100.00		31/12/2009	EUR	147,232	(4,684)
Fortis Private Equity France Fund Strasbourg		50,000,000	99.84		31/12/2009	EUR	13,651	(648)
Fortis Private Real Estate Holding		700	100.00		31/12/2009	EUR	608	2,407
Fortis Proprietary Investments Dublin, Ireland		762,506,366	100.00		31/12/2009	USD	111,537	323,455
Fortis Wealth Management Hong Kong Ltd Hong Kong		550,000	100.00		31/12/2009	HKD	218,885	(59,548)
Fortis Wealth Management Taiwan Ltd Taiwan		20,000,000	100.00		31/12/2009	TWD	286,434	(37,342)
FPRE Management (Belgium) Brussels BE 871.937.750		148,501	99.58	0.42	31/12/2009	EUR	704	(14,556)
Fscholen Sint-Joost-ten-Noode		8,925	50.00			EUR	Startup phase	
FV Holding Etterbeek BE 810.422.825		17,504,600	40.00		31/12/2009	EUR	33,600	(10,161)
Generale Branch Nominees Ltd. London		100	100.00		31/12/2009	GBP	100	-
GenFinance International N.V. Brussels BE 421.429.267		19,999	100.00		31/12/2009	EUR	1,322	20
German Aquity Partners III			14.49		31/12/2009	EUR	13,379	(610)
Geschaftsfûhrung GmbH der Genarale Bank Allemagne		1	100.00		31/12/2009	EUR	-	-
GI Finance Dublin 2		54,600,000	100.00		31/12/2009	GBP	54,629	(9)
Generale Branche Nominees Ltd London		100	100.00		31/12/2009	GBP	100	-
GIE Immobilier Groupe Fortis Parijs Puteaux			12.61	1.36	31/12/2008	EUR	-	-

Gudrun Xpert Brussels BE 477.315.422		5,200	26.00		31/12/2009	EUR	737	107
Heracles S.C.R.L. Charleroi BE 427.178.892		4,500	13.55		31/12/2009	EUR	734	10
Het Werkmanshuis Tongeren BE 400.986.518		1,095	41.04		31/12/2009	EUR	1,397	10
Hewitt's Island CLO VII George Town		1	100.00				Dormant company	
Immo Kolonel Bourgstraat Brussels BE 461.139.879		1,250	50.00		31/12/2009	EUR	(4,779)	(4,855)
Immo-Beaulieu Brussels BE 450.193.133		500	25.00		16/06/2010	EUR	68	117
Immobilière Distri-Land N.V. Brussels BE 436.440.909		156	12.48		31/12/2009	EUR	222	12
Immobilière Sauvenière N.V. Brussels BE 403.302.739		15,741	99.99	0.01	31/12/2009	EUR	18,225	1,489
Immolouneuve S.A. Brussels BE 416.030.426		1,000	50.00	12.50	31/12/2009	EUR	87	(1)
Innovation et Développement en Brabant Wallon Tubize (Saintes) BE 460.658.938		3,500	16.32		31/12/2009	EUR	806	11
Isabel N.V. Brussels BE 455.530.509		253,322	25.33		31/12/2009	EUR	11,171	1,884
La Propriété Sociale de Binche - Morlanwelz Binche BE 401.198.136		23,520	20.81	0.67	31/12/2009	EUR	193	12
Landbouwkantoor Vlaanderen Wevelgem BE 405.460.889		499	99.80	0.20	31/12/2009	EUR	4,313	508
Le Crédit Social de Tubize Tubize BE 400.344.140		400	11.43		31/12/2009	EUR	242	(64)
Le Crédit Social et les petits Propriétaires Réunis Châtelet BE 401.609.593		3,347	12.38		31/12/2009	EUR	2,701	135
Le Petit Propriétaire Brussels BE 403.290.366		690	11.60		31/12/2009	EUR	695	(75)
Margaret Inc Atlanta		500	100.00		30/09/2010	USD	201	33
MBO Capital FCPR Type A Paris			12.45		31/12/2009	EUR	101,827	(1,024)
MBO Capital FCPR Type B Paris			12.45		31/12/2009	EUR	101,827	(1,024)
Mees Pierson Private Belgian Offices CV		126	99.56		31/12/2009	EUR	9,383	
Metropolitan Buildings N.V. Brussels BE 434.742.734		15	15.00	13.75	31/12/2009	EUR	147	(21)

Microstrat Saint-Gilles BE 0829.081.071		899	89.90	0.10		EUR	Startup phase	
Money Alpha Paris		1,983,585	100.00		30/12/2009	EUR	2,209,877	48,595
Money Beta Paris		1,984,454	100.00		30/12/2009	EUR	2,203,553	40,749
Montagu Newhall Global Owings Mills			16.24		31/12/2009	USD	95,101	6,582
Park De Haan N.V. Brussels BE 438.533.436		300	15.00		31/12/2009	EUR	259	(1)
Penta Fund 1 Ltd Partnership			12.28		31/12/2009	GBP	26,566	(14,770)
Renoir CDO Amsterdam		1	100.00		31/12/2009	EUR	18	9
Seavi Advent Equity V (Cayman) LP Grand Cayman			23.58		31/12/2009	USD	19,553	(875)
S.A. Berlaymont 2000 N.V. Brussels BE 441.629.617		150	14.85		31/12/2009	EUR	13,933	(422)
Secoya Private Equity Investments General Partner Luxembourg		250	100.00			EUR	Startup phase	
Secoya Private Equity Investments SCA-SICAR Luxembourg		309	99.68	0.32		EUR	Startup phase	
Shenergy Groupe Finance Company Limited Shanghai		100,000,000	10.00		31/12/2009	CNY	599,963	62,994
Shinnecock CLO II Grand Cayman		250	100.00				Dormant company	
St.-Jozefs Kredietmaatschappij Beringen Beringen BE 401.349.970		522	11.93		31/12/2009	EUR	20,913	557
S.B.I. - B.M.I. Brussels BE 411.892.088		2,595	19.51		31/12/2009	EUR	34,063	891
SOWO Invest Brussels BE 877 279 282		875	87.50		31/12/2009	EUR	542	186
Tous Propriétaires SA Erquelinnes BE 401.731.339		43,425	16.82		31/12/2009	EUR	6,137	450
Via-Zaventem N.V. Brussels BE 892.742.765		5,100	51.00		31/12/2009	EUR	101	(15)
Visa Belgium SRCL Brussels BE 435.551.972		44	24.58	0.56	30/09/2010	EUR	8,160	5,431
Von Essen GmbH Essen		1	100.00		31/12/2009	EUR	74	3
Von Essen GmbH & Co. KG Bank Essen		1	100.00		31/12/2009	EUR	-	(30,966)

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B. LIST OF ENTITIES FOR WHICH THE ENTERPRISE IS UNLIMITED LIABLE IN ITS CAPACITY AS PARTNER OF UNLIMITED LIABILITY OR AS MEMBER

The financial statements of each of the entities for which the enterprise is unlimited liable, is added to the corresponding financial statements and published together, unless in the second column the reason is mentionned why this is not the case;

this occurs by referring to the applicable code (A,B or C) which are defined here below.

The financial statements of the enterprise :

A. are published by deposit with the National Bank of Belgium by this enterprise ;

B. are actually published by this enterprise in another Member State of the EEC in the form prescribed in Article 3 of Directive EEC/68/151;

C. are integrated by overall consolidation or by proportional consolidation in the consolidated accounts of the credit institution compiled, audited and published in accordance with the Royal Decree of 23 September 1992 concerning the consolidated accounts of Credit institutions, investment companies and management companies of collective investments.

Name, full address of the HEAD OFFICE, LEGAL FORM and, for the enterprises governed by Belgian law, mention the entity number	Eventual codes
ASLK-CGER Services, rue du Fossé-aux-loups 48, 1000 Brussels BE 458.523.354	

No.	BE 403.199.702	C-estb. 5.7.1

VII. STATEMENT OF FORMATION EXPENSES AND INTANGIBLE FIXED ASSETS (heading VIII of the assets)

	Codes	Financial year	Previous financial year
A. FORMATION EXPENSES			
1. Net book value at the end of the previous financial year	50705P		270
2. Changes during the financial year :	50701		
a. New expenses incurred	50702		
b. Writing down	50703	(289)	
c. Other (+)/(-)	50704	20	
3. Net book value at the end of the financial year	50705	0	
4. Including		0	
a. Formation and capital - increase expenses, issuing expenses for loans and other start-up expenses	50706		
b. Reorganization expenses	50707		

No.	BE 403.199.702	C-estb. 5.7.2

	Codes	Financial year	Previous financial year
B. GOODWILL			
1. Acquisition value at the end of the previous financial year	50712P		24,107
2. Changes during the financial year	50708		
a. Acquisitions including production shown as fixed assets	50709	68,000	
b. Transfers and disposals	50710	(8,183)	
c. Transfers from one heading to another (+)/(-)	50711		
3. Acquisition value at the end of the financial year	50712	83,924	
4. Depreciations and write offs at the end of the previous financial year	50719P		21,418
5. Changes during the financial year	50713		
a. Charged	50714	13,434	
b. Taken back because surplus	50715		
c. Acquired from third parties	50716		
d. Cancelled	50717	(8,378)	
e. Transferred from one heading to another (+)/(-)	50718	753	
6. Depreciations and write offs at the end of the financial year	50719	27,228	
7. Net book value at the end of the financial year	50720	56,696	

No.	BE 403.199.702	C-estb. 5.7.3

	Codes	Financial year	Previous financial year
C. COMMISSIONS PAID IN CONSIDERATION OF THE CONTRIBUTION OF OPERATIONS WITH CUSTOMERS			
1. Acquisition value at the end of the previous financial year	50725P		0
2. Changes during the financial year	50721		
a. Acquisitions including production shown as fixed assets	50722		
b. Transfers and disposals	50723		
c. Transfers from one heading to another (+)/(-)	50724		
3. Acquisition value at the end of the financial year	50725	0	
4. Depreciations and write offs at the end of the previous financial year	50732P		0
5. Changes during the financial year	50726		
a. Charged	50727		
b. Taken back because surplus	50728		
c. Acquired from third parties	50729		
d. Cancelled	50730		
e. Transferred from one heading to another (+)/(-)	50731	0	
6. Depreciations and write offs at the end of the financial year	50732	0	
7. Net book value at the end of the financial year	50733	0	

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	Codes	Financial year	Previous financial year
D. OTHER INTANGIBLE FIXED ASSETS			
1. Acquisition value at the end of the previous financial year	50738P		123,029
2. Changes during the financial year	50734		
a. Acquisitions including production shown as fixed assets	50735	10,389	
b. Transfers and disposals	50736	(24,973)	
c. Transfers from one heading to another (+)/(-)	50737	(11,246)	
3. Acquisition value at the end of the financial year	50738	97,199	
4. Depreciations and write offs at the end of the previous financial year	50745P		92,778
5. Changes during the financial year	50739		
a. Charged	50740	13,778	
b. Taken back because surplus	50741		
c. Acquired from third parties	50742		
d. Cancelled	50743	(23,382)	
e. Transferred from one heading to another (+)/(-)	50744	(11,982)	
6. Depreciations and write offs at the end of the financial year	50745	71,192	
7. Net book value at the end of the financial year	50746	26,007	

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VIII. STATEMENT OF THE TANGIBLE FIXED ASSETS (heading IX of the assets)

	Codes	Financial year	Previous financial year
A. LAND AND BUILDINGS			
1. Acquisition value at the end of the previous financial year	50805P		1,583,261
2. Changes during the financial year (+)/(-)	50801		
a. Acquisitions including fixed assets produced	50802	101,342	
b. Disposals and cessation of use	50803	(55,696)	
c. Transferred from one heading to another (+)/(-)	50804	653	
3. Acquisition value at the end of the financial year	50805	1,629,560	
4. Capital gains at the end of the previous financial year	50811P		259,169
5. Changes during the financial year (+)/(-)	50806		
a. Recorded	50807		
b. Acquired from third parties	50808		
c. Cancelled	50809	(781)	
d. Transferred from one heading to another (+)/(-)	50810	(168)	
6. Capital gains at the end of the financial year	50811	258,220	
7. Depreciations and write offs at the end of the previous financial year	50818P		1,203,393
8. Changes during the financial year (+)/(-)	50812		
a. Recorded	50813	69,372	
b. Taken back because surplus	50814		
c. Acquired from third parties	50815		
d. Cancelled because surplus and cessation of use	50816	(53,964)	
e. Transferred from one heading to another (+)/(-)	50817	618	
9. Depreciations and write offs at the end of the financial year	50818	1,219,418	
10. Net book value at the end of the financial year	50819	668,361	

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	Codes	Financial year	Previous financial year
B. INSTALLATIONS, MACHINES AND EQUIPMENT			
1. Acquisition value at the end of the previous financial year	50824P		290,146
2. Changes during the financial year (+)/(-)	50820		
a. Acquisitions including fixed assets produced	50821	39,336	
b. Disposals and cessation of use	50822	(55,897)	
c. Transferred from one heading to another (+)/(-)	50823	(2,180)	
3. Acquisition value at the end of the financial year	50824	271,405	
4. Capital gains at the end of the previous financial year	50830P		0
5. Changes during the financial year (+)/(-)	50825		
a. Recorded	50826		
b. Acquired from third parties	50827		
c. Cancelled	50828		
d. Transferred from one heading to another (+)/(-)	50829	0	
6. Capital gains at the end of the financial year	50830	0	
7. Depreciations and write offs at the end of the previous financial year	50837P		214,383
8. Changes during the financial year (+)/(-)	50831		
a. Recorded	50832	42,591	
b. Taken back because surplus	50833	41	
c. Acquired from third parties	50834		
d. Cancelled because surplus and cessation of use	50835	(52,752)	
e. Transferred from one heading to another (+)/(-)	50836	(4,390)	
9. Depreciations and write offs at the end of the financial year	50837	199,872	
10. Net book value at the end of the financial year	50838	71,533	

No.	BE 403.199.702	C-estb. 5.8.3

	Codes	Financial year	Previous financial year
C. FURNITURE AND VEHICLES			
1. Acquisition value at the end of the previous financial year	50843P		134,082
2. Changes during the financial year (+)/(-)	50839		
a. Acquisitions including fixed assets produced	50840	12,901	
b. Disposals and cessation of use	50841	(10,981)	
c. Transferred from one heading to another (+)/(-)	50842	(8,576)	
3. Acquisition value at the end of the financial year	50843	127,426	
4. Capital gains at the end of the previous financial year	50849P		24
5. Changes during the financial year (+)/(-)	50844		
a. Recorded	50845		
b. Acquired from third parties	50846		
c. Cancelled	50847		
d. Transferred from one heading to another (+)/(-)	50848	(24)	
6. Capital gains at the end of the financial year	50849	0	
7. Depreciations and write offs at the end of the previous financial year	50856P		71,311
8. Changes during the financial year (+)/(-)	50850		
a. Recorded	50851	12,773	
b. Taken back because surplus	50852	(16)	
c. Acquired from third parties	50853		
d. Cancelled because surplus and cessation of use	50854	(7,623)	
e. Transferred from one heading to another (+)/(-)	50855	(6,306)	
9. Depreciations and write offs at the end of the financial year	50856	70,138	
10. Net book value at the end of the financial year	50857	57,288	

No.	BE 403.199.702	C-estb. 5.8.4

	Codes	Financial year	Previous financial year
D. LEASING AND SIMILAR RIGHTS			
1. Acquisition value at the end of the previous financial year	50862P		0
2. Changes during the financial year (+)/(-)	50858		
a. Acquisitions including fixed assets produced	50859		
b. Disposals and cessation of use	50860		
c. Transferred from one heading to another (+)/(-)	50861		
3. Acquisition value at the end of the financial year	50862	0	
4. Capital gains at the end of the previous financial year	50868P		0
5. Changes during the financial year (+)/(-)	50863		
a. Recorded	50864		
b. Acquired from third parties	50865		
c. Cancelled	50866		
d. Transferred from one heading to another (+)/(-)	50867		
6. Capital gains at the end of the financial year	50868	0	
7. Depreciations and write offs at the end of the previous financial year	50875P		0
8. Changes during the financial year (+)/(-)	50869		
a. Recorded	50870		
b. Taken back because surplus	50871		
c. Acquired from third parties	50872		
d. Cancelled because surplus and cessation of use	50873		
e. Transferred from one heading to another (+)/(-)	50874		
9. Depreciations and write offs at the end of the financial year	50875	0	
10. Net book value at the end of the financial year	50876	0	
11. Including			
a. Land and buildings	50877		
b. Plant, machinery and equipment	50878		
c. Furniture and vehicles	50879		

No.	BE 403.199.702	C-estb. 5.8.5

	Codes	Financial year	Previous financial year
E. OTHER TANGIBLE FIXED ASSETS			
1. Acquisition value at the end of the previous financial year	50884P		374,591
2. Changes during the financial year (+)/(-)	50880		
a. Acquisitions including fixed assets produced	50881	62,030	
b. Disposals and cessation of use	50882	(65,245)	
c. Transferred from one heading to another (+)/(-)	50883	(2,277)	
3. Acquisition value at the end of the financial year	50884	369,098	
4. Capital gains at the end of the previous financial year	50890P		8,497
5. Changes during the financial year (+)/(-)	50885		
a. Recorded	50886		
b. Acquired from third parties	50887		
c. Cancelled	50888	(394)	
d. Transferred from one heading to another (+)/(-)	50889		
6. Capital gains at the end of the financial year	50890	8,102	
7. Depreciations and write offs at the end of the previous financial year	50897P		187,399
8. Changes during the financial year (+)/(-)	50891		
a. Recorded	50892	31,889	
b. Taken back because surplus	50893	(8,455)	
c. Acquired from third parties	50894		
d. Cancelled because surplus and cessation of use	50895	(17,886)	
e. Transferred from one heading to another (+)/(-)	50896	(2,083)	
9. Depreciations and write offs at the end of the financial year	50897	190,864	
10. Net book value at the end of the financial year	50898	186,337	

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	Codes	Financial year	Previous financial year
F. FIXED ASSETS UNDER CONSTRUCTIONS AND ADVANCES			
1. Acquisition value at the end of the previous financial year	50903P		0
2. Changes during the financial year (+)/(-)	50899		
a. Acquisitions including fixed assets produced	50900		
b. Disposals and cessation of use	50901		
c. Transferred from one heading to another (+)/(-)	50902		
3. Acquisition value at the end of the financial year	50903	0	
4. Capital gains at the end of the previous financial year	50909P		0
5. Changes during the financial year (+)/(-)	50904		
a. Recorded	50905		
b. Acquired from third parties	50906		
c. Cancelled	50907		
d. Transferred from one heading to another (+)/(-)	50908		
6. Capital gains at the end of the financial year	50909	0	
7. Depreciations and write offs at the end of the previous financial year	50916P		0
8. Changes during the financial year (+)/(-)	50910		
a. Recorded	50911		
b. Taken back because surplus	50912		
c. Acquired from third parties	50913		
d. Cancelled because surplus and cessation of use	50914		
e. Transferred from one heading to another (+)/(-)	50915		
9. Depreciations and write offs at the end of the financial year	50916	0	
10. Net book value at the end of the financial year	50917	0	

No.	BE 403.199.702	C-estb. 5.9

IX. OTHER ASSETS (heading XI of the assets)

	Financial year
Breakdown of the heading XI if it represents a substantial amount	
Prepaid premiums on derivatives	4,391,333
Suspense accounts	856,300
Claims on invoices	153,151
Tax recovery	81,694
Social claim	8,401
Property held for resale	5,331
Cash deposits	4,947
Other	2,952

No.	BE 403.199.702	C-estb. 5.10

X. DEFERRED CHARGES AND ACCRUED INCOME (heading XII of the assets)

	Codes	Financial year
1. Deferred charges	51001	87,192
2. Accrued income	51002	53,166,049

X. bis REINVESTMENT OF SEGREGATED CLIENT FUNDS

	Codes	Financial year
Total	51003	

No.	BE 403.199.702	C-estb. 5.11

XI. STATEMENT OF AMOUNTS PAYABLE TO CREDIT INSTITUTIONS (heading 1 of the liabilities)

	Codes	Financial year	Previous financial year
1. Amounts payable to affiliated enterprises	51101	1,052,796	568,450
2. Amounts payable to other enterprises linked by participating interests	51102	0	0
3. Breakdown of amounts payable other than at sight by residual period to maturity			
a. Up to three months	51103	28,081,343	
b. Over three months and up to one year	51104	2,076,775	
c. Over one year and up to five years	51105	3,546,038	
d. Over five years	51106	288,219	
e. Indeterminate period	51107	0	

No.	BE 403.199.702	C-estb. 5.12

XII. STATEMENT OF AMOUNTS PAYABLE TO CUSTOMERS (heading II of the liabilities)

	Codes	Financial year	Previous financial year
1. Amounts payable to affiliated enterprises	51201	3,685,723	9,169,542
2. Amounts payable to other enterprises linked by participating interests	51202	1,718,639	11,949
3. Breakdown of amounts payable by residual period to maturity			
a. At sight	51203	30,613,607	
b. Up to three months	51204	37,895,712	
c. Over three months and up to one year	51205	5,169,537	
d. Over one year and up to five years	51206	5,840,835	
e. Over five years	51207	6,496,731	
f. Indeterminate period	51208	54,176,931	
4. Breakdown of amounts payable by the nature of the debtors			
a. Amounts payable to governments	51209	6,481,420	
b. Amounts payable to private customers	51210	58,687,939	
c. Amounts payable to corporates	51211	73,639,738	
5. Geographical breakdown of amounts payable :			
a. To Belgium	51212	93,318,579	
b. To foreign countries	51213	46,874,773	

No.	BE 403.199.702	C-estb. 5.13

XIII. STATEMENT OF AMOUNTS PAYABLE REPRESENTED BY A SECURITY (heading III of the liabilities)

	Codes	Financial year	Previous financial year
1. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable to affiliated entreprises	51301	2,901,752	0
2. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable to other enterprises linked by participating interests	51302	0	0
3. Breakdown of amounts payable represented by a security by residual period to maturity			
a. Up to three months	51303	8,660,426	
b. Over three months and up to one year	51304	4,310,529	
c. Over one year and up to five years	51305	10,080,381	
d. Over five years	51306	1,640,886	
e. Indeterminate period	51307	87,403	

No.	BE 403.199.702	C-estb. 5.14

XIV. STATEMENT OF OTHER AMOUNTS PAYABLE (heading IV of the liabilities)

	Codes	Financial year
1. Taxes, wages and salaries and social amounts payable :	51401	
a. Amounts payable due	51402	44,262
b. Amounts payable not yet due	51403	
2. Amount payable related to taxes, salaries and social charges to National office of social security	51404	
a. Amounts payable due	51405	609
b. Amounts payable not yet due	51406	
3. Taxes		
a. Taxes payable	51407	660,179
b. Estimated tax amounts payable	51408	
4. Other amounts payable		
Breakdown of this sub-heading if it represents a substantial amount		
Premiums received on financial derivatives		6,111,078
Suspense accounts		1,404,615
Debts - suppliers		249,807
Debts resulting from the allocation of profit		390,483

No.	BE 403.199.702	C-estb. 5.15

XV. ACCRUED CHARGES AND DEFERRED INCOME (heading V of the liabilities)

	Codes	Financial year
1. Accrued charges	51501	52,496,076
2. Deferred income	51502	117,792

No.	BE 403.199.702	C-estb. 5.16

XVI. PROVISIONS FOR OTHER RISKS AND CHARGES (heading VI. A. 3. of the liabilities)

	Financial year
Breakdown of heading VI.A.3 of the liabilities if it represents a substantial amount	
Provision for unpaid claims	528,110
Provision for commitments	242,923
Provision for staff expenses	168,068

No.	BE 403.199.702	C-estb. 5.17

XVII. STATEMENT OF THE SUBORDINATED AMOUNTS PAYABLE (heading VIII of the liabilities)

	Codes	Financial year	Previous financial year
1. Subordinated amounts payable to affiliated enterprises	51701	2,069,291	0
2. Subordinated amounts payable to other enterprises linked by participating interests	51702	0	0

	Codes	Financial year
3. Charges in respect of subordinated amounts payable and attributable to the financial year	51703	664,301

4. For each subordinated loan, the following data: the reference number, the currency code, the amount of the loan in the currency of the loan, the reimbursement modalities, the maturity date and, if there is no specified maturity date, the modalities for the term, where appropriate the circumstances when there is an early repayment, the conditions for subordination and where appropriate the conditions of converting to capital of another liability.

ISIN Code	Maturity Date	Call Date	Interest Rate	Currency	Currency Amount
BE0774017546	1/01/2011	-	5.75%	EUR	877
BE0774030671	1/01/2011	-	5.75%	EUR	632
BE0868957318	1/01/2011	-	6.05%	EUR	1,771
BE0868959330	1/01/2011	-	6.05%	EUR	985
BE0868979536	1/01/2011	-	5.90%	EUR	4,735
BE0868987612	1/01/2011	-	5.90%	EUR	1,559
BE2127725304	1/01/2011	-	3.85%	EUR	9,395
XS0247259871	20/01/2011	-	1.21%	EUR	50,000
BE0774002399	1/02/2011	-	5.90%	EUR	10
BE0774004411	1/02/2011	-	5.90%	EUR	45
BE0774032693	1/02/2011	-	5.75%	EUR	1,352
BE0774034715	1/02/2011	-	5.75%	EUR	1,241
BE0774051883	1/02/2011	-	5.55%	EUR	1,406
BE0774060975	1/02/2011	-	5.55%	EUR	1,619
BE2127842505	1/02/2011	-	3.85%	EUR	470
BE2127958699	1/02/2011	-	3.80%	EUR	5,330
BE2128079933	1/02/2011	-	3.70%	EUR	3,101
BE0774062021	1/03/2011	-	5.55%	EUR	1,812
BE0774064043	1/03/2011	-	5.55%	EUR	2,098
BE2127961727	1/03/2011	-	3.80%	EUR	66
BE2128196166	1/03/2011	-	3.70%	EUR	5,516
XS0058107102	8/03/2011	8/09/2015	1.31%	JPY	5,000,000
BE0774078183	1/04/2011	-	5.55%	EUR	3,857
BE0774080205	1/04/2011	-	5.55%	EUR	3,412
BE0774533856	1/04/2011	-	5.30%	EUR	321
BE0774540927	1/04/2011	-	5.30%	EUR	322
BE2128314371	1/04/2011	-	3.70%	EUR	3,857
BE2128432587	1/04/2011	-	3.55%	EUR	12,766
BE0774528807	1/05/2011	-	5.55%	EUR	8
BE0774548037	1/05/2011	-	5.30%	EUR	1,938
BE0774550058	1/05/2011	-	5.30%	EUR	1,330
BE2120003683	1/05/2011	-	5.30%	EUR	199
BE2120004699	1/05/2011	-	5.30%	EUR	575
BE2128550792	1/05/2011	-	3.55%	EUR	9,673
BE0774566211	1/06/2011	-	5.30%	EUR	13
BE0774613682	1/06/2011	-	5.45%	EUR	1,623
BE0774614698	1/06/2011	-	5.45%	EUR	1,551
BE2120008732	1/06/2011	-	5.30%	EUR	2
BE2120011769	1/06/2011	-	5.45%	EUR	651
BE2120012775	1/06/2011	-	5.45%	EUR	862
BE2128667026	1/06/2011	-	3.55%	EUR	249
BE2128785232	1/06/2011	-	3.80%	EUR	10,932
XS0071344799	24/06/2011	24/12/2016	1.02%	JPY	5,000,000
BE0774617725	1/07/2011	-	5.45%	EUR	2,265
BE0774619747	1/07/2011	-	5.45%	EUR	3,660
BE2120246209	1/07/2011	-	5.45%	EUR	306
BE2120362394	1/07/2011	-	5.45%	EUR	1,449
BE2128903447	1/07/2011	-	3.80%	EUR	6,073
BE2129138852	1/07/2011	-	4.05%	EUR	10,838
BE0774644026	1/08/2011	-	5.45%	EUR	34
BE0774648068	1/08/2011	-	5.45%	EUR	3,250
BE2120478588	1/08/2011	-	5.45%	EUR	2,015
BE2129255086	1/08/2011	-	4.05%	EUR	8,869
BE2129374309	1/08/2011	-	3.85%	EUR	5,722
BE0774655139	1/09/2011	-	5.45%	EUR	2,983
BE2120712010	1/09/2011	-	5.45%	EUR	2,513
BE2129491509	1/09/2011	-	3.85%	EUR	9,504
BE0774669270	1/10/2011	-	5.45%	EUR	902

BE0774675335	1/10/2011	-	5.30%	EUR	423
BE2120828204	1/10/2011	-	5.45%	EUR	794
BE2120945404	1/10/2011	-	5.30%	EUR	6,410
BE2129609712	1/10/2011	-	3.85%	EUR	12,477
BE2121062605	1/11/2011	-	5.30%	EUR	4,130
BE2121527409	1/11/2011	-	5.15%	EUR	6,210
BE2129726912	1/11/2011	-	3.85%	EUR	977
BE2129842131	1/11/2011	-	3.70%	EUR	8,878
BE2121644600	1/12/2011	-	5.15%	EUR	2,593
BE2121762816	1/12/2011	-	4.70%	EUR	2,739
BE2129955297	1/12/2011	-	3.70%	EUR	14,489
BE2121879040	1/01/2012	-	4.70%	EUR	2,710
BE2122114454	1/01/2012	-	5.00%	EUR	5,071
BE2130116939	1/01/2012	-	3.70%	EUR	7,332
BE2130234179	1/01/2012	-	3.50%	EUR	12,231
BE2122229633	1/02/2012	-	5.00%	EUR	6,921
BE2130351379	1/02/2012	-	3.50%	EUR	13,582
BE2122346833	1/03/2012	-	5.00%	EUR	2,339
BE2122581272	1/03/2012	-	5.20%	EUR	3,430
BE2130468579	1/03/2012	-	3.50%	EUR	5,159
BE2130586784	1/03/2012	-	3.35%	EUR	2,682
BE2130780783	1/03/2012	-	3.25%	EUR	3,617
XS0186431895	19/03/2012	-	4.63%	EUR	150,000
BE2122464073	1/04/2012	-	5.00%	EUR	10
BE2122697466	1/04/2012	-	5.20%	EUR	13,526
BE2122932871	1/04/2012	-	5.35%	EUR	5,354
BE2130664599	1/04/2012	-	3.35%	EUR	328
BE2130782805	1/04/2012	-	3.25%	EUR	17,139
XS0110854071	27/04/2012	-	6.16%	EUR	14,413
XS0110854071	27/04/2012	-	6.16%	EUR	7,206
BE2122815670	1/05/2012	-	5.20%	EUR	43
BE2123048099	1/05/2012	-	5.35%	EUR	6,445
BE2130785832	1/05/2012	-	3.25%	EUR	333
BE2131132422	1/05/2012	-	3.55%	EUR	29,318
BE2131253665	1/05/2012	-	3.30%	EUR	4,528
XS0147076037	3/05/2012	-	5.72%	EUR	1,990
BE0932894455	22/05/2012	-	0.28%	USD	700,000
XS0190917160	25/05/2012	-	4.64%	EUR	100,000
BE2123166305	1/06/2012	-	5.35%	EUR	5,443
BE2131135458	1/06/2012	-	3.55%	EUR	157
BE2131370865	1/06/2012	-	3.30%	EUR	14,078
BE2123282490	1/07/2012	-	5.35%	EUR	6,993
BE2131488105	1/07/2012	-	3.30%	EUR	13,372
BE2131606318	1/07/2012	-	3.05%	EUR	9,353
BE2123398684	1/08/2012	-	5.35%	EUR	1,942
BE2123515881	1/08/2012	-	5.05%	EUR	5,444
BE2123749316	1/08/2012	-	4.90%	EUR	202
BE2131724525	1/08/2012	-	3.05%	EUR	9,172
BE2123632116	1/09/2012	-	5.05%	EUR	120
BE2123865500	1/09/2012	-	4.90%	EUR	917
BE2123983717	1/09/2012	-	4.75%	EUR	2,443
BE2131841725	1/09/2012	-	3.05%	EUR	10,920
BE2124100915	1/10/2012	-	4.75%	EUR	4,765
BE2124333334	1/10/2012	-	4.60%	EUR	1,103
BE2131958925	1/10/2012	-	3.05%	EUR	13,144
BE2124216133	1/11/2012	-	4.75%	EUR	73
BE2124449528	1/11/2012	-	4.60%	EUR	3,946
BE2132075158	1/11/2012	-	3.05%	EUR	2,397
BE2132193365	1/11/2012	-	3.15%	EUR	8,197
BE2124566727	1/12/2012	-	4.60%	EUR	5,406
BE2132273191	1/12/2012	-	3.15%	EUR	1,969

BE2132391407	1/12/2012	-	3.45%	EUR	15,916
BE2124682912	1/01/2013	-	4.60%	EUR	7,447
BE2132509610	1/01/2013	-	3.45%	EUR	26,817
BE2124798130	1/02/2013	-	4.60%	EUR	4,924
BE2125145695	1/02/2013	-	4.40%	EUR	2,355
BE2132626810	1/02/2013	-	3.45%	EUR	20,649
BE2125261880	1/03/2013	-	4.40%	EUR	2,242
BE2125379120	1/03/2013	-	4.15%	EUR	3,540
BE2132743045	1/03/2013	-	3.45%	EUR	11,891
BE2125495314	1/04/2013	-	4.15%	EUR	2,641
BE2125612512	1/04/2013	-	4.05%	EUR	10,519
BE2132860245	1/04/2013	-	3.45%	EUR	2,306
BE2132978450	1/04/2013	-	3.55%	EUR	18,005
BE2125729712	1/05/2013	-	4.05%	EUR	1,525
BE2125846912	1/05/2013	-	4.30%	EUR	4,118
BE2133096666	1/05/2013	-	3.55%	EUR	605
BE2133214871	1/05/2013	-	3.95%	EUR	21,073
XS0166164789	16/05/2013	-	5.25%	EUR	100,000
BE2125962131	1/06/2013	-	4.30%	EUR	5,530
BE2126079331	1/06/2013	-	3.95%	EUR	1,690
BE2133332111	1/06/2013	-	3.95%	EUR	21,810
BE2126195525	1/07/2013	-	3.95%	EUR	545
BE2126313730	1/07/2013	-	3.70%	EUR	6,253
BE2126546156	1/07/2013	-	3.50%	EUR	489
BE2133449311	1/07/2013	-	3.95%	EUR	21,445
BE2126429924	1/08/2013	-	3.70%	EUR	210
BE2126662342	1/08/2013	-	3.50%	EUR	1,336
BE2126782579	1/08/2013	-	3.80%	EUR	2,182
BE2133566510	1/08/2013	-	3.95%	EUR	77
BE2133684727	1/08/2013	-	4.20%	EUR	35,762
BE2126899779	1/09/2013	-	3.80%	EUR	46
BE2127014956	1/09/2013	-	4.40%	EUR	30,132
BE2127251418	1/09/2013	-	4.50%	EUR	13,696
BE2133802931	1/09/2013	-	4.20%	EUR	65,456
BE2127136239	1/10/2013	-	4.40%	EUR	136
BE2127252424	1/10/2013	-	4.50%	EUR	89,951
BE2133919164	1/10/2013	-	4.20%	EUR	5,838
BE2134035358	1/10/2013	-	3.95%	EUR	20,815
BE2127255450	1/11/2013	-	4.50%	EUR	39,703
BE2127370630	1/11/2013	-	4.15%	EUR	9,457
BE2127491873	1/11/2013	-	4.40%	EUR	13,021
BE2134155586	1/11/2013	-	3.95%	EUR	15,946
BE2127373667	1/12/2013	-	4.15%	EUR	65
BE2127608104	1/12/2013	-	4.40%	EUR	19,771
BE2134272787	1/12/2013	-	3.95%	EUR	21,892
XS0234938024	6/12/2013	-	3.82%	EUR	14,000
BE2127726310	1/01/2014	-	4.40%	EUR	39,146
BE2134389011	1/01/2014	-	3.95%	EUR	17,445
XS0236744321	6/01/2014	-	3.78%	EUR	13,000
BE2127843511	1/02/2014	-	4.40%	EUR	1,923
BE2127959705	1/02/2014	-	4.10%	EUR	8,732
BE2128080949	1/02/2014	-	4.00%	EUR	2,992
BE2134506218	1/02/2014	-	3.95%	EUR	11,803
BE2134923504	1/02/2014	-	4.25%	EUR	10,225
XS0238588353	6/02/2014	-	3.63%	EUR	10,000
BE2127962733	1/03/2014	-	4.10%	EUR	34
BE2128197172	1/03/2014	-	4.00%	EUR	6,603
BE2134805297	1/03/2014	-	3.95%	EUR	31
BE2135040704	1/03/2014	-	4.25%	EUR	26,043
BE2128315386	1/04/2014	-	4.00%	EUR	2,831
BE2128433593	1/04/2014	-	3.90%	EUR	5,672

BE2135158910	1/04/2014	-	4.25%	EUR	16,850
BE2135274139	1/04/2014	-	4.10%	EUR	17,084
BE2128551808	1/05/2014	-	3.90%	EUR	3,666
BE2135277165	1/05/2014	-	4.10%	EUR	12,391
BE2128668032	1/06/2014	-	3.90%	EUR	26
BE2128786248	1/06/2014	-	4.20%	EUR	9,825
BE2135394366	1/06/2014	-	4.10%	EUR	5,122
BE2135629779	1/06/2014	-	4.30%	EUR	10,549
BE2128904452	1/07/2014	-	4.20%	EUR	5,511
BE2129139868	1/07/2014	-	4.40%	EUR	9,010
BE2135511563	1/07/2014	-	4.10%	EUR	41
BE2135746979	1/07/2014	-	4.30%	EUR	5,066
BE2135865225	1/07/2014	-	4.50%	EUR	16,081
BE2129256092	1/08/2014	-	4.40%	EUR	8,717
BE2129375314	1/08/2014	-	4.20%	EUR	4,087
BE2135984448	1/08/2014	-	4.50%	EUR	3,974
BE2136102651	1/08/2014	-	4.70%	EUR	14,903
BE2129492515	1/09/2014	-	4.20%	EUR	7,961
BE2136222889	1/09/2014	-	4.70%	EUR	12,897
BE2136457329	1/09/2014	-	4.55%	EUR	8,783
XS0196988587	3/09/2014	-	4.92%	EUR	200,000
XS0200031200	1/10/2014	-	4.76%	EUR	100,000
BE2129610728	1/10/2014	-	4.20%	EUR	16,374
BE2136460356	1/10/2014	-	4.55%	EUR	17,477
BE2129727928	1/11/2014	-	4.20%	EUR	3,140
BE2129843147	1/11/2014	-	4.05%	EUR	8,366
BE2136809933	1/11/2014	-	4.55%	EUR	18,365
BE2129956303	1/12/2014	-	4.05%	EUR	11,996
BE2136926166	1/12/2014	-	4.55%	EUR	28,236
BE2137275746	1/12/2014	-	4.85%	EUR	1,253
BE2137509177	1/12/2014	-	4.85%	EUR	159
XS0208412063	31/12/2014	-	4.20%	EUR	100,000
BE2130117945	1/01/2015	-	4.05%	EUR	5,705
BE2130235184	1/01/2015	-	3.85%	EUR	8,411
BE2137158546	1/01/2015	-	4.55%	EUR	220
BE2137392947	1/01/2015	-	4.85%	EUR	15,156
BE2137624356	1/01/2015	-	4.70%	EUR	624
BE2130352385	1/02/2015	-	3.85%	EUR	6,104
BE2137645567	1/02/2015	-	4.70%	EUR	20,221
BE2137687015	1/02/2015	-	4.50%	EUR	777
BE2130469585	1/03/2015	-	3.85%	EUR	4,104
BE2130587790	1/03/2015	-	3.60%	EUR	2,082
BE2130781799	1/03/2015	-	3.50%	EUR	1,366
BE2137666779	1/03/2015	-	4.70%	EUR	56
BE2137708225	1/03/2015	-	4.50%	EUR	7,079
XS0213287070	31/03/2015	-	4.02%	EUR	25,000
BE2130665604	1/04/2015	-	3.60%	EUR	188
BE2130783811	1/04/2015	-	3.50%	EUR	6,685
BE2137729437	1/04/2015	-	4.50%	EUR	14,012
XS0214846874	11/04/2015	-	4.12%	EUR	50,000
BE2130786848	1/05/2015	-	3.50%	EUR	109
BE2131133438	1/05/2015	-	3.85%	EUR	14,470
BE2131254671	1/05/2015	-	3.60%	EUR	2,281
BE2137750649	1/05/2015	-	4.50%	EUR	4,087
BE2137798150	1/05/2015	-	4.50%	EUR	61
BE2137993165	1/05/2015	-	4.95%	EUR	2
BE2131136464	1/06/2015	-	3.85%	EUR	42
BE2131371871	1/06/2015	-	3.60%	EUR	6,322
BE2137771850	1/06/2015	-	4.50%	EUR	13
BE2137819360	1/06/2015	-	4.50%	EUR	250
BE2137840572	1/06/2015	-	4.95%	EUR	4,075

BE2137899198	1/06/2015	-	4.95%	EUR	24
BE2137951718	1/06/2015	-	4.95%	EUR	176
BE2138003261	1/06/2015	-	4.95%	EUR	1,909
BE2138045684	1/06/2015	-	4.95%	EUR	20
BE2138087132	1/06/2015	-	4.95%	EUR	20
XS0168668498	17/06/2015	-	5.12%	EUR	50,000
BE2131489111	1/07/2015	-	3.60%	EUR	6,609
BE2131607324	1/07/2015	-	3.35%	EUR	4,956
BE2137859762	1/07/2015	-	4.95%	EUR	303
BE2137972920	1/07/2015	-	4.95%	EUR	23
BE2138024473	1/07/2015	-	4.95%	EUR	839
BE2138066896	1/07/2015	-	4.95%	EUR	412
BE2138089153	1/07/2015	-	4.95%	EUR	250
BE2138114407	1/07/2015	-	4.95%	EUR	380
XS0221564544	1/07/2015	-	3.58%	EUR	10,000
XS0221564544	1/07/2015	-	3.71%	EUR	10,000
XS0223235390	29/07/2015	-	3.74%	EUR	22,000
BE2131725530	1/08/2015	-	3.35%	EUR	5,388
BE2138135618	1/08/2015	-	4.95%	EUR	144
BE2131842731	1/09/2015	-	3.35%	EUR	5,277
BE2138165912	1/09/2015	-	4.95%	EUR	112
BE2138208373	1/09/2015	-	4.80%	EUR	1
BE2131959931	1/10/2015	-	3.35%	EUR	7,335
BE2138220493	1/10/2015	-	4.80%	EUR	367
XS0061263082	26/10/2015	-	4.85%	JPY	20,000,000
XS0061894316	26/10/2015	26/10/2015	4.82%	JPY	5,000,000
BE2132076164	1/11/2015	-	3.35%	EUR	4,679
BE2138232613	1/11/2015	-	4.80%	EUR	18
BE2138255846	1/11/2015	-	4.80%	EUR	240
BE2132274207	1/12/2015	-	3.35%	EUR	1,150
BE2132392413	1/12/2015	-	3.65%	EUR	5,092
BE2138276081	1/12/2015	-	4.80%	EUR	327
BE2138297293	1/12/2015	-	4.10%	EUR	23
BE2132510626	1/01/2016	-	3.65%	EUR	9,896
BE2138318503	1/01/2016	-	4.10%	EUR	48
BE2138339715	1/01/2016	-	3.80%	EUR	3
BE2132627826	1/02/2016	-	3.65%	EUR	7,599
BE2138381162	1/02/2016	-	4.10%	EUR	13
XS0122720732	16/02/2016	-	6.47%	EUR	149,510
BE2132744050	1/03/2016	-	3.65%	EUR	3,578
BE2138423584	1/03/2016	-	5.00%	EUR	362
BE0931376793	23/03/2016	23/03/2016	4.25%	EUR	499,311
BE0931391941	30/03/2016	30/03/2011	1.25%	EUR	149,996
BE2132861250	1/04/2016	-	3.65%	EUR	455
BE2132979466	1/04/2016	-	3.70%	EUR	4,539
BE2138444796	1/04/2016	-	5.00%	EUR	6,042
BE2138465031	1/04/2016	-	4.80%	EUR	3,162
BE2138497356	1/04/2016	-	5.30%	EUR	10,187
BE2133097672	1/05/2016	-	3.70%	EUR	449
BE2133215886	1/05/2016	-	4.00%	EUR	4,103
BE2138474124	1/05/2016	-	4.80%	EUR	10
BE2138498362	1/05/2016	-	5.30%	EUR	7,253
BE2138502403	1/05/2016	-	5.50%	EUR	11,473
XS0252159404	1/06/2016	-	4.42%	EUR	50,000
BE2133333127	1/06/2016	-	4.00%	EUR	3,855
BE2138522609	1/06/2016	-	5.50%	EUR	32,186
BE2138545832	1/06/2016	-	4.80%	EUR	10,450
BE0931714290	21/06/2016	21/06/2011	1.27%	EUR	499,978
BE2133450327	1/07/2016	-	4.00%	EUR	2,532
BE2138547853	1/07/2016	-	4.80%	EUR	11,999

BE2138585267	1/07/2016	-	4.50%	EUR	5,748
XS0255903923	11/07/2016	-	4.36%	EUR	50,000
BE2133567526	1/08/2016	-	4.00%	EUR	11
BE2133685732	1/08/2016	-	4.40%	EUR	8,892
BE2138607483	1/08/2016	-	4.50%	EUR	5,350
BE2138634750	1/08/2016	-	4.35%	EUR	6,971
BE2138678229	1/08/2016	-	4.35%	EUR	1,433
XS0260531297	29/08/2016	-	4.66%	EUR	50,000
BE2133803947	1/09/2016	-	4.40%	EUR	16,725
BE2138656977	1/09/2016	-	4.35%	EUR	36
BE2138700445	1/09/2016	-	4.35%	EUR	10,381
BE2133920170	1/10/2016	-	4.40%	EUR	1,323
BE2134036364	1/10/2016	-	4.15%	EUR	11,602
BE2138722662	1/10/2016	-	4.35%	EUR	15,948
BE2138785321	1/10/2016	-	4.25%	EUR	3,312
BE0932051759	13/10/2016	13/10/2011	1.23%	EUR	199,947
XS0267937935	25/10/2016	-	4.36%	EUR	49,700
BE2134156592	1/11/2016	-	4.15%	EUR	7,618
BE2138799462	1/11/2016	-	4.25%	EUR	24,317
BE2138821688	1/11/2016	-	4.00%	EUR	832
XS0269358734	28/11/2016	-	4.38%	EUR	49,610
BE2134273793	1/12/2016	-	4.15%	EUR	7,838
BE2138835829	1/12/2016	-	4.00%	EUR	9,902
BE2138857070	1/12/2016	-	3.90%	EUR	2,538
XS0269360045	29/12/2016	-	4.24%	EUR	49,950
BE2134390027	1/01/2017	-	4.15%	EUR	7,952
BE2138866162	1/01/2017	-	3.90%	EUR	6,823
BE2138888380	1/01/2017	-	3.70%	EUR	2,022
BE0932317507	17/01/2017	17/01/2012	1.24%	EUR	500,000
BE2134507224	1/02/2017	-	4.15%	EUR	6,713
BE2134924510	1/02/2017	-	4.35%	EUR	4,225
BE2138909590	1/02/2017	-	3.70%	EUR	3,612
BE2138932824	1/02/2017	-	3.60%	EUR	1,531
XS0280951392	21/02/2017	-	4.47%	EUR	49,860
XS0284019907	27/02/2017	-	4.56%	EUR	49,900
BE2134806303	1/03/2017	-	4.15%	EUR	97
BE2135041710	1/03/2017	-	4.35%	EUR	4,765
BE2138952053	1/03/2017	-	3.60%	EUR	1,287
XS0288084881	30/03/2017	-	4.64%	EUR	49,960
BE2135159926	1/04/2017	-	4.35%	EUR	2,025
BE2135275144	1/04/2017	-	4.20%	EUR	3,662
BE2135278171	1/05/2017	-	4.20%	EUR	2,959
XS0293631296	4/05/2017	-	4.44%	EUR	49,950
BE2135395371	1/06/2017	-	4.20%	EUR	978
BE2135630785	1/06/2017	-	4.40%	EUR	2,896
BE2135512579	1/07/2017	-	4.20%	EUR	5
BE2135747019	1/07/2017	-	4.40%	EUR	556
BE2135866231	1/07/2017	-	4.60%	EUR	4,523
XS0301637459	3/07/2017	-	4.84%	EUR	74,970
BE2135985452	1/08/2017	-	4.60%	EUR	745
BE2136103667	1/08/2017	-	4.80%	EUR	3,297
BE2136223895	1/09/2017	-	4.80%	EUR	3,155
BE2136458335	1/09/2017	-	4.70%	EUR	4,127
XS0318517009	28/09/2017	-	5.04%	EUR	49,950
BE2136461362	1/10/2017	-	4.70%	EUR	7,826
BE0933514839	4/10/2017	-	5.76%	EUR	1,000,000
BE0933514839	4/10/2017	-	5.76%	EUR	218,173
BE2136810949	1/11/2017	-	4.70%	EUR	5,985
BE2136927172	1/12/2017	-	4.70%	EUR	8,461
BE2137276751	1/12/2017	-	5.05%	EUR	263
BE2137510183	1/12/2017	-	5.05%	EUR	138

BE0933860414	5/12/2017	-	1.03%	EUR	251,800
BE0933831126	28/12/2017	-	5.60%	EUR	180,488
BE2137043367	1/01/2018	-	4.70%	EUR	26
BE2137159551	1/01/2018	-	4.70%	EUR	109
BE2137393952	1/01/2018	-	5.05%	EUR	8,199
BE2137625361	1/01/2018	-	4.80%	EUR	162
XS0338096893	2/01/2018	-	1.01%	EUR	10,000
BE2137646573	1/02/2018	-	4.80%	EUR	3,414
BE2137688021	1/02/2018	-	4.70%	EUR	320
XS0237348692	6/02/2018	-	3.90%	EUR	10,000
BE0930831194	14/02/2018	14/02/2013	1.30%	EUR	799,422
BE2137667785	1/03/2018	-	4.80%	EUR	202
BE2137709231	1/03/2018	-	4.70%	EUR	2,656
XS0240062553	6/03/2018	-	3.87%	EUR	5,000
BE0934083701	26/03/2018	-	5.65%	EUR	202,893
BE2137730443	1/04/2018	-	4.70%	EUR	4,487
BE0934259525	30/04/2018	-	5.75%	EUR	152,198
BE2137751654	1/05/2018	-	4.70%	EUR	844
BE2137799166	1/05/2018	-	4.70%	EUR	2
BE2137772866	1/06/2018	-	4.70%	EUR	85
BE2137820376	1/06/2018	-	4.70%	EUR	179
BE2137841588	1/06/2018	-	5.05%	EUR	1,242
BE2137900202	1/06/2018	-	5.05%	EUR	1
BE2137952724	1/06/2018	-	5.05%	EUR	46
BE2138004277	1/06/2018	-	5.05%	EUR	245
XS0370380247	18/06/2018	-	1.02%	EUR	25,000
BE0934414138	27/06/2018	-	5.75%	EUR	50,749
BE2137860778	1/07/2018	-	5.05%	EUR	83
BE2137921414	1/07/2018	-	5.05%	EUR	10
BE2137973936	1/07/2018	-	5.05%	EUR	30
BE2138025488	1/07/2018	-	5.05%	EUR	262
BE2138067902	1/07/2018	-	5.05%	EUR	62
BE2138090169	1/07/2018	-	5.05%	EUR	51
BE2138115412	1/07/2018	-	5.05%	EUR	801
BE0934551533	2/07/2018	-	2.34%	EUR	25,000
BE2138136624	1/08/2018	-	5.05%	EUR	364
BE2138166928	1/09/2018	-	5.05%	EUR	372
BE2138209389	1/09/2018	-	4.90%	EUR	250
BE0934735433	30/09/2018	-	6.35%	EUR	24,372
BE2138188179	1/10/2018	-	5.05%	EUR	21
BE2138221509	1/10/2018	-	4.90%	EUR	591
BE2138233629	1/11/2018	-	4.90%	EUR	181
BE2138256851	1/11/2018	-	4.90%	EUR	266
BE2138277097	1/12/2018	-	4.90%	EUR	336
BE2138298309	1/12/2018	-	4.40%	EUR	136
BE2138319519	1/01/2019	-	4.40%	EUR	149
BE2138340721	1/01/2019	-	4.15%	EUR	31
BE2138361933	1/02/2019	-	4.15%	EUR	101
BE2138382178	1/02/2019	-	4.50%	EUR	98
BE2138403388	1/03/2019	-	4.50%	EUR	334
BE2138424590	1/03/2019	-	5.50%	EUR	86
BE2138445801	1/04/2019	-	5.50%	EUR	2,000
BE2138466047	1/04/2019	-	5.20%	EUR	517
BE2138495335	1/04/2019	-	5.70%	EUR	2,647
BE2138475139	1/05/2019	-	5.20%	EUR	5
BE2138496341	1/05/2019	-	5.70%	EUR	2,158
BE2138503419	1/05/2019	-	6.40%	EUR	10,720
BE2138523615	1/06/2019	-	6.40%	EUR	31,002
BE2138546848	1/06/2019	-	5.30%	EUR	3,931
BE2138548869	1/07/2019	-	5.30%	EUR	8,144
BE2138586273	1/07/2019	-	4.90%	EUR	5,613

BE2138723678	1/10/2019	-	4.75%	EUR	12,352
BE2138786337	1/10/2019	-	4.65%	EUR	1,050
BE2138800476	1/11/2019	-	4.65%	EUR	9,836
BE2138822694	1/11/2019	-	4.40%	EUR	230
BE2138836835	1/12/2019	-	4.40%	EUR	5,108
BE2138858086	1/12/2019	-	4.30%	EUR	1,694
BE2138867178	1/01/2020	-	4.30%	EUR	4,487
BE2138889396	1/01/2020	-	4.20%	EUR	2,579
BE2138910606	1/02/2020	-	4.20%	EUR	4,429
BE2138953069	1/03/2020	-	4.20%	EUR	3,907
XS0255154717	29/06/2021	-	1.29%	EUR	10,500
XS0123739533	27/01/2031	-	6.48%	EUR	30,000
BE0933899800	19/12/2072	-	1.04%	EUR	1
BE0117584202	26/09/2011	26/09/2011	6.50%	EUR	999,564
BE0119806116	27/10/2014	27/10/2014	4.63%	EUR	996,772
XS0362491291	3/06/2013	2/06/2013	8.03%	EUR	375,000
XS0346793713	27/08/2013	27/08/2013	8.28%	USD	750,000
BE0933899800	19/12/2072	-	1.06%	EUR	3,000,000
XS0059603802	22/02/2011	21/08/2015	2.22%	EUR	22,890
XS0055748544	17/02/2013	17/02/2013	1.61%	USD	22,330
XS0063913387	15/02/2021	15/02/2021	1.39%	USD	35,040
BE0934549511	11/06/2049	11/07/2018	7.50%	EUR	75,000
BE2138608499	1/08/2019	-	4.90%	EUR	3,774
BE2138635765	1/08/2019	-	4.75%	EUR	1,922
BE2138679235	1/08/2019	-	4.75%	EUR	601
BE2138657017	1/09/2019	-	4.75%	EUR	80
BE2138701450	1/09/2019	-	4.75%	EUR	6,917
BE2138783300	1/09/2019	-	5.05%	EUR	150

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XVIII. STATEMENT OF CAPITAL AND SHAREHOLDERS STRUCTURE

	Codes	Financial year	Previous financial year
A. STATEMENT OF CAPITAL			
1. Shareholders equity			
a. Subscribed capital at the end of the previous financial year	20910P	9.374.878	9.374.878
b. Subscribed capital at the end of the financial year	(20910)	9.374.878	

	Codes	amount	Number of shares
c. Changes during the financial year :			
....			
....			
....			
....			
d. Representation of the capital			
e. Categories of shares			
Common		9.374.878	483.241.153
....			
....			
....			
f. Registered shares	51801	xxxxxxxxxxxx	482.999.010
g. Bearer shares	51802	xxxxxxxxxxxx	242.143

	Codes	Amounts of uncalled capital	Called capital not paid up
2. UNCALLED CAPITAL			
a. Uncalled capital	(20920)		xxxxxxxxxxxx
b. Called capital not paid up	51803	xxxxxxxxxxxx	
c. Shareholders liable for payment in full			
....			
....			
....			
....			

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	Codes	Financial year
3. Own shares		
a. Held by the company itself		
* Amount of own shares	51804	
* Corresponding number of shares	51805	
b. Held by its subsidiaries		
* Amount of own shares	51806	
* Corresponding number of shares	51807	
4. SHARE-ISSUE COMMITMENTS		
a. Resulting from the exercice of conversion		
* Amount of the convertible loans outstanding	51808	
* Amount of the capital to be subscribed	51809	
* The corresponding number of shares to be issued	51810	
b. Resulting from the exercice of SUBSCRIPTION		
* Number of subscription rights in circulation	51811	
* Amount of the capital to be subscribed	51812	
* The corresponding number of shares to be issued	51813	
5. Unsubscribed authorised capital	51814	9,374,000

	Codes	Financial year
6. Equity units issued which are not representative of the capital		
a. Distribution		
* Number of equity units	51815	
* Number of votes attaching thereto	51816	
b. Breakdown by shareholder		
* Number of shares held by the company itself	51817	
* Number of shares held by its subsidiaries	51818	

B. SHAREHOLDERS STRUCTURE OF THE ENTITY ON THE DATE OF THE YEAR-END CLOSING, AS SEEN ON THE NOTICE RECEIVED BY THE ENTITY

Fortis Bank NV/SA holds its registered office at 1000 Brussels, Montagne du Parc 3.

On 31 December 2010, the issued and paid up share capital of Fortis Bank equals EUR 9,374,878,367.40. Fortis Bank has issued 483.241.153 shares of which 74.93% is owned by BNP Paribas SA and of which 25% is owned by the Société Fédérale de Participations et d'Investissement SA (Investment company of the Belgian Government). The remaining shares or 0, 07 % are spread amongst the public on an anonymous basis.

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XIX. BREAKDOWN OF BALANCE SHEET TOTAL AND TOTAL LIABILITIES, IF HIGHER THAN 15 MILLION, IN EUROS AND FOREIGN CURRENCIES

	Codes	Financial year
1. Total assets		
a. In EUR	51901	258,835,224
b. In foreign currencies (EUR equivalent)	51902	39,638,371
2. Total liabilities		
a. In EUR	51903	260,134,734
b. In foreign currencies (EUR equivalent)	51904	38,338,861

No.	BE 403.199.702		C-estb. 5.20

XX. TRUSTEE OPERATIONS REFERRED TO IN ARTICLE 27ter, § 1 paragraph 3

	Financial year
Relevant headings of the assets and liabilities	
....	
....	
....	
....	
....	

No.	BE 403.199.702		C-estb. 5.21.1

XXI. STATEMENT OF THE GUARANTEED LIABILITIES AND COMMITMENTS

	Financial year
A. Amount registered or book value of the real estate encumbered if the latter is lower	
1. Real guarantees provided or irrevocably promised by the credit institution from its own assets as security for liabilities and commitments of the credit institution	
a. Headings of liabilities	
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....	
....	
....	
b. Off-balance sheet headings	
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....	
2. Real guarantees provided or irrevocably promised by the credit institution from its own assets as security for liabilities and commitments of third parties	
....	
....	
....	
....	

No.	BE 403.199.702	C-estb. 5.21.2

	Financial year
B. PLEDGING OF GOODWILL (amount of the registration)	
1. Real guarantees provided or irrevocably promised by the credit institution from its own assets as security for liabilities and commitments of the credit institution	
a. Headings of liabilities	
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....	
b. Off-balance sheet headings	
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2. Real guarantees provided or irrevocably promised by the credit institution from its own assets as security for liabilities and commitments of third parties	
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....	
....	

No.	BE 403.199.702	C-estb. 5.21.3

	Financial year
C. PLEDGING OF OTHER ASSETS (bookvalue of the pledged assets)	
1. Real guarantees provided or irrevocably promised by the credit institution from its own assets as security for liabilities and commitments of the credit institution	
a. Headings of liabilities	
Amounts owed as a result of commitments and advance	91,701,247
....	
....	
....	
b. Off-balance sheet headings	
....	
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....	
2. Real guarantees provided or irrevocably promised by the credit institution from its own assets as security for liabilities and commitments of third parties	
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No.	BE 403.199.702	C-estb. 5.21.4

	Financial year
D. GUARANTEES ESTABLISHED ON FUTURE ASSETS (amount of the relevant assets)	
1. Real guarantees provided or irrevocably promised by the credit institution from its own assets as security for liabilities and commitments of the credit institution	
a. Headings of liabilities	
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b. Off-balance sheet headings	
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2. Real guarantees provided or irrevocably promised by the credit institution from its own assets as security for liabilities and commitments of third parties	
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No.	BE 403.199.702	C-estb. 5.22

XXII. STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS WHICH MAY GIVE RISE TO A CREDIT RISK (headings I and II of the off-balance sheet section)

	Codes	Financial year	Previous financial year
1. Total of contingent liabilities on behalf of affiliated enterprises	52201	0	0
2. Total of contingent liabilities on behalf of other enterprises linked by participating interests	52202	0	0
3. Total commitments to affiliated enterprises	52203	2,620,635	294,149
4. Total commitments which may give rise to a credit risk to other enterprises linked by participating interests	52204	87,230	95

No.	BE 403.199.702	C-estb. 5.23

XXIII. DETAILS CONCERNING OPERATING RESULTS (headings I to XV of the operating result accounts)

	Codes	Financial year	Previous financial year
1. Breakdown of operating result by origin			
a. Interests and similar income	(40100)		
* Belgian establishments	52301	5,350,153	7,303,403
* Establishments abroad	52302	495,049	1,003,685
b. Income from variable-income securities Shares, units and other variable-income securities	(40310)		
* Belgian establishments	52303	60,111	37,320
* Establishments abroad	52304	0	(623)
c. Income from variable-income securities: participating interests in affiliated enterprises	(40320)		
* Belgian establishments	52305	301,173	498,412
* Establishments abroad	52306	11,018	0
d. Income from variable-income securities: participating interests in other enterprises linked by participating interests	(40330)		
* Belgian establishments	52307	10,520	11,956
* Establishments abroad	52308	0	0
e. Income from variable-income securities: other shares constituting financial fixed assets	(40340)		
* Belgian establishments	52309	1,241	3,116
* Establishments abroad	52310	10	7
f. Commissions received	(40400)		
* Belgian establishments	52311	1,163,239	1,071,189
* Establishments abroad	52312	84,309	136,124
g. Profit from financial operations	(40600)		
* Belgian establishments	52313	247,540	(292,158)
* Establishments abroad	52314	16,630	73,331
h. Other operating income	(41400)		
* Belgian establishments	52315	199,596	108,720
* Establishments abroad	52316	0	75,683
2. Employees recorded in the personnel register			
a. Total number of staff at the end of the financial year	52317	20,510	20,414
b. Average number of staff in full-time equivalents	52318	18,455	18,827
* Management staff	52319	1,907	1,938
* Employees	52320	16,788	16,889
* Manual workers	52321		
* Others	52322		
c. Effective hours worked	52323	24,654,913	25,040,424
3. Personnel expenses			
a. Remunerations and direct company benefits	52324	1,259,465	1,370,596
b. Employer's social insurance contributions	52325	316,653	351,375
c. Employer's premiums for non-statutory insurances	52326	118,765	131,396
d. Other personnel expenses	52327	47,548	54,101
e. Pensions	52328	2,399	1,201
4. Provisions for pensions and similar obligations			
a. Dotations (+)	52329	6	27
b. Utilisations (-)	52330	50	1,026

No.	BE 403.199.702		C-estb. 5.23

	Codes	Financial year	Previous financial year
5. Breakdown of the other operating charges if they represent a substantial amount			
Rental income		11,707	17,876
Various recovery		142,232	111,265
Inventory costs		17,812	20,349
Postage charges		13,811	12,450
Returns on debt		11,156	12,621
Other		1,130	9,844
6. Other operating charges			
a. Taxes	52331	210,092	138,833
b. Other	52332	49,346	102,426
c. Breakdown of the other operating charges if they represent a substantial amount			
....			
....			
....			
7. Operating result in respect of affiliated enterprises	52333	2,394,857	2,130,993
8. Charges in respect of affiliated enterprises	52334	800,443	961,324

No.	BE 403.199.702		C-estb. 5.24.1

XXIV. STATEMENT OF FORWARD OFF-BALANCE SHEET OPERATIONS IN SECURITIES, FOREIGN CURRENCIES AND OTHER FINANCIAL INSTRUMENTS NOT REPRESENTING LIABILITIES WHICH MAY GIVE RISE TO A CREDIT RISK WITHIN THE MEANING OF HEADING II OF THE OFF-BALANCE SHEET SECTION

	Codes	Financial year
A. TYPES OF OPERATIONS (amount on the closing date of the accounts)		
1. Operations in securities		
a. Forward purchases and sales of securities and negotiable instruments	52401	19,253
* Including: operations that are not hedging affected	52402	19,253
2. Operations on foreign currencies (amounts to be delivered)		
a. Forward foreign exchange operations	52403	36,896,871
* Including: operations that are not hedging affected	52404	36,380,653
b. Interest-rate and currency swaps	52405	10,357,199
* Including: operations that are not hedging affected	52406	9,917,296
c. Currency futures	52407	31,192
* Including: operations that are not hedging affected	52408	31,192
d. Currency options	52409	8,961,525
* Including: operations that are not hedging affected	52410	8,961,025
e. Forward exchange rate contracts	52411	2,253,626
* Including: operations that are not hedging affected	52412	2,253,626
3. Operations in other financial instruments		
Forward interest rate transactions (nominal/notional reference amount)		
a. Interest-rate swaps	52413	1,152,561,939
* Including: operations that are not hedging affected	52414	1,109,873,786
b. Interest-rate futures	52415	15,562,107
* Including: operations that are not hedging affected	52416	15,562,107
c. Forward interest-rate contracts	52417	298,461,022
* Including: operations that are not hedging affected	52418	290,461,022
d. Interest-rate options	52419	1,538,171,321
* Including: operations that are not hedging affected	52420	1,537,501,021
Other forward purchases and sales (purchase -/salesprice agreed between parties)		
e. Other option contracts	52421	14,132,071
* Including: operations that are not hedging affected	52422	14,048,863
f. Other futures operations	52423	387,825
* Including: operations that are not hedging affected	52424	387,825
g. Other forward purchases and sales	52425	191,681
* Including: operations that are not hedging affected	52426	191,681

No.	BE 403.199.702	C-estb. 5.24.2

B. ESTIMATED EFFECT ON RESULTS OF EXEMPTION FROM THE VALUATION RULE REFERRED TO IN ARTICLE 36 BIS, SECTION 2, RELATED TO FORWARD INTEREST RATE OPERATIONS

	Codes	Financial year
1. Forward interest rate transactions within the framework of cash management		
a. Nominal/notional reference amount at the closing date of the accounts	52427	36,524,300
b. Difference between market value and book value (+)/(-)	52428	(1,493)
2. Forward interest rate transactions within the framework of assets and liabilities management		
a. Nominal/notional reference amount at the closing date of the accounts	52429	29,853,417
b. Difference between market value and book value (+)/(-)	52430	(108,604)
3. Operations without reductions of the risk (LOCOM)		
a. Nominal/notional reference amount at the closing date of the accounts	52431	Nihil
b. Difference between market value and book value (+)/(-)	52432	Nihil

No.	BE 403.199.702	C-estb. 5.25

XXV. EXTRAORDINARY RESULT

	Codes	Financial year
1. Capital gains obtained in respect of the transfer of fixed assets to affiliated enterprises	52501	2,307
2. Capital losses suffered in respect of the transfer of fixed assets to affiliated enterprises	52502	
3. Breakdown of other extraordinary results if it represents a substantial amount		
Gain on disposal of the participation		2,307
Gain on sale of foreign branches activities to entities of BNP Paribas SA		648,294
4. Breakdown of other extraordinary charges if it represents a substantial amount		
Reorganisation plan		(8,783)
Loss on sale of foreign branches activities to entities of BNP Paribas SA		(491,792)

No.	BE 403.199.702	C-estb. 5.26

XXVI. INCOME TAXES

	Codes	Financial year
1. Taxes on the result of the financial year	52601	
a. Taxes and withholding taxes due or paid	52602	(36,055)
b. Surplus of tax payments or withholding taxes brought to assets	52603	(368)
c. Estimated additional tax liabilities	52604	
2. Taxes on the result of previous financial years	52605	
a. Additional taxes due or paid	52606	
b. Additional taxes estimated or transferred to provisions	52607	
3. Main sources of disparities between profit before taxes as shown in the financial statements and the estimated taxable profit		
Non-accepted expenses		55,310
Movements of reserves		(29,542)
Increase/decrease on shares and units		(775,528)
Income finally assessed for tax		(296,845)

4. Impact of extraordinary result on tax and on result of the year 70,302

	Codes	Financial year
5. Sources of deferred tax		
a. Deferred tax assets	52608	
* Accumulated tax losses deductible from future taxable profits	52609	10,232,483
* Other deferred tax assets		
for ongoing restructuring plans, deferred tax assets are booked		132,662
b. Deferred taxes liabilities	52610	325
* Breakdown of deferred tax liabilities		
for potential fiscal claims relating to revaluations surplusses on buildings		
Ex-Credit Industry, deferred taxes are booked		

No.	BE 403.199.702	C-estb. 5.27

XXVII. VALUE ADDED TAXES AND OTHER TAXES PAYABLE BY THIRD PARTIES

	Codes	Financial year	Previous financial year
1. Value added taxes charged			
a. To the enterprise (deductible)	52701	115,700	358,341
b. By the enterprise	52702	47,548	396,994
2. Amounts withheld payable by third parties in respect of			
a. Payroll withholding taxes	52703	379,096	376,131
b. Withholding tax on investment income	52704	263,762	305,343

No.	BE 403.199.702	C-estb. 5.28.1

XXVIII. RIGHTS AND COMMITMENTS NOT RECOGNISED IN THE BALANCE SHEET WITH AFFILIATES

A. RIGHTS AND COMMITMENTS NOT RECOGNISED IN THE BALANCE SHEET

	Codes	Financial year
1. Major commitments for the acquisition of fixed assets		
....		
....		
....		
2. Major commitments for the transfer of fixed assets		
....		
....		
....		

3. Important legal proceedings and other important commitments

4. Liabilities relating to supplementary retirement and survivorship system pension in favour of personnel or managerial staff, and measures taken to meet the charges resulting from it

	Code	Financial year
5. Pensions the service of which is to be met by the enterprise itself:		
Estimated amount of the commitments resulting for it from	52801	
Bases and methods of this estimation		
....		
....		
....		

6. Nature and commercial objective of off-balance commitments

When the risks or benefits resulting from such an arrangement are significant and for so far the publication of such risks or benefits are necessary for the assessment of the financial position of the enterprise; if required the financial consequences of such arrangements for the entreprise should also be mentionned:

No.	BE 403.199.702	C-estb. 5.28.2

B. TRANSACTIONS WITH AFFILIATES AT NON-MARKET CONDITIONS

	Financial year
Statement of such transactions if they are significant, with the amount of these transactions, the nature of the relationship with the related party, and other information about the transactions which is necessary to require a view of the financial position of the enterprise:	
....	
....	
....	
....	

No.	BE 403.199.702		C-estb. 5.29

XXIX. FINANCIAL RELATIONS WITH

	Codes	Financial year
A. DIRECTORS AND MANAGERS, PHYSICAL PERSONS OR CORPORATE BODIES WHO OR WHICH DIRECTLY OR INDIRECTLY CONTROL THE INSTITUTION BUT WHO OR WHICH DO NOT CONSTITUTE AFFILIATED ENTERPRISES OR THE OTHER ENTERPRISES DIRECTLY OR INDIRECTLY CONTROLLED BY THE ABOVE-MENTIONED PERSONS OR BODIES		
1. Existing receivables on these persons	52901	3,463
a. Main conditions with regard to outstanding receivables		
....		
....		
2. Guarantees provided in their favor	52902	
a. Main conditions of the granted guarantees		
....		
....		
3. Other significant commitments entered into in their favour	52903	
a. Main conditions of these other commitments		
....		
....		
4. Direct and indirect remunerations and pensions charged against the income statement, provided that this entry does not relate exclusively or mainly to the situation of a single identifiable person		
a. To directors and managers	52904	6,915
b. To ex-directors and ex-managers	52905	555

	Codes	Financial year
B. THE STATUTORY AUDITOR(S) AND THE PERSONS WITH WHICH HE(SHE) IS CONNECTED TO		
1. Remuneration of the statutory auditor(s)	52906	2,227
2. Remuneration of exceptional services or special missons within the company by the statutory auditor(s)		
a. Other missions of review	52907	3,080
b. Missions regarding fiscal advice	52908	0
c. Other mission external to the statutory audit	52909	0
3. Remuneration of exceptional services or special missons within company by persons with whom the auditor (s) are/is connected		
a. Other missions of review	52910	
b. Missions regarding fiscal advice	52911	
c. Other mission external to the statutory audit	52912	

4. Terms under Article 133, § 6 of the Companies Code

No.	BE 403.199.702	C-estb. 5.30

XXX. POSITIONS IN FINANCIAL INSTRUMENTS

	Codes	Financial year
1. Financial instruments to be received by the entity on behalf of clients	53001	572,083
2. Financial instruments to be delivered by the entity to clients	53002	7,882,469
3. Financial instruments from clients received in custody with the entity	53003	103,316,708
4. Financial instruments from clients given in custory by the entity	53004	115,819,592
5. Financial instruments from clients received as guarantee by the entity	53005	5,192,498
6. Financial instruments from clients given as guarantee by the entity	53006	0

No.	BE 403.199.702	C-estb. 5.31

XXXI. DERIVATES NOT VALUED AT FAIR VALUE

The derivatives mentioned below are used for hedge purpose. The Mark- to- Market of the whole transaction (MtM deals which hedge versus deal hedged) has no material impact on the profit (loss) for the year

	Financial year
ESTIMATION OF THE FAIR VALUE FOR EACH CATEGORY OF DERIVATIVES THAT ARE NOT VALUE AT FAIR VALUE, WITH INFORMATION ON THE NATURE AND THE VOLUME OF THE INSTRUMENTS	
ALM / IRS	665,199
ALM/ CAP	22,995
IRS	(446,061)
CRS	(11,245)
FRA	(868)

XXXII. STATEMENT OF THE CONSOLIDATED ACCOUNTS

A. INFORMATION TO BE DELIVERED BY EACH COMPANY

Fortis Bank has prepared and published consolidated financial statements and a consolidated annual report

B. INFORMATION TO BE COMPLETED BY THE COMPANY IF IT IS A SUBSIDIARY OR A JOINT VENTURE

Name, registered head office and, if it is an enterprise governed by Belgian law, the VAT number or the national identification number of the parent enterprise(s) and the indication of whether this (these) parent enterprise(s) prepare and publish(es) consolidated financial statements in which its financial statements are included by consolidation

BNP PARIBAS SA
Boulevard des Italiens, 16 à 75009 Paris - France

If the parent entreprise is under foreign law, the consolidated accounts related above can be obtained

BANQUE NATIONALE DE FRANCE
Rue croix des petits champs, 31 à 75001 Paris - France

No.	BE 403.199.702	C-estb. 5.32.2

C. FINANCIAL RELATIONS OF THE GROUP OF WHICH THE ENTERPRISE IS THE HEAD IN BELGIUM WITH THE STATUTORY AUDITOR(S) AND THE PERSONS WITH WHICH HE(SHE) IS CONNECTED TO: STATEMENT IN THE APPLICATION OF ARTICLE 133, § 6 OF THE COMPANY CODE

	Codes	Financial year
D. FINANCIAL RELATIONS OF THE GROUP OF WHICH THE ENTERPRISE IS THE HEAD IN BELGIUM WITH THE STATUTORY AUDITOR(S) AND THE PERSONS WITH WHICH HE(SHE) IS CONNECTED TO: STATEMENT IN THE APPLICATION OF ARTICLE 134, §§ 4 AND 5 OF THE COMPANY CODE		
1. Remuneration of the statutory auditor(s) for the exercise of their mandate of statutory auditor at the level of the group of which the Company at the head the information publishes	53201	2,227
2. Remuneration of exceptional services or special missons within the company by the statutory auditor(s)		
a. Other missions of review	53202	3,080
b. Missions regarding fiscal advice	53203	0
c. Other mission external to the statutory audit	53204	0
3. Remuneration of the persons with which the statutory auditors are linked to, for the exercise of the mandate of statutory auditors at the level of the group of which the Company at the head the information publishes	53205	2,545
4. Remuneration of exceptional services or special missons executed by this group of persons with which the statutory auditors are linked to		
a. Other missions of review	53206	200
b. Missions regarding fiscal advice	53207	130
c. Other mission external to the statutory audit	53208	3,571

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UNCALLED AMOUNTS ON PARTICIPATING INTEREST AND SHAREHOLDINGS (en milliers d'EUR)

(in implementation of Art. 29 § 1)

Heading schedule B	Company name	Uncalled amount
VII. A	FORTIS PRIVATE EQUITY BELGIUM	32,438
	Total	**32,438**
VII. B	SOWO INVEST N.V.	16
	FINTRIMO S.A.	4
	FINTRIMO S.A.	144
	SOWO INVEST N.V	73
	FINTRIMO S.A	25
	FINTRIMO S.A	25
	FINTRIMO S.A	25
	F SCHOLEN	4,944
	BEMM II	375
	Total	**5,631**
	MAISON DE L'ENTREPRISE LIB 25 PC	6
VII. C	MAISON DE L'ENTREPRISE LIB 25 PC	9
	LANDWAARTS SOC WOONKREDIET (VOOR EIGEN WOON GENK)	80
	LE CREDIT HYPOTHECAIRE BRICOULT CHATELET	4
	CREDIT TRAVAILLEURS LIB 50 PC	1
	EIGEN HUIS DURMESTREEK LOKEREN	2
	UW EIGEN HUIS VLAANDEREN ZOTTEGEM	6
	EIGEN HUIS - THUIS BEST	3
	ONS EIGEN HUIS NEERPELT	1
	Total	**112**

XXVIII. RIGHTS AND OBLIGATIONS NOT STATED ON THE BALANCE SHEET AND COVERED BY THE FOREGOING SECTION OR THE OFF-BALANCE SHEET ITEMS

C. Where appropriate, a brief description is given of the supplementary retirement and survival pension for employees or executives, stating the measures taken to cover the resulting costs.

I. Brief description of the pension systems

Four pension systems are in operation within Fortis Bank.

A. The first pension system applies for employees who joined the Bank before 1 January 2002 and who are not Fortis Bank executives (ex-ASLK, ex-Generale Bank and Fortis Bank).
This system comprises :

1) A basic defined benefit plan providing the following benefits :
   - retirement benefit payable at the retirement age (60 years), which takes into account the actual State pension of the member;
   - benefit payable on death before retirement age and orphan's benefit.

2) A supplementary plan (only for the category ex-ASLK) of the defined contribution type, with compulsory contributions by the member, providing additional retirement and death benefit.

B. The second system applies for employees who joined the Bank on or after 1 January 2002 and who are not Fortis Bank executives (only the category Fortis Bank). This system, with compulsory contributions by the member, is a defined contribution system for the retirement pension and a defined benefit system for the death and orphan's benefit.

C. The third system applies for employees in the category ex-KN. It is a defined contribution system for the retirement benefit and a defined benefit system for the death and orphan's benefit.

D. The fourth system applies for Fortis Bank executives.
It is a defined benefit system which provides the following benefits :

- retirement benefit payable at the retirement age (65 years), with the pension capital varying according to job grade;
- benefit payable on death before retirement age and orphan's benefit.

II. Brief description of the measures taken by the company to cover the resulting costs

A. The costs of the pension system are covered by :

- a collective insurance with AXA and AGF for the accrued entitlements (for the employees contributions) as at 31 December 2001 for the categories ex-Generale Bank and Fortis Bank;
- a collective insurance with AG Insurance for the difference between the defined benefits and these accrued entitlements.

1) For the commitments under I.A.1), the employer pays monthly contributions to the Financing Fund of the collective insurance (calculated as a fixed percentage of salaries), and the premiums in respect of the various early retirement schemes.

2) For the commitments under I.A.2), the contributions are split equally between employees and the employer.

B. The costs of the second system are covered by a collective insurance taken out with AG Insurance. Employees pay a monthly personal contribution depending on their salary. The employer pays a monthly contribution to the Financing Fund of the collective insurance.

C. The costs of the third system are covered by a oollective insurance with AG Insurance. The employer pays a monthly collective insurance premium as well as premiums in respect of the various early retirement schemes.

D. The costs of the fourth system are covered by a collective insurance taken out with AXA. The employer pays a monthly collective insurance premium into the Financing Fund of the collective insurance.

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SOCIAL BALANCE SHEET (in euros)

Number of the social consulting committees governing the company: 310

DETAILS OF STAFF EMPLOYED

STAFF UNDER CONTRACT

During the current and previous financial year	Codes	1. Full-time *(financial year)*	2. Part-time *(financial year)*	3. Total (T) or total in full-time equivalents (FTE) *(financial year)*		3P. Total (T) or total in full-time equivalents (FTE) *(previous financial year)*	
Average number of staff	100	14,493	5,817	18,455.1	(FTE)	18,827.0	(FTE)
Effective hours worked	101	20,394,262	4,260,651	24,654,913	(T)	25,040,424	(T)
Personnel expenses	102	1,260,814	325,714	1,586,528	(T)	1,647,787	(T)
Benefits in addition to wages	103	xxxxxx	xxxxxx	0	(T)	0	(T)

At the end of the financial year	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees listed in the staff register	105	14,723	5,787	18,689.8
Breakdown by type of employement contract				
Contract of unlimited duration	110	14,391	5,780	18,352.5
Contract of limited duration	111	332	7	337.3
Contract for a clearly defined project	112			
Temporary replacement	113			
Breakdown by sex and schooling degree				
Men	120	8,837	1,580	9,837.3
primary school	1200	0	0	0.0
secondary school	1201	2,304	996	2,909.6
higher non-academic degree	1202	3,335	397	3,601.6
academic degree	1203	3,198	187	3,326.0
Wowan	121	5,886	4,207	8,852.5
primary school	1210	0	0	0.0
secondary school	1211	1,318	1,885	2,580.6
higher non-academic degree	1212	2,512	1,572	3,658.5
academic degree	1213	2,056	750	2,613.3
Breakdown by professional occupation				
Management	130	1,848	106	1,924.7
Employees	134	12,875	5,681	16,765.1
Manual workers	132			
Other	133			

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TEMPORARY STAFF AND PERSONS AVAILABLE TO THE COMPANY

During the financial year	Codes	1. Temporary staff	2. Persons available to the company
Avarage number employed	150	94	
Effective hours worked	151	175,116	
Cost for the company	152	6,179	

STATEMENT OF STAFF CHANGES DURING THE FINANCIAL YEAR

JOINED	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of staff engaged during the financial year	205	1,595	48	1,631.2
Breakdown by type of employment contract				
Contract of undefined duration	210	1,356	44	1,389.0
Contract of defined duration	211	239	4	242.2
Contract for a clearly defined project	212			
Interim substitution contract	213			

LEFT	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of staff for which the staff register shows a date during the financial year on which their employment contract was terminated	305	1,017	530	1,312.9
Breakdown by type of employment contract				
Contract of undefined duration	310	818	522	1,108.8
Contract of defined duration	311	199	8	204.1
Contract for a clearly defined project	312	0	0	0.0
Interim substitution contract	313	0	0	0.0
Breakdown by raison for termination of employment contract				
Pension	340	212	413	433.8
Early retirement	341	0	0	0.0
Dismissal	342	153	8	158.3
Other reason	343	652	109	720.8
of which : the number of employees who continue to work for the company as a self-employed person on at least a half-time basis	350	0	0	0.0

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INFORMATION ON THE EDUCATION OF EMPLOYEES DURING THE FINANCIAL YEAR

	Codes	Men	Codes	Women
Total of formal professional training initiatives continue at the expense of the company				
Number of trainees	5801	8,060	5811	7,144
Number of training hours	5802	234,448	5812	215,838
Expenses for the enterprise	5803	29,133	5813	25,822
of which gross cost directly linked to training	58031	28,817	58131	25,542
of which charges paid and transfers to funds	58032	316	58132	280
of which contributions and other financial benefits receided (to be deducted)	58033	0	58133	0
Total of the less formal or informal professional training initiatives continue at the expense of the employer				
Number of trainees	5821	88	5831	113
Number of training hours	5822	3,163	5832	3,320
Expenses for the enterprise	5823	216	5833	226
Total of the initial professional training initiatives at the expense of the employer				
Number of trainees	5841	0	5851	0
Number of training hours	5842	0	5852	0
Expenses for the enterprise	5843	0	5853	0

Summary of the accounting policies for the non-consolidated financial statements

General principles

Fortis Bank's accounting policies comply with the rules laid down in the Royal Decree of 23 September 1992 on the annual accounts of credit institutions.

The accounting policies of Fortis Bank are the same as last year.

The following summary gives further details of the accounting policies used for the major components in the balance sheet and income statement.

Assets

Amounts receivable from credit institutions and customers

Loans and advances to credit institutions and customers are recognised for the initial amount paid less subsequent repayments and related allowances. All expenses paid to third parties for bringing in transactions with customers are fully recognised in the accounting period in which they are incurred.

Any difference between the nominal value of the loans and advances and the amounts originally granted is recognised on an accrual basis as interest income or charges in the income statement.

Other receivables are recognised at their nominal value.

Allowances for doubtful loans and for loans with an uncertain future are recognised in proportion to the part considered as unrecoverable based on objective sources of information. Once a loan has been classified as doubtful or uncertain, related interests are normally no longer included in the income statement.

The accounting policies provide for the possibility to set up an internal security fund up to cover well-defined risks, possibly arising in the future, but which can not yet be individualised.

Bonds and shares

Securities or receivables represented by marketable securities are included in the trading portfolio if they are acquired with the intention to sell them back based on their return over a period which normally does not exceed six months.

Trading securities are valued at market value if traded on a liquid market. In absence of a liquid market, they are valued at the lower of cost (all costs included, provisions received deducted) or market value.

The fixed-income securities in the investment portfolio are recognised on basis of its yield-to-maturity. The difference between the acquisition cost (all costs included, provisions received deducted) and the redemption value is accrued in the income statement.

The gains and losses realised on the sale of fixed-income securities are immediately recognised in the income statement. If however they are realised on arbitrage transactions, they may be accrued, in accordance with the provisions of article 35ter §5 of the Royal Decree of 23 September 1992.

Shares in the investment portfolio are valued at the lower of cost (all costs included, provisions received deducted) or market value, with all differences recognised in the income statement.

If the debtor has a risk of non-payment, write-downs are made as for doubtful loans or loans with an uncertain future.

Financial fixed assets

Financial fixed assets are recognised at cost. A write-off is recorded where a decrease in value is permanent. Where financial fixed assets are financed with borrowed funds, the exchange differences on the borrowed funds are not recognised in the income statement.

Incremental costs are taken directly to the income statement.

Formation expenses and intangible fixed assets

Start-up costs are capitalised and depreciated on a straight-line basis over 5 years.

Capital increase costs are charged directly to the income statement.

The issuing costs of subordinated loans are depreciated on a straight-line basis over the duration of the loan. The issuing costs of perpetual loans are depreciated on a straight-line basis over 5 years, or over the length of the period before the date of the first call, if this date is earlier.

Costs relating to software developed by the bank itself or relating to standard or specific software acquired from third parties are recognised directly to the income statement as general expenses. If it is certain that the economic life of specific software purchased from a third party is more than one year, the economic life being mainly determined by the risk of technological changes and commercial developments, this software can be capitalised and depreciated on a straight-line basis over the estimated useful life, with a maximum of 5 years.

The other intangible fixed assets are depreciated over maximum 10 years.

The Bank makes no use of the option to capitalise commissions paid to third parties for bringing in transactions with clients with a contractual period exceeding one year.

Tangible fixed assets

Tangible fixed assets are recognised at cost, including ancillary cost and non-recoverable indirect taxes, less depreciation. Depreciation occurs on a straight-line basis over the estimated economic life.

Revaluation of tangible fixed assets is allowed, provided that the value clearly and durably exceeds the book value.

Other assets

Among other items this heading includes deferred tax assets.

Deferred tax assets cannot be recognised. However, the CBFA allows the recognition of deferred tax assets relating to restructuring costs, including in relation to social plans.

Liabilities

Amounts payable to credit institutions and customers

The amounts payable to credit institutions and customers are recognised for the initial amount received, less subsequent repayments. All expenses paid to third parties for bringing in deposits are fully recognised in the accounting period in which they are incurred.

Amounts payable represented by a security

Debt securities issued with fixed capitalisation are recognised for the original amount plus capitalised interests.

Other amounts payable

Among other items this heading includes all debts to personnel related to salaries and other social security charges incurred during the present accounting period and paid in the next accounting period.

Provisions for risks and charges

Provisions for pensions and similar social obligations are recognised in accordance with Belgian legal requirements.

Provisions for deferred tax liabilities can only be recognised as provided for in Belgian accounting legislation and Royal Decrees.

Fund for general banking risks

Setting up the fund for general banking risks is based on a defined method, approved by the Board of Directors, applied systematically and based on the weighted volume of credit and market risks for the banking business.

Income Statement

Interest income and charges

Interest income and charges are recognised when earned or due. Once a loan has been classified as doubtful or uncertain, related interests are normally reserved and no longer included in the income statement. The actuarial depreciation of the difference between the acquisition cost and the redemption price of fixed-income securities from the investment portfolio is also included in interest revenues.

Income from variable-income securities

Revenues on shares and participations are recognised as from the moment the dividend distribution is communicated to the bank.

Derivatives

The results on derivatives are recorded differently depending on the type of transaction.

Hedging transactions

Transactions that protect against the risk of fluctuation in exchange rates, interest rates or prices. Gains and losses are recorded in the income statement symmetrically to the results of the hedged components in order to, entirely or partially, neutralise their impact.

To be considered as a hedge, transactions must comply with the following conditions:

- The hedged component or the hedged homogeneous set should expose the bank to a fluctuation risk of exchange rates, interest rates or prices.
- The hedge transactions must be specifically indicated from inception, as well as the hedged components.
- Sufficient correlation is required between the value fluctuations of the hedged component and the hedging transaction (or the underlying instrument).

As soon as a transaction does not meet the conditions to be considered as a hedge, then it should be recognised at its fair value.

Trading transactions

All transactions made in connection with the current trading activities that do not meet the requirements to be classified as hedging, are valued at market prices, with both gains and losses recognised in the income statement. If the market is not liquid, only the losses are recognised in the income statement.

Some forward interest rate transactions are valued in accordance with other valuation methods, based on derogation from the CBFA, in conformity with article 18 of the Royal Decree of 23 September 1992 :

- Transactions concluded within the framework of the treasury management, with an initial maturity of a maximum of 1 year.
- Transactions concluded within the framework of balance sheet and off-balance sheet transactions, conducted with the objective of reducing the interest rate risk and documented as such.
- Transactions concluded within the framework of strategic ALM transactions in euros or a currency belonging to the European Monetary Union.

These 3 categories are valued by recording the related result on an accrual basis.

- Transactions concluded within the framework of a global management, without the objective of reducing the interest rate risk: these transactions are valued on an accrual basis, with the condition that the potential losses resulting from the valuation at market value are recognised in the income statement.

Foreign currencies

When valuing foreign currencies, a distinction is made between the monetary and non-monetary items.

Monetary items are assets and liabilities, including accruals and deferrals, rights and commitments that represent a specific amount of money in a foreign currency, as well as shares and other non-fixed income securities in the trading portfolio. Monetary items are converted at the average rate (average of bid and ask rate on the spot exchange market) at the closing date. Items settled at specific currency rates must be valued at those specific average rates. The resulting exchange differences are recognised in the income statement (with the exception of exchange gains on foreign currencies for which no liquid market exists).

Tangible, intangible and financial fixed assets are considered to be non-monetary items and are recognised at cost based on the exchange rate at the date of acquisition. When non-monetary items, exposed to a foreign exchange risk, are financed on a permanent basis with borrowed funds in the same currency, the translation differences on the borrowed funds are not recognised in the income statement.

Profit and loss components in foreign currencies are converted into euros in the income statement, at the spot exchange rate at the time of recognition as income or charges.

Report of the accredited statutory auditors

JOINT STATUTORY AUDITORS' REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FORTIS BANK SA/NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2010

Unsigned free translation of the joint statutory auditors' report originally prepared in French and Dutch.

As required by law and the Company's articles of association, we report to you in the context of our appointment as the Company's statutory auditors. This report includes our opinion on the annual financial statements and the required additional remarks and information.

Unqualified opinion on the annual financial statements with explanatory paragraph

We have audited the annual financial statements of Fortis Bank SA/NV (the "Company") as of and for the year ended 31 December 2010, prepared in accordance with the financial reporting framework applicable in Belgium, and which show a balance-sheet total of EUR (000) 298,473,596 and a gain for the year of EUR (000) 1,874,520.

The Company's Board of Directors is responsible for the preparation of the annual financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the annual financial statements contain material misstatements, whether due to fraud or error. In making this risk assessment, we have considered the Company's internal control relating to the preparation and fair presentation of the annual financial statements, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the annual financial statements taken as a whole. Finally, we have obtained from the Board of Directors and Company officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the Company's net worth and financial position as of 31 December 2010 and of its results for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Without further qualifying our opinion, we draw the attention to the report of the Board of Directors, in which is described that as a result of 2008 events having impacted the Fortis group to which the Company belonged, a number of claimants have initiated legal actions against the former Fortis group, the Company and/or certain members of their boards of directors and management. The ultimate outcome of these matters and the potential consequences for the Company cannot presently be determined, and therefore no provisions have been recorded in the annual financial statements.

Additional remarks and information

The Company's Board of Directors is responsible for the preparation and content of the report of the Board of Directors, and for ensuring that the Company complies with the Companies' Code and the Company's articles of association.

Our responsibility is to include in our report the following additional remarks and information, which do not have any effect on our opinion on the annual financial statements:

- The report of the Board of Directors deals with the information required by the law and is consistent with the annual financial statements. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the Company, the state of its affairs, its foreseeable development or the significant influence of certain events on its future development. Nevertheless, we can confirm that the matters disclosed do not present any obvious inconsistencies with the information we became aware of during the performance of our mandate.

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

- As indicated in the report of the Board of Directors, the Board of Directors has on 2 December 2010 and 13 January 2011 (a) decided to indemnify the liability of the directors S. Dutordoir (2 December 2010) and M. Jadot (13 January 2011) in all instances where they acted in good faith and in a manner they believed to be in the best interest of the Company, except where the liability of these directors would arise out of a fraud or wilful misconduct or where such liability would be covered by an insurance policy and (b) applied the article 523 of the Companies' Code as a result of the conflict of interest. Since the aforementioned directors were conflicted, we understand that they have not participated to the discussion and decision of the Board of Directors. Considering the fact that the indemnification of the liability is without limitation and depending on the occurrence of future events, if any, we are not in a position to evaluate the possible financial consequences of such a decision on the financial position of the Company.

- No transactions have been undertaken or decisions taken in violation of the Company's articles of association or the Companies' Code such as we would be obliged to report to you.

- The appropriation of the results proposed to the general meeting is in accordance with the requirements of the law and the Company's articles of association.

Brussels, 29 March 2011

The Joint Statutory Auditors

PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale
Represented by

R. Jeanquart
Reviseur d'Entreprises

Deloitte Reviseurs d'Entreprises sc sous forme d'une scrl
Represented by

Ph. Maeyaert
Reviseur d'Entreprises

F. Verhaegen
Reviseur d'Entreprises

Other information

Monthly high and low for Fortis Bank shares on the weekly auctions in 2010

The monthly high and low for Fortis Bank shares on the weekly auctions of Euronext Brussels in 2010 were as follows (in EUR):

Month	Low	High
January	31.90	38.60
February	38.21	43.08
March	40.00	40.00
April	29.16	36.00
May	26.24	28.86
June	25.97	34.57
July	28.35	35.00
August	25.00	29.50
September	22.59	27.50
October	27.34	33.08
November	24.11	26.40
December	27.00	28.00

External posts held by directors and effective leaders that are subject to a legal disclosure requirement

Pursuant to Article 27 of the Law of 22 March 1993 on the status and supervision of credit institutions and the attendant ruling by the Belgian Banking, Finance and Insurance Commission relating to external posts held by leaders of credit institutions and investment companies, the Bank's Board of Directors has adopted "Internal regulations for Directors and Effective Leaders of Fortis Bank SA/NV holding external posts".

Inter alia, these regulations stipulate that external posts held by the Bank's Effective Leaders and Directors in companies other than those falling within the scope of Article 27, § 3, 3rd alinea, of the Law of 22 March 1993 shall be disclosed in the annual management report.

The term "Effective Leaders" refers to members of the Executive Board and persons in positions at a level immediately below the said Board, including leaders of foreign branches.

As regards "external posts" – ie, principally posts as director of a company – that are subject to disclosure, this involves posts held in companies other than family property companies, "management companies", undertakings for collective investment or companies with which the Bank has close links as part of the Group.

Surname, forename (Post) Company (Head office)	Business Activity (Post)	Listing
Herman DAEMS (Chairman of the Board of Directors)		
- GIMV N.V.	Investment Company (Chairman of the Board of Directors)	Euronext Brussels
- Barco N.V.	Technology (Chairman of the Board of Directors)	Euronext Brussels
- Vanbreda Risk and Benefits N.V.	Insurance (Director)	-
- Domo Chemicals N.V.	Chemicals (as representative of Crossbow BVBA)	-
- Vlaamse Participatiemaatschappij N.V./S.A.	Portfolio Company (Chairman of the Board of Directors)	-
Georges CHODRON de COURCEL *(Vice-Chairman of the Board of Directors)*		
- Alstom S.A.	Transport and Energy (Director)	Euronext Paris
- Bouygues S.A.	Construction and Telecommunication (Director)	Euronext Paris
- F.P.F. (Société Foncière, Financière et de Participations) S.A.	Portfolio Company (Director)	-
- Lagardère SCA	Media (Member of Supervisory Board)	Euronext Paris
- Nexans S.A.	Cabling (Director)	Euronext Paris
- Safran S.A.	Technology (Censor)	Euronext Paris
- Scor S.A.	Insurance (Censor)	Euronext Paris
- Erbé S.A.	Real Estate (Director)	-
- Scor Holding (Switzerland) AG	Holding (Director)	-
- Scor Global Life Rückversicherung Schweiz AG	Reinsurance (Director)	-
- Scor Switzerland AG	Insurance (Director)	-
- Groupe Bruxelles Lambert S.A.	Portfolio Company (Director)	Euronext Brussels
Jean-Laurent BONNAFÉ (Chairman of the Executive Board)		
Carrefour S.A.	Distribution (Director)	Euronext Paris

Surname, forename (Post) Company (Head office)	Business Activity (Post)	Listing
Filip DIERCKX		
(Vice-Chairman of the Executive Board)		
- SD Worx for Society cvba (Antwerp)	Management & Administrative Services (Chairman of the Board of Directors)	-
- IVD N.V. (Antwerp)	Administrative Services (Chairman of the Board of Directors)	-
- SD Diensten N.V. (Antwerp)	Training & Management Services (Chairman of the Board of Directors)	-
Dirk BOOGMANS		
(Director)		
- P&V Verzekeringen cvba	Insurance (Director)	-
- Vivium N.V.	Insurance (Director)	-
- Caesar Real Estate Fund N.V.	Real Estate investments (Chairman of the Board of Directors via DAB Management)	-
- Ethias Finance N.V./S.A.	Insurance (Director)	-
- Collibra NV	Software – IT (Director)	-
- Lijninvest N.V.	Public Transport (Director)	-
- Global Lifting Partners N.V.	Holding (Chairman of the Board of Directors)	-
- AIB Vinçotte Internationale SA/NV	Inspection, control & certification services (Director)	
- Vinçotte Internationale SA/NV	Inspection, control & certification services (Director)	-
- THV Noriant	Infrastructure (Director)	-
- GIMV SA/NV	Investment company (Director)	Euronext Brussels
- Senior assist SA/NV	Care (Director)	
- Primary Resources BVBA	Real Estate (Director)	
Wim COUMANS		
(Director)		
- Bpost N.V.	Postal Services (Governement Commissionar)	-

Surname, forename (Post) Company (Head office)	Business Activity (Post)	Listing
Jean-Paul PRUVOT		
(Director)		
- L'Ardenne Prévoyante S.A.	Insurance (CEO)	-
Jean STEPHENNE		
(Director)		
- Aseptic Technologies S.A. (Rixensart)	Pharmaceutical industry (Director)	-
- BESIX Group S.A./N.V. (Brussels)	Construction (Chairman of the Board of Directors)	-
- GlaxoSmithKline Biologicals S.A. (Rixensart)	Pharmaceutical industry (Chairman of the Board of Directors and General Director)	-
- GlaxoSmithKline Biologicals Manufacturing S.A. (Rixensart)	Pharmaceutical industry (Director)	
- Groupe Bruxelles Lambert S.A./N.V. (Brussels)	Portfolio Company (Director)	Euronext Brussels
- Ion Beam Applications S.A. (Louvain - la - Neuve)	Technology (Director)	Euronext Brussels
- Nanocyl S.A. (Namur)	Chemicals (Director)	-
- Vesalius Biocapital I S.A., SICAR (Luxemburg)	Risk capital (Chairman of the Board of Directors)	-
Serge WIBAUT		
(Director)		
- ReacFin S.A.	Consulting (Director)	-
- Gambit Financial Solutions	Portfolio Company (Chairman of the Board of Directors)	
- Eurinvest SA	Asset management (Director)	-
- Compagnie Européenne d'Assurance des Marchandises et des Bagages	Insurance (Director)	
- Nationale Suisse Assurance	Insurance (Director)	

Surname, forename (Post) Company (Head office)	Business Activity (Post)	Listing
Sophie DUTORDOIR (Director)		
- Electrabel Customer Solutions SA/NV	Energy (Chairman of the Board of Directors)	
- Electrabel SA/NV	Energy (Director - General Manager)	
- Brussels Network Operations CVBA	Energy (Vice Chairman of the Board of Directors)	
- Eandis CVBA	Energy (Vice Chairman of the Board of Directors)	
- Sibelga CVBA	Energy (Director)	
- GDF Suez Energy Deutschland AG	Energy (Member of the Supervisory Board)	
Max JADOT		
- Bekaert SA/NV	Steel Industry (Director)	Euronext Brussels
Luc HAEGEMANS		
- Fainfood SA/NV	Food (Director)	
Peter FOO (Singapore)		
- Cityspring Infrastructure Management Pte Ltd (Singapore)	Infrastructure (Director)	Listed -Singapore
Roger RAMOS (Spain)		
- Mermoz Jet Finance S.L. (Singapore)	Transport - Finance (Director)	
Edit SZIRAKI (Hungary)		
- Celestica Likvidtas Menedzsment Magyarorszag Kft. (Budapest - Hungary)	Finance (Director)	

As at 31 December 2010, Fortis Bank does not hold a stake of 5% of more in any of the above-mentioned companies.

Glossary

Active market
A market where homogeneous items are traded between willing buyers and sellers at any time and where the prices are available to the public.

Amortised cost
The amount at which a financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation/increase of any premium/ discount, and minus any write-down for impairment.

Asset backed security (ABS)
Debt instrument that represents an interest in a pool of assets. The term ''ABS'' is generally used to refer to securities in which underlying collateral consists of assets other than residential first mortgages such as credit card and home equity loans, leases, or commercial mortgage loans.

Associate
A company in which Fortis Bank has significant influence but which it does not control.

Basis point (bp)
One hundredth of a percentage point (0.01%).

Cash flow hedge
A hedge to mitigate the exposure to variability in cash flows of a recognised asset or liability, or forecasted transaction, that is attributable to changes in variable rates or prices.

Clean fair value
The fair value excluding the unrealised portion of the interest accruals.

Clearing
Administrative settlement of securities, futures and options transactions through a clearing organisation and the financial institutions associated with it (clearing members).

Collateralised Debt Obligation (CDO)
A type of asset backed security and structured credit product that provides exposure to a portfolio of fixed income assets and divides the credit risk among different tranches with different credit ratings. CDO can comprise "Collateralized Loan Obligations" (CLOs), "Collateralized Bond Obligations (CBOs) and "Collateralized Synthetic Obligations" (CSOs).

Collateralised Loan Obligation (CLO)
A form of securitisation where payments from multiple middle sized and large business loans are pooled together and passed on to different classes of owners in various tranches.

Commercial mortgage-backed security (CMBS)
A type of bond which is backed by commercial properties such as retail or office properties, hotels, schools, industrial properties and other commercial sites.

Controlled perimeter
The legal and regulatory consolidation scope of Fortis Bank.

Core capital
Total available capital at group level (based on the banking definition of Tier 1 capital).

Credit default swap (CDS)
A credit derivative contract between two counterparties. The buyer of a credit swap receives credit protection, whereas the seller of the swap guarantees the creditworthiness an underlying financial instrument.

Credit spread
The yield differential between a credit risk free benchmark security or reference rate (i.e. government bonds) and corporate bonds or credits.

Credit value adjustment
Adjustment to the value of the trading book to take into account the counterparty risk.

Derivative
A financial instrument such as a swap, a forward, a future contract and an option (both written and purchased). This financial instrument has a value that changes in response to changes in various underlying variables. It requires little or no net initial investment, and is settled at a future date.

Dirty fair value
The fair value including the unrealised portion of the interest accruals.

Discounted cash flow method (DCF-model)
An approach to valuation, whereby projected future cash flows are discounted at an interest rate that reflects the time value of money and a risk premium that reflects the extra return investors demand for the risk that the cash flow might not materialise after all.

Duration
A general measure of the sensitivity of the price (the value of the principal) of a fixed-income instrument, expressed as a percentage change with a 100-basis-point change in yield. In the calculation of 'duration of equity', the term also refers to the weighted average timing of cash flows from an asset or a liability portfolio. It is computed on the basis of the net present values (NPV) of the cash flows (principal and interest).

Dynamic EVD (Extreme Value Distribution)
A mix of two extreme value distributions calibrated on the outcome of historical simulations with full revaluation of derivative products.

Earnings at Risk
A measure of the sensitivity of future net income to hypothetical adverse changes in interest rates or equity market prices. Earnings at Risk assesses the impact of stress tests on the projected IFRS net income before tax. EaR represent a possible deviation from expected (pre tax) earnings by an adverse event over the next 12 months at a chosen confidence level. EaR covers both loss realisation as well as failing to make revenues.

Economic capital
The capital Fortis Bank is required to hold to protect its net asset value to fall below zero after a worst case fair value loss over one year. Worst case being associated to a tail probability of 0.03%, reflecting a desired confidence level for economic solvency of 99.97%. Confidence interval was calibrated based on rating agencies levels for AA institutions.

Embedded derivative
A derivative instrument that is embedded in another contract - the host contract. The host contract might be a debt or equity instrument, a lease, an insurance contract or a sale or purchase contract.

Employee benefits
All forms of considerations given by an entity in exchange for service rendered by employees, including their pay or salary.

Expected Loss (EL)
The Expected Loss is the expected annual level of credit losses over an economic cycle. Actual losses for any given year will vary from the EL, but EL is the amount that our bank should expect to lose on average over an economic cycle. Expected Loss should be viewed as a cost of doing business rather than as a risk in itself. Expected Loss is calculated as follows: EL = EAD x PD x LGD

Exposure at Default (EAD)
Gives an estimate of the amount to which the bank is exposed in the event that the borrower defaults. EAD is one of the parameters used to compute the Expected Loss (EL).

Factoring
A form of corporate financing in which a company transfers outstanding debts to a factoring company that, for a fee, assumes responsibility for the debtor records, debt collection, risk coverage and financing.

Fair value
The amount for which an asset (liability) can be bought (incurred) or sold (settled), between knowledgeable, willing parties in an arm's length transaction.

Fair value hedge
A hedge of an exposure to changes in the fair value of a recognised asset or liability (or a portion thereof) or a firm commitment. The exposure is attributable to a particular risk and will affect reported net income.

Finance lease
A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Goodwill
This represents the excess of the fair value of the assets given, liabilities incurred or assumed, and equity instruments issued over Fortis Bank's interest in the fair value of assets acquired and liabilities and contingent liabilities assumed.

Hedge accounting
Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item.

HELOC
Home Equity Lines of Credit (HELOC) refers to a loan in which the lender agrees to lend a maximum amount within an agreed period. This differs from a conventional home equity loan (which is a revolving, open-end loan extended under a line of credit and secured by the borrower's residential property) in that the borrower is not advanced the entire sum up, but uses the line of credit to borrow sums that total no more than the amount.

IFRS
International Financial Reporting Standards, used as a standard for all listed companies within the European Union as of 1 January 2005 to ensure transparent and comparable accounting and disclosure.

Impairment
A decline in value whereby the carrying amount of the asset exceeds the recoverable amount. In such a case, the carrying amount will be reduced to its recoverable amount through the income statement.

Intangible asset
An identifiable non-monetary asset without physical substance which is recognised at cost if and only if it will generate future economic benefits and if the cost of the asset can be measured reliably.

Investment property
Property held by Fortis Bank to earn rental income or for capital appreciation.

ISO Currency code list

AUD	Australia, Dollars
CAD	Canada, Dollars
CHF	Switzerland, Francs
CNY	China, Yuan Renminbi
DKK	Denmark, Kroner
GBP	Great Britain (United Kingdom), Pounds
JPY	Japan, Yen
MYR	Malaysia, Ringgits
SEK	Sweden, Kronor
THB	Thailand, Baht
TRY	Turkey, New Lira
TWD	Taiwan, New Dollars
USD	United States of America, Dollars
ZAR	South Africa, Rand

Joint venture
A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Loss given Default (LGD)
The average amount to be lost in the event of default of the counterpart. LGD is a parameter used in the calculation of Expected Loss.

Macro hedge
A hedge used to eliminate the risk of a portfolio of assets.

Market capitalisation
Value attributed to the company by the stock market. Market capitalisation corresponds to the number of shares outstanding multiplied by the share price at a given time.

Net investment hedge
A hedge used to reduce the financial risks of a reporting entity's share in the net assets of a foreign business activity by entering into transactions that give an offsetting risk profile.

Notional amount
Amount of currency units, number of shares, a number of units of weight or volume or other units specified in a derivative contract.

Operating lease
A contract that allows the use of an asset against periodic payments, but does not convey rights similar to legal ownership of the asset and where the financial risks related to the asset are with the issuer of the lease contract.

Option
A contract sold by one party to another that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security at an agreed-upon price during a certain period of time or on a specific date.

Private equity
Equity securities of companies that are not listed on a public exchange. Investors looking to sell their stake in a private company have to find a buyer in the absence of a market place.

Probability of Default (PD)
The probability that the counterparty will default over a one-year time horizon. PD is a parameter used in the calculation of Expected Loss.

Provision
Provisions are liabilities involving uncertainties in the amount or timing of payments. Provisions are recognised if there is a present obligation to transfer economic benefits, such as cash flows, as a result of past events and a reliable estimate can be made at the balance sheet date.

Qualifying capital
The liability components that qualify as Tier 1 capital (equity) under banking supervision regulations.

Repurchase agreement (repo)
Agreement between two parties whereby one party sells the other a security at a specified price with a commitment to buy the security back at a later date for another specified price.

Residential mortgage-backed security (RMBS)
A type of bond which is backed by mortgages on residential rather than commercial real estate.

Reverse repurchase agreement (reverse repo)
The purchase of securities with an agreement to resell them at a higher price at a specific future date.

Securities lending (borrowing) transaction
A loan (borrowing) of a security from one counterparty to another, who must eventually return (be returned) the same security as repayment. The loan is often collateralised. Securities lending allows an entity in possession of a particular security to earn enhanced returns.

Settlement date
The date that and asset is delivered to or by an entity.

Structured credit instruments (SCI)
Securities created by repackaging cash flows from financial contracts. These instruments encompass asset-backed securities (ABS), mortgage-backed securities (MBS) and collateralised debt obligations (CDO). ABS are issues backed by loans (other than mortgages), receivables or leases, MBS are issues backed by mortgage loans and CDO are a class of asset-backed securities and another term for bonds backed by a pool of bonds (CBO), loans (CLO) and other assets such as swaps (CSO). Payment of the principal and interest of the CDO is financed with the cash flows generated by the underlying financial assets.

Subordinated bond (loan)
A loan (or security) that ranks below other loans (or securities) with regard to claims on assets or earnings.

Subsidiary
Any company, of which Fortis Bank, either directly or indirectly, has the power to govern the financial and operating policies so as to obtain the benefits from its activities ('control').

Synthetic CDO
a collateralised debt obligation (CDO) in which the underlying credit exposures are taken by entering into a a credit default swap agreement instead of buying actual financial assets.

Tier 1 ratio
Core capital of a bank expressed as a percentage of the risk-weighted balance sheet total.

Trade date
The date when Fortis Bank becomes a party to the contractual provisions of a financial asset.

Value at Risk (VaR)
Abbreviation of value at risk. A technique which uses the statistical analysis of historical market trends and volatilities to estimate the likelihood that a given portfolio's losses will exceed a certain amount. For the assessment of the market risks related to its trading room activities, Fortis Bank computes VaR using a 99% confidence interval over a 1 day time horizon. This calibration aims to reflect the risks of trading activities under normal liquidity conditions.

Venture capital
In general, it refers to financing provided by investors to startup firms and small businesses with perceived, long-term growth potential.

Abbreviations

2OPC	Oversight of Operational Permanent Control
ABS	Asset backed security
AFS	Available for sale
AIRBA	Advanced Internal Ratings Based Approach
ALM	Asset and liability management
AMA	Advanced Measurement Approach
ARCC	Fortis Bank Audit, Risk and Compliance Committee
BGL	Banque Générale de Luxembourg
CASHES	Convertible and subordinated hybrid equity-linked securities
CBFA	Banking, Finance and Insurance Commission
CBO	Collateralised bond obligation
CCF	Credit Conversion Factor
CDS	Credit default swap
CDO	Collateralised debt obligation
CIB	Corporate and Investment Banking
CLO	Collateralised loan obligation
CMBS	Commerciial mortgage backed securities
CODM	Chief Operating Decision Maker
CP	Commercial paper
CRM	Central Risk Management
CSO	Collateralised swap obligation
CGU	Cash generating unit
CVA	Credit Value Adjustment
EAD	Exposure At Default
EaR	Earnings at Risk
ECB	European Central Bank
EL	Expected Loss
Euribor	Euro inter bank offered rate
HTM	Held to maturity
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IRBA	Internal Ratings Based Approach
ISDA	International Swaps and Derivatives Association
FV	Fair Value
LGD	Loss Given Default
MBS	Mortgage-backed security
MCS	Mandatory Convertible Securities
MtM	Mark to Market
NBB	National Bank of Belgium
NPV	Net present value
OCI	Other comprehensive income
OTC	Over the counter
PD	Probability of Default
RMBS	Residential mortgage-backed securities
RPN	Relative Performance Note
SCI	Structured Credit Instruments
SFPI/FPIM	Société Fédérale de Participations et d'Investissement /Federale Participatie- en Investeringsmaatschappij
SPE	Special purpose entity
SPV	Special purpose vehicle
USTA	Unrated Standardised Approach
VaR	Value at Risk

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