



# greenaways

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Solid partners, flexible solutions

## FORTIS IFICO

*(incorporated in the Cayman Islands)*

### U.S.\$3,000,000,000

## Euro Medium Term Notes

# Unconditionally\* and irrevocably guaranteed by Fortis Bank nv-sa

*(incorporated in the Kingdom of Belgium)*

Under the Euro Medium Term Note Programme (the "Programme") FORTIS IFICO (the "Issuer"), subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate official or other consents, may from time to time issue outside the Cayman Islands its Euro Medium Term Notes (the "Notes"). The Notes will be guaranteed on a subordinated or unsubordinated basis by Fortis Bank nv-sa (the "Guarantor"). The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$3,000,000,000 (or the equivalent in other currencies), as calculated by reference to the aggregate principal amount of the Notes.

The Notes will be issued on a continuous basis. The Notes may bear interest at a fixed or floating rate, on a variable coupon amount basis or any combination of those or may be issued on a fully discounted basis and not bear interest, and the amount payable on the redemption of Notes may be fixed or variable. Notes will be issued in series (each a "Series") having one or more issue dates and the same maturity date (if any), bearing interest (if any) on the same basis and at the same rate and on terms otherwise identical. The length of interest periods, and the rate of interest in respect thereof, may differ from the length, and the rate of interest in respect of subsequent or, as the case may be, preceding interest periods. Each Series may be issued in tranches (each a "Tranche") on different issue dates. The specific terms of each Series will be set forth in a pricing supplement to this Offering Circular (a "Pricing Supplement") which will contain the information described under "General Information". The Issuer may redeem the Notes if certain changes in Cayman Islands or Belgian taxation law occur or, if the Pricing Supplement issued in respect of any Series so provides, in the circumstances set out in it. See "Terms and Conditions of the Notes — Redemption, Purchase and Options".

The Notes will be offered by the Issuer through Fortis Bank nv-sa, Barclays Bank PLC, BNP Paribas, Chase Manhattan International Limited, Deutsche Bank AG London, Goldman Sachs International, Merrill Lynch International, Mizuho International plc, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited, Nomura International plc, Salomon Brothers International Limited, Société Générale and UBS AG, acting through its business group UBS Warburg (the "Dealers", which expression shall include any additional Dealers appointed under this Programme from time to time and details of which in relation to each Series will be set forth in the relevant Pricing Supplement). The Issuer or the Dealers may reject any offer as a whole or, subject to the terms of such offer, in part. Dealers may also purchase Notes on their own behalf. An issue of Notes may also be jointly and severally underwritten by two or more Dealers See "Plan of Distribution".

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Luxembourg Stock Exchange during the period of 12 months after the date hereof.

Each Tranche of Notes in bearer form will, unless otherwise provided on the Pricing Supplement, initially be represented by a temporary global Note which will be deposited on the issue date with a common depository on behalf of Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System (the "Euroclear Operator") and/or Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg") and/or any other relevant clearing system. Interests in temporary global Notes will be exchangeable for interests in permanent global Notes (together with any temporary global Note the "Global Notes") or, if so provided in the relevant temporary Global Note, for definitive Notes in bearer or registered form after the date falling 40 days after the completion of distribution of the relevant Tranche upon certification as to non-U.S. beneficial ownership in the manner and upon compliance with the procedures described under "Summary of Provisions relating to Global Notes". Interests in a permanent Global Note will be exchangeable for definitive Notes in bearer form or registered form, in each case as described in "Summary of Provisions relating to Global Notes".

Notes guaranteed on an unsubordinated basis with a maturity of more than one year to be issued under the Programme have been rated AA– by Standard & Poor's Ratings Group and Aa3 by Moody's Investors Service Inc., dated Notes guaranteed on a subordinated basis with a maturity of more than one year to be issued under the Programme have been rated A+ by Standard & Poor's Rating Group and A1 by Moody's Investors' Service Inc. and undated Notes guaranteed on a subordinated basis to be issued under the Programme have been rated A by Standard & Poor's Rating Group and A1 by Moody's Investors' Service Inc. Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**\*In the case of Perpetual Notes Guaranteed on a Subordinated Basis only, payments of principal and Interest are conditional upon the Guarantor being solvent at the time of payment and in the event of the winding-up of the Issuer, the Guarantor shall become the principal debtor and the Noteholders shall cease to have any rights or claims against the Issuer, as more fully described under "Terms and Conditions of the Notes — Status and Guarantee" and "Terms and Conditions of the Notes — Events of Default".**

**Barclays Capital**  
**Chase Manhattan International Limited**  
**Fortis Bank nv-sa**  
**Merrill Lynch International**  
**J.P. Morgan Securities Ltd.**  
**Nomura International**  
**SG Investment Banking**

**BNP PARIBAS**  
**Deutsche Bank**  
**Goldman Sachs International**  
**Mizuho International plc**  
**Morgan Stanley Dean Witter**  
**Schroder Salomon Smith Barney**  
**UBS Warburg**

Arranger for the Programme

**Goldman Sachs International**

The date of this Offering Circular is 6th December, 2000

This Offering Circular has been prepared for the purpose of giving information with regard to the Issuer, the Guarantor, its subsidiaries and the Notes. Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer and the Guarantor (which have taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer and the Guarantor have confirmed to the Dealers that this Offering Circular (subject to being supplemented by the Pricing Supplements) contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and, where applicable, the Guarantor and of the rights attaching to the relevant Notes.

This Offering Circular should be read and construed with any amendment or supplement hereto and with any Pricing Supplement.

Neither the Issuer nor the Guarantor have authorised the making or provision of any representation or information regarding the Issuer, the Guarantor or the Notes other than as contained or incorporated by reference in this Offering Circular or any Pricing Supplement or as approved for such purpose by the Issuer or the Guarantor. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently amended or supplemented.

The distribution of this Offering Circular and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. The Notes have not been and will be not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular see "Plan of Distribution".

Neither the Issuer nor the Guarantor has authorised any offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended (the "Regulations") of Notes having a maturity of one year or more. Such Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for or purchase, any Notes.

The Dealers have not separately verified the information contained in this Offering Circular. None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor or any of the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

The Stabilising Agent, named in the relevant Pricing Supplement, shall comply with all relevant laws, regulations and directives. References in the next paragraph to "this issue" are to each Series in relation to which a Stabilising Agent is appointed.

In connection with this issue, the Stabilising Agent may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

In this Offering Circular, references to “BEF” are to Belgian francs, references to “£” are to Sterling, references to “dollars”, “U.S. dollars”, “U.S.\$” and “\$” are to United States dollars and references to “billions” are to thousand millions.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The audited financial statements as contained in the annual report most recently published of each of the Issuer and the Guarantor from time to time shall be deemed to be incorporated in, and to form part of, this Offering Circular provided, however that any statement contained herein or in the most recently published audited financial statements of the Issuer or the Guarantor shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any subsequent audited financial statements modifies or supersedes such statement.

This Offering Circular, together with each Pricing Supplement issued in respect of each Tranche of Notes, may only be used in connection with the offer, sale and listing of Notes in an aggregate principal amount of not more than U.S.\$3,000,000,000 (or its equivalent in other currencies) outstanding at any time.

The Issuer and the Guarantor have undertaken, that if at any time any event occurs as a result of which this Offering Circular would include a statement of fact concerning the Issuer, the Guarantor or the Programme which is not true and accurate in all material respects or omit any fact concerning the Issuer, the Guarantor or the Programme which is material in the context of the Programme or the omission of which would make misleading in any material respect any statement therein whether of fact or opinion, the Issuer and the Guarantor will prepare and make available an appropriate supplement to this Offering Circular or a further Offering Circular for use in connection with any subsequent issue of Notes to be listed on the Luxembourg Stock Exchange.

Copies of this Offering Circular (and all documents forming part thereof) will be available free of charge from the principal office of the Paying Agent or the Listing Agent in Luxembourg.

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## SUMMARY OF TERMS AND CONDITIONS OF THE NOTES

*The following summary is qualified in its entirety by the remainder of this Offering Circular. The Notes may be issued on such terms as may be agreed between the relevant Dealer(s) and the Issuer and, unless otherwise specified in the applicable Pricing Supplement in relation to any particular Tranche or Series, will be subject to the Terms and Conditions set out on pages 7 to 25. Each Series of Notes will be subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate official or other consents.*

<b>Issuer:</b>	FORTIS IFICO.
<b>Guarantor:</b>	Fortis Bank nv-sa.
<b>Description:</b>	Euro Medium Term Note Programme.
<b>Guarantee:</b>	Each of the Notes has the benefit of a guarantee (the “Guarantee”) from the Guarantor.
<b>Arranger:</b>	Goldman Sachs International.
<b>Currencies:</b>	<p>Notes may be issued in U.S. dollars, Canadian dollars, Australian dollars, New Zealand dollars, Sterling, euro, Japanese yen, Swedish kronor or Danish kroner or, in any other currencies if the Issuer and the Dealers so agree, subject in each case to all necessary consents being obtained and, subject to compliance with all relevant laws, regulations and directives.</p> <p>Where the proceeds of any Notes are to be accepted by the Issuer in the United Kingdom, such Notes will be “commercial paper”, or “shorter term debt securities” or “longer term debt securities” in each case issued in accordance with the regulations made under Section 4 of the Banking Act 1987.</p>
<b>Dealers:</b>	Barclays Bank PLC, BNP PARIBAS, Chase Manhattan International Limited, Deutsche Bank AG London, Fortis Bank nv-sa, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Mizuho International plc, Morgan Stanley & Co. International Limited, Nomura International plc, Salomon Brothers International Limited, Société Générale, UBS AG, acting through its business group UBS Warburg and such other Dealers as may be appointed under the Programme.
<b>Size:</b>	Up to U.S.\$3,000,000,000 (or its equivalent in other currencies at the date of issue) in aggregate principal amount of Notes outstanding at any one time.
<b>Maturities:</b>	Any maturity or no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Issue Price:</b>	Notes may be issued at par or at a discount or premium to par or with a zero coupon. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Method of Issue:</b>	The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes with respect to each Series will either mature on the same date or have no fixed maturity date, bear interest (if any) on the same basis and otherwise be subject to identical terms and may be issued in Tranches on a continuous basis with, save as mentioned below, no minimum issue size. Further Notes may be issued as part of an existing Series.

<b>Fixed Interest Rate Notes:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement and at maturity (if any).
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes may be issued at their principal amount or at a discount to par and will not bear interest.
<b>Variable Coupon Amount:</b>	The Pricing Supplement issued in respect of each issue of Variable Coupon Amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to an index or formula or as otherwise provided in the relevant Pricing Supplement.
<b>Fixed Redemption Amount Notes:</b>	Fixed Redemption Amount Notes may be redeemable at par, at a premium to par or at a discount to par by specifying the redemption amount in the relevant Pricing Supplement.
<b>Variable Redemption Notes:</b>	The Pricing Supplement in respect of each issue of Variable Redemption Amount Notes should specify the basis for calculating the redemption amounts payable, which may be calculated by reference to an index or formula or as otherwise provided in the relevant Pricing supplement.
<b>Other Notes:</b>	Further terms applicable to Indexed Notes, High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Dual Currency Notes, Reverse Dual Currency Notes, Optional Dual Currency Notes, Partly paid Notes and any other type of Note which the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.
<b>Form of Notes:</b>	Notes may be in bearer or in registered form. Each Tranche of bearer Notes will initially be represented by a temporary Global Note held by a common depositary on behalf of the Euroclear Operator and/or Clearstream, Luxembourg and/or any other relevant clearing system and interests therein will be credited to the accounts of the relevant purchasers with the Euroclear Operator and/or Clearstream, Luxembourg and/or any other relevant clearing system. Interests in each temporary Global Note will be exchanged for interests in a permanent Global Note not earlier than 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in each permanent Global Note may be exchanged for definitive Notes in bearer form or registered form on 60 days' prior notice. See "Summary of Provisions relating to Global Notes".
<b>Denominations:</b>	Notes will be issued in any denominations agreed between the Issuer and the relevant Dealer(s). Unless permitted by then current laws and regulations, Notes (including Sterling Notes) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom will have a minimum denomination of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the third anniversary of their date of issue and are to be listed on the Luxembourg, Paris or other European Economic Area ("EEA") Stock Exchange.

<b>Optional Redemption:</b>	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed at the option of the Issuer or the Guarantor (either in whole or in part) and/or the holders, and if so, the terms applicable to such redemption. Unless permitted by then current laws and regulations, Notes (including Sterling Notes) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom will have a minimum denomination of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the third anniversary of their date of issue and are to be listed on the Luxembourg, Paris or other EEA Stock Exchange.
<b>Early Redemption:</b>	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer only for tax reasons.
<b>Redemption by Instalments:</b>	The Pricing Supplement issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Redenomination:</b>	As set out in relevant Pricing Supplement.
<b>Listing:</b>	Notes may be listed on the Luxembourg Stock Exchange and/or any other stock exchange specified in the relevant Pricing Supplement. Notes may also be unlisted.
<b>Status of Notes and the Guarantee:</b>	The Notes will be direct, unconditional, unsubordinated and unsecured obligations of the Issuer. The Notes will not be subordinated obligations of the Issuer. The Guarantees will either be direct, unconditional, unsubordinated and unsecured obligations of the Guarantor or subordinated obligations of the Guarantor.
<b>Negative Pledge and Cross-Default:</b>	As described in “Terms and Conditions of the Notes”.
<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Notes and the Guarantees by the Issuer or the Guarantor will be made without deduction for or on account of withholding taxes (if any), imposed in the Cayman Islands (in the case of the Issuer) or the Kingdom of Belgium (in the case of the Guarantor) subject to customary exceptions as specified in the Terms and Conditions.
<b>Governing Law:</b>	The Notes and the Guarantees given by the Guarantor on an unsubordinated basis will be governed by and construed in accordance with English law. The Guarantees given by the Guarantor on a subordinated basis will be governed by Belgian law.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement in relation to any particular Tranche or Series, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series, details of the relevant Series being shown on the relevant Notes and in the relevant Pricing Supplement:—*

The Notes are issued pursuant to an Agency Agreement dated 22nd November, 1999, as supplemented by a Supplemental Agency Agreement dated 6th December, 2000 (as amended or supplemented from time to time, the “Agency Agreement”) between the Issuer, the Guarantor, Citibank, N.A. as fiscal agent (the “Fiscal Agent”), registrar (the “Registrar”) and transfer agent, Banque Générale du Luxembourg S.A. as first alternative principal paying agent (the “First Alternative Principal Paying Agent”), Fortis Bank nv-sa as second alternative principal paying agent (the “Second Alternative Principal Paying Agent”), Banque Générale du Luxembourg S.A. as paying agent (together with the Principal Paying Agent (as defined below) and any additional or other paying agents in respect of the Notes from time to time appointed, the “Paying Agents”) and as transfer agent (together with the transfer agent referred to above and any additional or other transfer agents in respect of the Notes from time to time appointed, the “Transfer Agents”). For the purposes of these Conditions, “Principal Paying Agent” means, in relation to any series of Notes, the Fiscal Agent or the First Alternative Principal Paying Agent or the Second Alternative Principal Paying Agent as specified on this Note. The initial Calculation Agent (if any) is specified on this Note. The Noteholders (as defined below), the holders of the coupons (the “Coupons”) appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the instalment receipts (the “Receipts”) appertaining to the payment of principal by instalments (the “Receiptholders”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

### **1. Form, Denomination and Title**

The Notes are issued in bearer form (“Bearer Notes”, which expression includes Notes which are specified to be Exchangeable Bearer Notes) in the denomination of the Denomination(s), in registered form (“Registered Notes”) in amounts of the Denomination or an integral multiple thereof (“Authorised Denominations”) or in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) and, in each case, serially numbered.

Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Bearer Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them on this Note, the absence of any such meaning indicating that such term is not applicable to this Note.

No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.



## **2. Exchanges of Bearer Notes and Transfers of Registered Notes**

### *(a) Exchange of Bearer Notes*

Subject as provided in Condition 2(e), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes of an Authorised Denomination at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### *(b) Transfer of Registered Notes*

A Registered Note may be transferred in whole or in part in an Authorised Denomination upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Note a new Registered Note in respect of the balance not transferred will be issued to the transferor.

### *(c) Delivery of new Registered Notes*

Each new Registered Note to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within three business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or transfer shall have been delivered) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed at the risk of the holder entitled to the new Registered Note to such address as may be specified in such request for exchange or form of transfer.

### *(d) Exchange free of charge*

Exchange of Notes on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect) of any tax or other governmental charges which may be imposed in relation to it.

### *(e) Closed periods*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for any payment of principal on that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 6(e) or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note which is simultaneously surrendered not later than the relevant Record Date.

## **3. Status and Guarantee**

### *(a) Status of Notes*

The Notes constitute direct, unsubordinated, unsecured, unconditional and general obligations of the Issuer and rank *pari passu* without any preference among themselves and at least equally with all other present and future unsecured and unsubordinated indebtedness, including guarantees and other obligations of a similar nature, of the Issuer.

### *(b) Senior Guarantee*

This Condition 3(b) is applicable in relation to Notes being guaranteed on an unsubordinated basis.

The Guarantor has, by the guarantees endorsed on the Notes (the “Guarantees”), unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due from the Issuer under the Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 8 below), when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Guarantees constitute direct, unconditional, irrevocable, unsubordinated and (subject to the provisions of Condition 4 below) unsecured obligations of the Guarantor and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.

(c) *Senior Subordinated Guarantee*

This Condition 3(c) is applicable in relation to Notes to which both the following conditions apply, namely (i) the Notes do have a Maturity Date and (ii) the Notes are being guaranteed on a subordinated basis (“Dated Notes Guaranteed on a Subordinated Basis”).

The Guarantor has, by the guarantees endorsed on the Notes (the “Guarantees”), unconditionally and irrevocably guaranteed, on a subordinated basis, the due and punctual payment of all amounts due from the Issuer under the Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 8 below) when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

As more fully described in the Guarantees, the obligations of the Guarantor in respect of the Guarantees constitute senior subordinated obligations of the Guarantor. Accordingly, in the events specified in the Guarantees, the liabilities of the Guarantor under or pursuant to the Guarantees shall not be required to be satisfied until satisfaction of all indebtedness of the Guarantor to the depositors and Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment. As more fully described in the Guarantees, “Senior Creditors” means all present and future unsubordinated creditors of the Guarantor.

(d) *Junior Subordinated Guarantee*

This Condition 3(d) is applicable in relation to Notes to which both the following conditions apply, namely (i) the Notes do not have a Maturity Date and (ii) the Notes are guaranteed on a subordinated basis (“Perpetual Notes Guaranteed on a Subordinated Basis”).

The Guarantor has, by guarantees endorsed on the Notes (the “Guarantees”), as primary obligor guaranteed, on a subordinated basis, the due and punctual payment of all amounts payable by the Issuer on or in respect of the Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 8 below) when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Guarantees constitute direct, unsecured and junior subordinated obligations of the Guarantor, conditional as described below, and rank (i) *pari passu* without any preference among the other Guarantees of the Notes, (ii) junior to all present and future unsecured obligations of the Guarantor which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of the Guarantor but not further or otherwise (“Senior Subordinated Obligations”), (iii) at least equally and rateably with all other present and future obligations of the Guarantor which rank or are expressed to rank junior to the Senior Subordinated Obligations and (iv) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by the Guarantor, subject to mandatory provisions of Belgian law.

Claims in respect of the Guarantees are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Dated Notes Guaranteed on a Subordinated Basis, and payments of principal and interest by the Issuer in respect of Perpetual Notes Guaranteed on a Subordinated Basis will be conditional upon the Guarantor being solvent at the time of payment by the Issuer and no principal or interest shall be due and payable in respect of Perpetual Notes Guaranteed on a Subordinated Basis except to the extent that (assuming a payment was then due by the Guarantor) the Guarantor could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims (as defined below), and still be solvent immediately thereafter. For the purposes of these Conditions the Guarantor shall be solvent if (i) it is able to pay its debts as they

fall due and (ii) its Assets exceed its Liabilities (in each case as defined below) (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the Guarantor by two directors of the Guarantor or (if the Guarantor is in winding-up, liquidation or bankruptcy) the liquidator of the Guarantor, shall in the absence of proven error be treated and accepted by the Issuer, the Guarantor, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of these Conditions, “Senior and Subordinated Creditors” means, in relation to the Guarantor, all creditors of the Guarantor (including any holders of Dated Notes Guaranteed on a Subordinated Basis) other than creditors whose claims are in respect of: (i) any class of equity (including preference shares), subject to mandatory provisions of Belgian law, or (ii) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations of the Guarantor or (iii) any other obligations which rank or are expressed to rank either *pari passu* with or junior to the claims of the holders of Perpetual Notes Guaranteed on a Subordinated Basis and Coupons and Receipts (if any) appertaining thereto under the Guarantees; “Assets” means the total assets of the Guarantor and “Liabilities” means the total liabilities of the Guarantor, each as shown by the latest published audited balance sheet of the Guarantor but adjusted for contingencies and for subsequent events, all valued in such manner as such directors or liquidator (as the case may be) may determine; and “Other *Pari Passu* Claims” means claims of creditors of the Guarantor which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the holders of Perpetual Notes Guaranteed on a Subordinated Basis and Coupons and Receipts (if any) appertaining thereto under the Guarantees.

If the Guarantor would not otherwise be solvent for the purposes of these Conditions, the amount of the principal and sums which would otherwise be payable as interest on Perpetual Notes Guaranteed on a Subordinated Basis will be available to meet the losses of the Guarantor.

#### **4. Negative Pledge**

This Condition 4 is not applicable to Dated Notes Guaranteed on a Subordinated Basis or Perpetual Notes Guaranteed on a Subordinated Basis.

So long as any of the Notes, Receipts or Coupons remains outstanding (as defined in the Agency Agreement), neither the Issuer nor the Guarantor will create or permit to exist any mortgage, lien (other than liens arising by operation of law), pledge, charge or other security interest upon the whole or any part of its present or future assets or revenues (i) in the case of the Issuer, to secure any loan debt, guarantee or other obligation or (ii) in the case of the Guarantor, to secure any indebtedness represented by, or in the form of, bonds, notes, debentures or other securities or any guarantee or indemnity from the Guarantor in respect of such indebtedness of others, in each case unless the Notes, Receipts and Coupons share in and are equally and rateably secured by such mortgage, lien, pledge, charge or other security interest, and the instrument creating such mortgage, lien, pledge, charge or other security interest expressly so provides.

#### **5. Interest**

##### *(a) Interest Rate on Fixed Rate Notes and Accrual*

Each Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate payable (subject, in the case of Perpetual Notes Guaranteed on a Subordinated Basis, to Condition 3(d)) in arrear on each Interest Payment Date provided (in the case of Perpetual Notes Guaranteed on a Subordinated Basis) that such date is a Compulsory Interest Payment Date in which case interest shall be payable in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date.

In the case of Perpetual Notes Guaranteed on a Subordinated Basis, on any Optional Interest Payment Date there may be paid (if the Issuer so elects but subject to Condition 3(d)) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer or the Guarantor for any purpose. Any interest not paid in respect of Perpetual Notes Guaranteed on a Subordinated Basis on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute “Arrears of Interest” which term shall include interest on such unpaid interest as referred to

below. Arrears of Interest may at the option of the Issuer be paid in whole or in part at any time upon the expiration of not less than seven days notice to such effect given to the Noteholders in accordance with Condition 14, but all Arrears of Interest on all Notes outstanding shall (subject to Condition 3(d)) become due in full on whichever is the earliest of (i) the Interest Payment Date immediately following the date upon which a dividend is next declared or paid on any class of share capital of the Guarantor, (ii) the date set for any redemption pursuant to Condition 6(b) or (e) and (iii) the date that an order is made or an effective resolution is passed for the winding-up, liquidation or bankruptcy of the Guarantor or the commencement of judicial composition proceedings (*concordat judiciaire*) in respect of the Guarantor. If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged (subject to Condition 3(d)) to do so upon the expiration of such notice. Where Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall bear interest at the rate applicable to the Notes.

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(b) *Business Day Convention*

If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

(c) *Interest Rate on Floating Rate Notes*

If the Interest Rate is specified as being Floating Rate, it will be determined by the Calculation Agent on the basis of the following provisions:—

- (i) At or about the Relevant Time on the Interest Determination Date in respect of each Interest Accrual Period, the Calculation Agent will:—
  - (A) in the case of Notes which specify that the Primary Source for Interest Rate Quotations shall be derived from a specified page, section or other part of a particular information service (each as specified on such Notes), determine the Interest Rate for each Interest Accrual Period which shall, subject as provided below, be (x) the Relevant Rate so appearing in or on that page, section or other part of such information service as aforesaid (where such Relevant Rate is a composite quotation or interest rate per annum or is customarily supplied by one entity) or (y) the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates of the persons at the time whose Relevant Rates so appear in or on that page, section or other part of such information service as aforesaid, in any such case in respect of euro-currency deposits in the relevant currency for a period equal to the Specified Duration and as adjusted by the Spread or Spread Multiplier (if any) or by the Maximum or Minimum Interest Rate; and
  - (B) in the case of Notes which specify that the Primary Source for Interest Rate Quotations shall be the Reference Banks specified on such Notes and in the case of Notes falling within paragraph (i)(A) above but in respect of which no Relevant Rate appears at or

about such Relevant Time or, as the case may be, which are to be determined by reference to quotations of persons appearing in or on the relevant page, section or other part of such information service as aforesaid but in respect of which less than two Relevant Rates appear at or about such Relevant Time, request the principal offices in the Relevant Financial Centre (or, in the case of Notes denominated in euro, the principal offices in the euro-zone selected by the Calculation Agent) of each of the Reference Banks specified on such Notes (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to paragraph (g) below) to provide the Calculation Agent with its Relevant Rate quoted to leading banks for euro-currency deposits in the relevant currency for a period equivalent to the Specified Duration. Where this paragraph (i)(B) shall apply, the Interest Rate for the relevant Interest Accrual Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of such Relevant Rates as adjusted by the Spread or Spread Multiplier (if any) or by the Maximum or Minimum Interest Rate, as calculated by the Calculation Agent.

- (ii) If, at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to paragraph (i)(B) in respect of a Note, two or three only of such Reference Banks provide such relevant quotations, the Interest Rate for the relevant Interest Accrual Period shall, subject as provided below, be determined as aforesaid on the basis of the Relevant Rates quoted by such Reference Banks.
- (iii) If, at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to paragraph (i)(B), only one or none of such Reference Banks provide such Relevant Rates, the Interest Rate for the relevant Interest Accrual period shall be, subject as provided below, whichever is the higher of:—
  - (A) the Interest Rate in effect for the last preceding Interest Accrual Period to which paragraphs (i)(A) or (B) or (ii) above shall have applied (after readjustment for any difference between any Spread or Spread Multiplier applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period); and
  - (B) the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates in respect of the relevant currency which banks in the principal financial centre of the country of such currency (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent) selected by the Calculation Agent (after consultation with the Issuer and the Guarantor) are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to the Specified Duration to leading banks carrying on business in that principal financial centre (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent), as adjusted by the Spread or Spread Multiplier (if any) except that, if the banks so selected by the Calculation Agent are not quoting as aforesaid, the Interest Rate shall be the Interest Rate specified in paragraph (iii)(A) above.

(d) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (d), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions as amended and updated as at the issue date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the “ISDA Definitions”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) for a currency, the first day of that Interest Period, (ii) if the applicable Floating Rate Option is based on the euro-zone inter-bank offered rate (“EURIBOR”), the first day of that Interest Period or (iii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (d), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

(e) *Minimum/Maximum Interest Rates, Spreads and Spread Multipliers*

If any figure is expressed to be as adjusted by a Spread or Spread Multiplier, such adjustment shall be made by adding or subtracting any Spread specified on this Note or multiplying by any Spread Multiplier specified on this Note, subject always to the next paragraph.

If a Maximum or Minimum Interest Rate is specified on this Note, then the Interest Rate shall in no event exceed the maximum or be less than the minimum.

(f) *Calculation*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note by the Day Count Fraction and rounding, if necessary, the resultant figure to the nearest minimum unit of the relevant currency (half of such unit being rounded upwards). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(g) *Determination and Publication of Interest Rate and Interest Amounts by the Calculation Agent*

If a Calculation Agent is provided for on this Note, it will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Interest Rate and calculate the amount of interest payable (the “Interest Amounts”) in respect of each Denomination of the Notes (in the case of Bearer Notes) and the minimum Denomination (in the case of Registered Notes) for the relevant Interest Accrual Period and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Issuer, the Guarantor, the Registrar, each of the Paying Agents, any stock exchange on which the Notes are listed and the Noteholders as soon as possible after their determination but in no event later than the fourth Relevant Business Day thereafter. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of the Interest Rate and the Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(h) *Calculation Agent and Reference Banks*

The Issuer will procure that there shall at all times be four Reference Banks with offices in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in the financial centre or centres selected by the Issuer) and a Calculation Agent if provision is made for them in the Conditions applicable to this Note and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Calculation Agent will appoint another Reference Bank with an office in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in the financial centre or centres in the euro-zone) to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint the London office of a leading bank engaged in the London

interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(i) *Definitions*

As used in these Conditions:—

“Compulsory Interest Payment Date” means any Interest Payment Date if, in the calendar year immediately preceding such Interest Payment Date, any dividend has been declared or paid on any class of share capital of the Guarantor and if the Guarantor is solvent.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (the “Calculation Period”, whether or not constituting an Interest Period):—

- (i) if “Actual/365” or “Actual/Actual (ISDA)” is specified on the face of the Note, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365, or means such other basis as may be specified on the face of the Notes as being “Actual/Actual”);
- (ii) if “Actual/365 (Fixed)” is specified on the face of the Note, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified on the face of the Note, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360, “360/360” or “Bond Basis” is specified on the face of the Note, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if “30E/360” or “Eurobond Basis” is specified on the face of the Note, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period); and
- (vi) if “Actual/Actual (ISMA)” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period from (and including) the most recent Interest Payment Date (or, as the case may be, the Interest Commencement Date to (but excluding) the next (or, as the case may be, first) scheduled Interest Payment Date divided by (x) in the case of Notes where interest is scheduled to be paid only by means of regular annual payments, the actual number of days in the Calculation Period from (and including) the most recent Interest Payment Date (or, as the case may be, the Interest Commencement Date) to (but excluding) the next (or, as the case may be, first) scheduled Interest Payment Date or (y) in the case of Notes where interest is scheduled to be paid other than only by means of regular annual payments, the product of the number of days in the Calculation Period from (and including) the most recent Interest Payment Date (or, as the case may be, the Interest Commencement Date) to (but excluding) the next scheduled Interest Payment Date and the number of Interest Payment Dates that would end in one year assuming interest was to be calculated in respect of the whole of that year.

“euro” means the single currency of the participating member states of the European Union, as contemplated by the Treaty on European Union.

“euro-zone” means the region comprising the member states of the European Union which adopt or have adopted the euro as their lawful currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.

“Interest Accrual Period” means the period beginning on the Interest Commencement Date and ending on the first Interest Period Date and each successive period beginning on an Interest Period Date and ending on the next succeeding Interest Period Date.

“Interest Commencement Date” means the date of issue of this Note (the “Issue Date”) or such other date as may be specified on it.

“Interest Determination Date” means, in respect of any Interest Accrual Period, that number of Relevant Business Days prior to the first day of such Interest Accrual Period or to the relevant Interest Payment Date as is set out on this Note.

“Interest Period” means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified on this Note.

“Interest Rate” means the rate of interest payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions, on this Note.

“Optional Interest Payment Date” means any Interest Payment Date other than a Compulsory Interest Payment Date.

“Relevant Business Day” means:—

- (A) in the case of a specified currency other than euro or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the principal financial centre for that currency and/or each of the financial centres so specified; and/or
- (B) in the case of euro, a day on which the TARGET System is operating.

“Relevant Financial Centre” means London or such other or additional financial centre or centres as may be specified on this Note.

“Relevant Rate” means:—

- (A) an offered rate in the case of a Note the Benchmark for which relates to an offered rate;
- (B) a bid rate in the case of a Note the Benchmark for which relates to a bid rate; and
- (C) the mean of an offered and bid rate in the case of a Note the Benchmark for which relates to the mean of an offered and bid rate.

“Relevant Time” means the local time in the Relevant Financial Centre specified on this Note or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in that Relevant Financial Centre.

“Specified Duration” means the Interest Period unless otherwise specified on this Note.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(j) *Interest Rate on Zero Coupon Notes*

Where a Note the Interest Rate of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Redemption Amount of such Note as determined in accordance with Condition 6(d)(iii). As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on such Note.

## **6. Redemption, Purchase and Options**

(a) *Final Redemption*

Unless this Note is a Perpetual Note Guaranteed on a Subordinated Basis or it is previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer’s or Noteholder’s option in accordance with Condition 6(e) or (f), this Note will be redeemed at its Redemption Amount (which, unless otherwise provided, is its principal amount) on the Maturity Date (the “Final Redemption Amount”) specified on this Note. If this Note is a Perpetual Note Guaranteed on a Subordinated Basis the Issuer shall not be at liberty to redeem the Note except pursuant to Condition 6(b) or (if applicable) Condition 6(e) and references to Maturity Date in these Conditions are not applicable.



(b) *Redemption for taxation reasons*

If, as a result of any amendment to or change in the laws or regulations of the Cayman Islands or the Kingdom of Belgium or any political subdivision thereof or any authority or agency therein or thereof or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date, the Issuer (or, if the Guarantees were called, the Guarantor) would, on the occasion of the next payment date in respect of the Notes, be required to pay additional amounts as provided in Condition 8, the Issuer may, at its option, on any Interest Payment Date or, if so specified on this Note, at any time on giving not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 14 redeem all, but not some only, of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantees) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Fiscal Agent a certificate signed by two persons each of whom is a Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

(c) *Purchases*

The Issuer, the Guarantor and any of their subsidiaries may at any time purchase Notes (provided that, in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

(d) *Early Redemption of Zero Coupon Notes*

- (i) The Redemption Amount payable in respect of any Note the Interest Rate of which is specified to be Zero Coupon upon redemption of such Note pursuant to Condition 6(b) or, if applicable, Condition 6(e) or (f) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the "Amortised Face Amount" of any such Note shall be the sum of (A) the Reference Price shown on such Note and (B) the aggregate amortisation of the difference between the Reference Price and the principal amount of such Note from its date of issue to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on such Note compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on such Note.
- (iii) If the Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(b) or, if applicable, Condition 6(e) or (f), or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the principal amount of such Note together with any interest which may accrue in accordance with Condition 5(j).

(e) *Redemption at the Option of the Issuer and Exercise of Issuer's Options*

If so provided on this Note or in any event if this Note does not have a Maturity Date, the Issuer shall, on the Issuer or the Guarantor giving irrevocable notice to the Noteholders falling within the Issuer's Option Period redeem, or exercise any Issuer's option in relation to, all or (in the case only of Notes which have a Maturity Date), if so provided, some of such Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued (if any) to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of such option the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(f) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If so provided on this Note, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Redemption Amount together with interest accrued (if any) to the date fixed for redemption.

To exercise such option or any other Noteholders' option which may be set out on this Note the holder must deposit such Note with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent within the Noteholders' Option Period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) *Redemption by Instalments*

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified on this Note) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(e) or (f), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(h) *Cancellation*

All Notes redeemed by the Issuer and all Notes purchased (otherwise than in the ordinary course of business of dealing in securities or as a nominee) by or on behalf of the Issuer, the Guarantor or any of their subsidiaries will be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith) and may not be reissued or resold and the obligations of the Issuer and/or the Guarantor in respect of any such Notes shall be discharged.

(i) *Consents*

Any redemption by the Issuer of Notes guaranteed on a Subordinated Basis pursuant to Condition 6(b) or (if applicable) Condition 6(e) and any purchase and cancellation of Notes guaranteed on a Subordinated Basis pursuant to Condition 6(c) and (h) will be subject to the prior consent of the Belgian Banking and Finance Commission (*Commissie voor Bank- en Financiewezenen/ Commission Bancaire et Financière*).

## **7. Payments and Talons**

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below and (in the case of Perpetual Notes Guaranteed on a Subordinated Basis) subject to Condition 3(d), be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holders, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; Provided that (i) in the case of Sterling, the cheque shall be drawn on a town clearing branch of a bank in the City of London, (ii) in the case of euro, the transfer

may be to a euro account or on an account which accepts euro payments and (iii) in the case of Japanese yen, the transfer will be to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan).

(b) *Registered Notes*

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be made, subject (in the case of Perpetual Notes Guaranteed on a Subordinated Basis) to Condition 3(d), against presentation and surrender of the relevant Notes at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (a) above.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid, subject (in the case of Perpetual Notes Guaranteed on a Subordinated Basis) to Condition 3(d), to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank (being a town clearing branch of a bank in the case of Sterling) in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Registrar maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency or, in the case of euro, to a euro account or an account to which euro can be paid.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, adverse tax consequence to the Issuer.

(d) *Payments subject to law etc*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Principal Paying Agent, (iii) a Registrar in relation to Registered Notes, (iv) a Transfer Agent in relation to Registered Notes having a specified office in a European city outside Belgium which, so long as the Notes are listed on the Luxembourg Stock Exchange, shall be Luxembourg, (v) a Calculation Agent where the Conditions so require one, (vi) a Paying Agent having a specified office in a European city outside Belgium which, so long as the Notes are listed on the Luxembourg Stock Exchange shall be Luxembourg and (vii) in the event of the Proposed European

Directive on the Taxation of Savings (as defined in “General Information”) being adopted and in force, a Paying Agent having a specified office in a city outside the European Union.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 14.

(f) *Unmatured Coupons and Receipts and unexchanged Talons*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of that amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If the relevant Notes so provide, upon the due date for redemption of any Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, and where any Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(g) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Business Day Jurisdictions” on the Note and:—

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) on which the TARGET System is operating.

(h) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 9).

## **8. Taxation**

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer or (if the Guarantees were called) the Guarantor will be made without deduction or withholding for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Cayman Islands or any political subdivision thereof or any authority or agency therein or thereof having power to tax (in the case of the Issuer) or the Kingdom of Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax (in the case of the Guarantor), unless such deduction or withholding is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders, Receiptholders or, as the case may be, the Couponholders after such deduction or withholding shall equal the respective amounts which would have been receivable under these Conditions in respect of the Notes, Receipts or, as the case may be, Coupons by the Noteholders, Receiptholders and (if applicable) the Couponholders in the absence of such deduction or withholding, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:—

- (i) presented for payment in Belgium; or
- (ii) to, or to a third party on behalf of, a holder who is able to avoid such withholding or deduction by placing such Note, Receipt or Coupon in safe custody with a Belgian bank and by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) to, or to a third party on behalf of, a holder where such holder is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of its having some connection with the Cayman Islands or the Kingdom of Belgium other than by reason only of the holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day.

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 14 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts which may be payable under this Condition.

## **9. Prescription**

Claims against the Issuer and the Guarantor for payment in respect of the Notes, Guarantees, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## **10. Events of Default**

- (a) *Notes other than Dated Notes Guaranteed on a Subordinated Basis and Perpetual Notes Guaranteed on a Subordinated Basis*

This Condition 10(a) is applicable in relation to all Notes other than Dated Notes Guaranteed on a Subordinated Basis and Perpetual Notes Guaranteed on a Subordinated Basis.

If any of the following events (“Events of Default”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable unless prior to the date that such written notice is received by the Fiscal Agent the Issuer or the Guarantor shall have cured or the Issuer or the Guarantor shall otherwise have made good all Events of Default in respect of the Notes:—

- (i) default in the payment of any interest due in respect of the Notes or any of them and such default continuing for a period of 12 days; or
- (ii) default by the Issuer or the Guarantor in the due performance or observance of any other obligation, condition or other provision under or in relation to the Notes or the Guarantees, as the case may be, if such default is not cured within 20 days after receipt by the Fiscal Agent of written notice thereof given by any Noteholder requiring the same to be remedied; or
- (iii) default by the Issuer or the Guarantor in the payment of the principal of, or premium or prepayment charge (if any) or interest on, any other loan indebtedness of or assumed or guaranteed by the Issuer or the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least U.S.\$10,000,000 or its equivalent in any other currency or currencies), when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, originally applicable thereto and the time for payment of such interest or principal has not been effectively extended, or in the event that any loan indebtedness of or assumed by the Issuer or the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least U.S.\$10,000,000 or its equivalent in any other currency or currencies), shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of an event of default thereunder; or
- (iv) the Issuer is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes or the Guarantor is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes, except as a result of a Permitted Reorganisation, or the Issuer ceases to be subsidiary of the Guarantor (save in the case of a substitution pursuant to Condition 11 (c) where the substitute is the Guarantor); or
- (v) the Issuer or the Guarantor becomes insolvent, is unable to pay its debts generally (or in the case of the Guarantor is in cessation de paiements (suspension of payments)) as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or ceases or threatens to cease to carry on its business, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer or the Guarantor, or if the Issuer or the Guarantor commences a voluntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, consents to the entry of an order for relief in any involuntary case or other proceeding under any such law as to the appointment of or the taking possession by a trustee, receiver, liquidator, custodian, assignee, sequestrator or similar official of the Issuer or the Guarantor or of any substantial part of its property or as the winding up or liquidation of the Issuer, or if the Guarantor applies for a *concordat judiciaire/gerechtelijk akkoord* (composition with creditors), *liquidation/vereffening* (liquidation) or *faillite/faillissement* (bankruptcy) or any procedures having similar or equivalent effect shall have been initiated in respect of the Issuer or the Guarantor; or
- (vi) a court having jurisdiction in the premises enters a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a trustee, receiver, liquidator, custodian, assignee, sequestrator or other similar official of the Issuer or the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed in effect for a period of 30 consecutive days; or

- (vii) it becomes unlawful for the Issuer or the Guarantor to perform any of their respective obligations under the Notes or the Guarantees, or any of their obligations ceases to be valid, binding or enforceable; or
- (viii) the Guarantees are not or are claimed by the Guarantor not to be in full force and effect in accordance with their terms.

In this Condition:

“Permitted Reorganisation” means an amalgamation, merger, consolidation, reorganisation or other similar arrangement entered into by the Guarantor under which:

- (a) the whole of the business, undertaking and assets of the Guarantor are transferred to and all the liabilities and obligations of the Guarantor are assumed by the new or surviving entity either:
  - (i) automatically by operation of applicable law; or
  - (ii) the new or surviving entity assumes all the obligations of the Guarantor under the terms of the Agency Agreement, the Notes and the Guarantees as fully as if it had been named in the Agency Agreement, the Notes and the Guarantees in place of the Guarantor; and, in either case,
- (b) the new or surviving entity will immediately after such amalgamation, merger, consolidation, reorganisation or other similar arrangement be subject to a European Union regulatory authority.

Any such notice by a Noteholder to the Fiscal Agent shall specify the serial number(s) of the Note(s) concerned.

(b) *Dated Notes Guaranteed on a Subordinated Basis*

This Condition 10(b) is applicable in relation to Dated Notes Guaranteed on a Subordinated Basis.

Any holder of a Dated Note Guaranteed on a Subordinated Basis may, by notice to the Fiscal Agent and the Issuer, declare his Note to be due and payable, and such Note shall accordingly become immediately due and payable at its principal amount together with accrued interest to the date of repayment if an order is made or an effective resolution is passed for the bankruptcy (*faillissement/ faillite*), composition with creditors (*gerechtelijk akkoord/concordat judiciaire*) or liquidation (*vereffening/ liquidation*) of the Guarantor.

(c) *Perpetual Notes Guaranteed on a Subordinated Basis*

This Condition 10(c) is applicable in relation to Perpetual Notes Guaranteed on a Subordinated Basis.

- (i) Any holder of a Perpetual Note Guaranteed on a Subordinated Basis may, by notice to the Fiscal Agent and the Issuer, declare his Note to be due and payable, and such Note shall accordingly (subject to the provisions of Condition 3(d)) become immediately due and payable at its principal amount together with accrued interest to the date of repayment and any Arrears of Interest if an order is made or an effective resolution is passed for the bankruptcy (*faillissement/faillite*), composition with creditors (*gerechtelijk akkoord/concordat judiciaire*) or liquidation (*vereffening/ liquidation*) of the Guarantor.
- (ii) If the Issuer shall not make payment in respect of the Notes (in the case of any payment of principal) for a period of seven days or more after the due date for the same or (in the case of any payment of interest) for a period of 14 days or more after a Compulsory Interest Payment Date any Noteholder may institute proceedings in the Cayman Islands for the winding-up, dissolution or bankruptcy of the Issuer.
- (iii) A Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes or the Coupons or the Receipts (if any) provided that the Issuer shall not by virtue of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (iv) No remedy against the Issuer, other than the institution of the proceedings referred to in sub-paragraphs (ii) and (iii) above or the proving or claiming in any winding-up of the Issuer, shall be available to the Noteholders or the Couponholders or the Receiptholders (if any) whether for the recovery of amounts owing in respect of the Notes or the Coupons or in

respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons or the Receipts (if any).

- (v) In the event of an order being made or an effective resolution being passed for the winding-up, liquidation or bankruptcy of the Issuer; then immediately thereupon and without further formality the Guarantor shall become the principal debtor under the Notes and the Coupons and the Receipts (if any) in place of the Issuer and the Guarantees shall cease to be of any effect and the Noteholders and the Couponholders and the Receiptholders (if any) shall cease to have any rights or claims whatsoever against the Issuer; provided that:—
  - (a) the obligations of the Guarantor as principal debtor as aforesaid shall be subordinated to the same extent as its obligations under the Guarantees; and
  - (b) no Noteholder or Couponholder or Receiptholder shall, as a result of any change in principal debtor as aforesaid, be entitled to claim from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of such change upon individual Noteholders or Couponholders or Receiptholders except to the extent provided for by Condition 8.

## **11. Meeting of Noteholders, Modifications and Substitution**

### *(a) Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions in so far as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in the respect thereof, (iv) if there is shown on the face of the Notes a Minimum Interest Rate and/or a Maximum Interest Rate, to reduce such Minimum Interest Rate and or a Maximum Interest Rate, (v) to change any method of calculating the Redemption Amount or, in the case of Zero Coupon Notes, to change the method of calculating the Amortised Face Amount, (vi) to change the currency or currencies of payment of the Notes, (vii) to cancel or change the provisions of any Guarantee, (viii) to take any steps which this Note specifies may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (ix) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) is present.

**These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.**

### *(b) Modification of Agency Agreement*

The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

### *(c) Substitution*

The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons any company (the "Substitute") which is the Guarantor, or a subsidiary of the Guarantor, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "Deed Poll"), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is



imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons and Talons shall be unconditionally and irrevocably guaranteed by the Guarantor by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons and Talons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll (where the Substitute is not the Guarantor), of the Guarantor have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies or, pending execution, the agreed text of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified offices of each of the Paying Agents. References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 10 shall be deemed to include that guarantee not being (or being claimed by the Guarantor not to be) in full force and effect.

## **12. Replacement of Notes, Receipts, Coupons and Talons**

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of such Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to the Noteholders in accordance with Condition 14 (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Registered Notes), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **13. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

## **14. Notices**

Notices to holders of Registered Notes will be mailed to them at their respective addresses in the Register and be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if (i) published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*) and (ii) in the case of Bearer Notes and Registered Notes which are listed on the Luxembourg Stock Exchange (so long as such Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require), in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or in the case of (i) and (ii), if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe and otherwise if given in compliance with the requirements of each stock exchange on which the Notes are listed. Notices, will, if

published more than once, be deemed to have been given on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

## **15. Governing Law and Jurisdiction**

### *(a) Governing Law*

The Notes, the Receipts, the Coupons, the Talons and the Guarantees to which Condition 3(b) applies are governed by, and shall be construed in accordance with, English law.

Guarantees to which Condition 3(c) applies and Guarantees to which Condition 3(d) applies are governed by, and shall be construed in accordance with, the laws of the Kingdom of Belgium.

### *(b) Jurisdiction*

The Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons, Talons or Guarantees and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or Guarantees ("Proceedings") may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### *(c) Service of Process*

Each of the Issuer and the Guarantor irrevocably appoints Fortis Bank, London Branch, Bavaria House, 13/14 Appold Street, London EC2A 2DP to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

## **USE OF PROCEEDS**

The net proceeds from the issue of the Notes will be lent by the Issuer to the Guarantor, to be used for general corporate purposes by the Guarantor.

## SUMMARY OF PROVISIONS RELATING TO GLOBAL NOTES

Each Series or Tranche, as the case may be, where the Notes issued in such Series or Tranche are initially in bearer form, will initially be represented by a temporary Global Note, in bearer form without Coupons, with the Guarantee of the Guarantor endorsed thereon, which will be deposited on behalf of the subscribers of the relevant Notes with a common depository (the “Common Depository”) for the Euroclear Operator and/or for Clearstream, Luxembourg and/or any other relevant clearing system, or as otherwise agreed, on or about the issue date of the relevant Notes. No interest will be payable in respect of a temporary Global Note except as provided below. Upon deposit of the temporary Global Note(s) with the Common Depository, the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system as the holder of a Note represented by a Global Note must look solely to the Euroclear Operator or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note, subject to and in accordance with the respective rules and procedures of the Euroclear Operator, Clearstream, Luxembourg and any other relevant clearing system. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and the obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

The temporary Global Notes and the permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:—

**1. Exchange:** Each temporary Global Note will be exchangeable in whole or in part for interests in a permanent Global Note or for Definitive Notes, in each case, with the Guarantee of the Guarantor endorsed thereon, on or after the first day following the expiry of 40 days after completion of the distribution of the relevant Tranche upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. Each permanent Global Note is exchangeable in whole or, in the case of Partly-paid Notes only, in part for definitive Notes by the holder giving notice to the Fiscal Agent, or by the Issuer giving notice to the Fiscal Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes as set out below.

On or after any Exchange Date (as defined below), the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Fiscal Agent. In exchange for any permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), with the Guarantee of the Guarantor endorsed thereon, security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

“Exchange Date” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and on which the Euroclear Operator and Clearstream, Luxembourg and any other relevant clearing system are open for business.

**2. Payments:** No payment falling due more than 40 days after the issue of any Tranche represented by a temporary Global Note will be made on that temporary Global Note unless exchange for an interest in a permanent Global Note is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after the completion of the distribution of such Tranche will only be made against presentation of certification as to non-U.S. beneficial ownership as set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying

Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

**3. Notices:** So long as Notes of any Series are represented by a Global Note notices may be given by delivery of the relevant notice to the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in the United Kingdom, but publication in the *Luxemburger Wort* will be maintained for so long as the Notes of the Series in respect of which the notice is to be published are listed on the Luxembourg Stock Exchange.

**4. Prescription:** Claims against the Issuer in respect of principal and interest (as each is defined in the Conditions) on Notes while the Notes of that Series are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

**5. Meetings:** The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum Denomination of Notes for which such permanent Global Note may be exchanged.

**6. Purchase and Cancellation:** Cancellation of any Note surrendered for cancellation by the Issuer following its purchase will be effected by reduction in the principal amount of the relevant permanent Global Note.

**7. Issuer's Option:** No drawing of Notes will be required Under Condition 6(e) in the event that the Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a permanent Global Note. In the event that any option of such Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with the Euroclear Operator and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of the Euroclear Operator and Clearstream, Luxembourg.

**8. Noteholders' Option:** Any Noteholders' option may be exercised by the holder of a permanent Global Note giving notice to the Fiscal Agent of the principal amount of Notes in respect of which the option is exercised and presenting such permanent Global Note for endorsement of exercise within the time limits specified in the Conditions.

**9. Default:** As more fully described in the Global Notes, each Global Note shall become void in whole or in part on the seventh day after notice is served by the person or persons shown in the records of the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system as the holder or holders of the Notes in respect of which notice is served (the "Relevant Accountholder") upon the occurrence of an event of default. In such circumstances each Relevant Accountholder shall acquire, under a deed of covenant dated 1st December, 2000 executed by the Issuer and the Guarantor (the "Deed of Covenant") against the Issuer and the Guarantor all rights which the Relevant Accountholder in question would have had if, immediately before the Global Note became void, it had been holder of definitive Notes issued on the issue date of the Global Note in an aggregate principal amount equal to the principal amount of the Notes in respect of which such Relevant Accountholder is shown in the records of the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system.

**10. Partly-paid Notes:** The provisions relating to Partly-paid Notes will be contained in the Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly-paid Notes are due, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

## FORTIS IFICO

FORTIS IFICO (the “Issuer”), a wholly owned subsidiary of the Guarantor, was registered as a company limited by shares for an unlimited duration under the laws of the Cayman Islands on 14th June, 1988 pursuant to the Companies Law (Cap. 22). It was initially named ASLK-CGER IFICO and changed its name on 31st August, 1999. Its registered principal office is at the offices of MeesPierson (Cayman) Limited, P.O. Box 2003 GT, Grand Pavilion Commercial Centre, 802 West Bay Road, Georgetown, Grand Cayman, Cayman Islands. Its authorised share capital as at 30th September, 2000 is US\$900,000 divided into 900,000 registered ordinary shares of US\$1.00 par value each, of which 100,000 shares have been issued and are fully paid up. The Issuer is registered with the Registrar of Companies of the Cayman Islands pursuant to the Companies Law (1998 Revision) as an exempted company and, as such, has obtained an undertaking from the Governor-in-Council of the Cayman Islands that, for a period of twenty years from the date of such undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Issuer or its operations and that no such tax or any tax in the nature of estate duty or inheritance tax shall be payable on the shares, debentures or other obligations of the Issuer. At present, the Cayman Islands have no such taxes.

The Issuer’s principal object is borrowing funds and lending such funds to the Guarantor.

The Board of Directors of the Issuer is responsible for the management of its operations. The members of the Board of Directors are:

John Benbow	Benbow Anderson;
Roger Hanson	Managing Director, MeesPierson (Cayman) Limited;
Craig Murphy	Director and Manager, MeesPierson (Cayman) Limited;
Gordon Shaw	Manager, MeesPierson (Cayman) Limited;
Filip Dierckx	Director of the Guarantor; and
Jacques Massin	Senior Manager of the Guarantor.

No member of the Board of Directors works on a full-time basis for the Issuer.

Save for the issue of the long term debt listed in the capitalisation table and certain matters incidental thereto and incidental to the issue of the Bonds and the on-lending arrangements to the Guarantor, the Issuer has not conducted any other material business. The financial periods of the Issuer end on 31st December in each year. The Issuer has no subsidiaries and consequentially does not publish consolidated accounts.

## CAPITALISATION AND INDEBTEDNESS OF THE ISSUER AS AT 31ST DECEMBER, 1999

The capitalisation and indebtedness of the Issuer (extracted from the Issuer's unaudited accounts) as at 31st December, 1999 is as set out below:

	<b>(Millions of U.S.\$)</b>
	Rounded
<b>Notes Payable</b>	
LUF 1,000,000,000 8 $\frac{7}{8}$ per cent. Guaranteed Bonds due 2001 <sup>(2)</sup> .....	24.903
DEM 100,000,000 Guaranteed Floating Rate Bonds due 2007 <sup>(3)</sup> .....	51.364
LUF 1,000,000,000 9 per cent. Guaranteed Public Issue due 2002 <sup>(2)</sup> .....	24.903
LUF 1,500,000,000 8 $\frac{1}{2}$ per cent. Guaranteed Public Issue due 2002 <sup>(2)</sup> .....	37.355
JPY 15,000,000,000 5.10 per cent. Guaranteed Undated Variable Notes <sup>(1)</sup> .....	146.686
JPY 3,000,000,000 4.47 per cent. Guaranteed Loan due 2004 <sup>(1)</sup> .....	29.337
LUF 5,000,000,000 Zero Coupon Guaranteed and Listed Medium Term Notes due 2001 <sup>(2)</sup> .....	112.491
JPY 5,000,000,000 4.12 per cent. Subordinated Perpetual Euro Medium Term Notes <sup>(1)</sup> .....	48.895
NLG 50,000,000 Step-Up Undated Loan, 10 year fixed rate/step-up structure <sup>(4)</sup> .....	22.794
NLG 20,000,000 Undated Subordinated Loan, 10 year fixed rate/step-up structure <sup>(4)</sup> .....	9.117
NLG 50,444,000 Subordinated Perpetual Step-Up floating rate Notes <sup>(4)</sup> .....	22.996
NLG 15,000,000 Undated Subordinated Loan, 10 year fixed rate/step-up Structure <sup>(4)</sup> .....	6.838
NLG 10,000,000 Undated Step-Up Loan, guaranteed on a subordinated basis <sup>(4)</sup> .....	4.559
LUF 2,000,000,000 4 $\frac{1}{2}$ per cent. Guaranteed Medium Term Notes due 2001 <sup>(2)</sup> .....	49.901
U.S.\$ 35,040,000 Subordinated Perpetual Floating Rate Notes .....	34.392
NLG 110,000,000 5.5 per cent. Guaranteed Medium Term Notes due 2001 <sup>(4)</sup> .....	50.094
LUF 2,000,000,000 5.75 per cent. Guaranteed and Listed Medium Term Notes due 2001 <sup>(2)</sup> .....	49.835
JPY 5,000,000,000 Subordinated Perpetual 20 Year Fixed Rate/Step-Up Notes <sup>(1)</sup> .....	48.895
JPY 3,000,000,000 1.40 per cent. Guaranteed Medium Term Notes due 2001 <sup>(1)</sup> .....	29.337
LUF 2,000,000,000 5.125 per cent. Guaranteed Medium Term Notes due 2005 <sup>(2)</sup> .....	49.903
LUF 1,000,000,000 9 $\frac{1}{8}$ per cent. Guaranteed Bonds due 2000 <sup>(2)</sup> .....	24.903
LUF 128,359,079 Guaranteed Fixed/Floating Rate Notes due 2000 <sup>(2)</sup> .....	3.197
DKK 400,000,000 6.5 per cent. Guaranteed Term Notes due 2000 <sup>(5)</sup> .....	53.994
LUF 2,000,000,000 5.5 per cent. Guaranteed and Listed Medium Term Notes due 2000 <sup>(2)</sup> .....	49.814
LUF 2,000,000,000 5.5 per cent. Guaranteed and Listed Medium Term Notes due 2000 <sup>(2)</sup> .....	49.818
JPY 1,000,000,000 2.12 per cent. Guaranteed Medium Term Notes due 2000 <sup>(1)</sup> .....	9.779
Total Notes Payable (exact figure) .....	1,046.100
<b>Commercial Paper:</b>	
U.S.\$ 50,000,000 Commercial Paper due 2000. ....	49.610
U.S.\$ 60,000,000 Commercial Paper due 2000. ....	59.512
EUR 100,000,000 Euro Commercial Paper due 2000 <sup>(6)</sup> .....	99.840
EUR 40,000,000 Euro Commercial Paper due 2000 <sup>(6)</sup> .....	40.059
EUR 5,500,000 Euro Commercial Paper due 2000 <sup>(6)</sup> .....	5.478
EUR 5,000,000 Euro Commercial Paper due 2000 <sup>(6)</sup> .....	4.979
Total Commercial Paper .....	259.478
<b>Shareholders' Equity:</b>	
Paid-up capital <sup>(7)</sup> .....	0.100
Retained earnings <sup>(7)</sup> .....	3.735
Total Shareholders' Equity .....	3.835
Total Capitalisation .....	1,309.413

Notes:—

- (1) Converted at the rate of U.S.\$ 1 = JPY 102.26 which was the approximate rate prevailing on 31st December, 1999.
- (2) Converted at the rate of U.S.\$ 1 = LUF 40.155 which was the approximate rate prevailing on 31st December, 1999.
- (3) Converted at the rate of U.S.\$ 1 = DEM 1.947 which was the approximate rate prevailing on 31st December, 1999.
- (4) Converted at the rate of U.S.\$ 1 = NLG 2.1936 which was the approximate rate prevailing on 31st December, 1999.
- (5) Converted at the rate of U.S.\$ 1 = DKK 7.4092 which was the approximate rate prevailing on 31st December, 1999.
- (6) Converted at the rate of U.S.\$ 1 = EUR 1.0046 which was the approximate rate prevailing on 31st December, 1999.
- (7) As at 31st December, 1999.
- (8) As at the date of this Offering Circular, the fully paid up share capital amounted to U.S.\$ 100,000.

- (9) Since 31st December, 1999, the following new issues were made by FORTIS IFICO:
- USD 100,000,000 22-Feb-2000–22-Feb-2010 Subordinated 3m Libor+0.50% L+1% after call date
  - EUR 6,000,240 13-Mar-2000–13-Mar-2002 9.50% Deutsche Telekom Reverse Knock In
  - EUR 9,998,880 10-Apr-2000–10-Apr-2002 9.50% France Telecom Reverse Knock In
  - GBP 17,000,000 27-Mar-2000–23-Jun-2000 60.07993%
  - EUR 3,000,248 19-Apr-2000–19-Apr-2002 8% SocGen Reverse Knock In + Eurostoxx50 linked upward
  - EUR 15,000,000 10-Apr-2000–10-Apr-2001 10.25% Fr. Telecom Rev. Knock In + Estox50 linked upward
  - JPY 35,000,000,000 13-Apr-2000–13-Apr-2003 0.83000%
  - EUR 10,000,000 28-Apr-2000–27-Apr-2012 Subordinated zero coupon issued at 47%, yield 6.49%
  - EUR 3,001,250 01-Jun-2000–01-Jun-2001 18.15% France Telecom Reverse Knock In
  - EUR 3,000,000 30-May-2000–30-May-2002 Eurostoxx50 linked upward, no coupon
  - EUR 20,000,000 27-Jun-2000–27-Apr-2012 Subordinated zero coupon issued at 47.73%, yield 6.4499%
  - USD 30,000,000 06-Sep-2000–06-Sep-2001 zero coupon issued, linked to Lehman US High Yield Index
  - USD 20,000,000 10-Oct-2000–10-Oct-2001 zero coupon issued, linked to Lehman US High Yield Index
  - EUR 55,500,000 15-Nov-2000–15-Nov-2010 Subordinated 3.80% + European inflation linked

Save as disclosed in the notes above, there has been no material change in the capitalisation and indebtedness of the Issuer since 31st December, 1999.

## SELECTED FINANCIAL INFORMATION OF THE ISSUER

	31.12.96 U.S.\$	31.12.97 U.S.\$	31.12.98 U.S.\$	31.12.99 U.S.\$
<b>BALANCE SHEET</b>				
<b>Assets</b>				
Bank balances . . . . .	3,865,886	3,832,499	4,088,699	3,969,856
Interest receivable . . . . .	62,791,970	53,189,896	42,765,289	20,122,821
Other receivables and prepayments . . . . .	20,614	21,315	5,834	6,908
Loans to parent company . . . . .	3,143,078,331	2,570,150,687	1,940,693,666	1,305,464,129
<i>Total assets</i> . . . . .	<i>3,209,756,801</i>	<i>2,627,194,397</i>	<i>1,987,553,488</i>	<i>1,329,563,714</i>
<b>Liabilities and shareholder's equity</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses . . . . .	71,894	30,983	62,799	80,677
Interest payable . . . . .	62,667,348	53,089,734	42,664,840	20,070,416
Notes payable . . . . .	3,144,153,272	2,570,700,054	1,940,884,870	1,305,578,050
<i>Total liabilities</i> . . . . .	<i>3,206,892,514</i>	<i>2,623,820,771</i>	<i>1,983,612,509</i>	<i>1,325,729,143</i>
<b>Shareholder's equity</b>				
Share capital . . . . .	100,000	100,000	100,000	100,000
Retained earnings . . . . .	2,764,287	3,273,626	3,840,979	3,734,571
<i>Total shareholders' equity</i> . . . . .	<i>2,864,287</i>	<i>3,373,626</i>	<i>3,940,979</i>	<i>3,834,571</i>
<i>Total liabilities and shareholders' equity</i> . . . . .	<i>3,209,756,801</i>	<i>2,627,194,397</i>	<i>1,987,553,488</i>	<i>1,329,563,714</i>
<b>STATEMENT OF INCOME AND RETAINED EARNINGS</b>				
<b>Interest income</b>				
Interest on loans to parent company . . . . .	212,434,233	177,200,772	151,884,952	88,573,296
Interest on notes payable . . . . .	(211,547,447)	(176,456,875)	(151,207,941)	(88,150,805)
<i>Net interest income</i> . . . . .	<i>886,786</i>	<i>743,897</i>	<i>677,011</i>	<i>422,491</i>
<b>Other income</b>				
Exchange gain . . . . .	0	0	124,027	0
Premium on redemption of loans . . . . .	0	15,595,328	0	0
<i>Total other income</i> . . . . .	<i>0</i>	<i>15,595,328</i>	<i>124,027</i>	<i>0</i>
<b>Other expenses</b>				
Premium on redemption of notes payable . . . . .	0	15,595,328	0	0
Exchange loss . . . . .	54,899	141,664	0	284,045
Note issue and administration expenses . . . . .	171,174	92,894	233,685	244,854
<i>Total other expenses</i> . . . . .	<i>226,073</i>	<i>15,829,886</i>	<i>233,685</i>	<i>528,899</i>
Net income for year . . . . .	660,713	509,339	567,353	(106,408)
Retained earnings at beginning of year . . . . .	2,103,574	2,764,287	3,273,626	
<i>Retained earnings at end of year</i> . . . . .	<i>2,764,287</i>	<i>3,273,626</i>	<i>3,840,979</i>	

The above is extracted from, and should be read in conjunction with, the audited, financial statements of the Company for the years ended 31st December, 1996, 31st December, 1997 and 31st December, 1998 and the unaudited, financial statements of the Company for the year ended 31st December, 1999 and the Notes thereto are herein incorporated by reference.

FORTIS IFICO has no subsidiaries and therefore does not publish consolidated financial statements.

The data concerning the year ended 31st December, 1999 was reviewed by PricewaterhouseCoopers, auditors to the Issuer, on 5th April, 2000. The Review Report stated as follows:

“We have reviewed the accompanying balance sheet of FORTIS IFICO as at 31st December, 1999 and the related statements of operations, changes in shareholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance



as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with International Accounting Standards.”

# FORTIS BANK

## 1. GENERAL DESCRIPTION

Fortis Bank (the “Guarantor” or “Fortis Bank”) is a public company with limited liability (*société anonyme/ naamloze vennootschap*) under Belgian law. The registered office of the company is located at Montagne du Parc 3, 1000 Brussels, where its headquarters are based. Fortis Bank was established for an indefinite period.

As stated in article 3 of its Articles of Association, Fortis Bank has as its purpose to conduct all banking operations, financial operations, brokerage and fee operations. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature to benefit the realisation thereof. Fortis Bank is free to hold shares and share interests within the limits set by the legal framework for banks.

Fortis Bank is registered in the Registry of Commerce of Brussels under number 76.034.

Fortis Bank is part of the Fortis Group (as defined below in the section entitled “The Fortis Group” and also referred to herein as “Fortis”), formed through the merger in 1990 of AG 1824, a Belgian insurance company, and the Dutch group AMEV/VSB. Fortis has grown considerably since then, both in its own right and by acquiring other companies such as ASLK-CGER Bank and Generale Bank.

At the operational level Fortis consists of a banking division and an insurance division. The banking division offers a wide range of financial services (including *bancassurance*), mostly under the Fortis Bank name and via its own networks (including 3,000 branches in the Benelux countries). The insurance side provides services mainly through brokers.

## 2. HISTORICAL OVERVIEW

**1720** Rotterdam: the Mees family developed a trade financing business that developed into MeesPierson

**1817** Establishment of the “*Maatschappij tot Nut 't Algemeen*”, the first of the savings banks which merged in 1983 to become VSB

**1822** The “*Algemeene Nederlandsche Maatschappij ter begunstiging van de Volkswilijt*” was set up in Brussels, and became Generale Bank

**1865** The Algemene Spaar- en Lijfrentekas (ASLK-CGER) was established

**1989** In the Netherlands, the merger of the insurer AMEV and the savings bank group VSB resulted in AMEV-VSB

**1990** Fortis grew out of the merger between the Belgian insurer AG and the Dutch company AMEV-VSB

**1993** The government institution ASLK-CGER was privatised and Fortis eventually took full control of it

**1995** Generale Bank took over Credit Lyonnais Bank Nederland and formed Generale Bank Nederland

**1997** Fortis took over MeesPierson from ABN-AMRO

**1998** Generale Bank joined the Fortis Group

**1999** Fortis Bank resulted from the merger of Generale Bank and ASLK-CGER in Belgium and Generale Bank Nederland, VSB Bank and MeesPierson in the Netherlands

## 3. ACTIVITIES

Fortis Bank operates on a cross border basis with offices in the Benelux Countries and it co-ordinates its operations from Brussels, Amsterdam, Rotterdam and Luxembourg.

Fortis Bank mainly provides services to three customer groups:

- Individuals, Professionals and Small enterprises;
- Medium sized Enterprises and Corporates; and
- Private individuals, through Private Banking services.

Fortis Bank carries out the following activities:

- Asset Management;
- Investment Banking;
- Financial Markets; and
- Information Banking, providing information, operational and infrastructural services to corporate customers, banks and financial institutions.

#### **4. THE FORTIS GROUP**

The Guarantor is approximately 99 per cent. owned by Fortis.

Fortis is an international financial group established in December 1990 through the merger of the operating activities of the AG Group in Belgium and the AMEV/VSB Group in The Netherlands. Legally, the group has two parent companies, Fortis (B) and Fortis (NL), each of which owns 50 per cent. of Fortis. Fortis (B) is listed on the Brussels, London and Luxembourg stock exchanges. Fortis (NL) is listed on the Amsterdam, London and Luxembourg stock exchanges and has a sponsored ADR programme in the United States.

Fortis is active in insurance, banking and investment activities through more than 100 companies in Western Europe, the United States, Australia, the Caribbean and Asia, which together employ more than 59,000 people. Fortis acquired 98.2 per cent. of the shares of Generale Bank in 1998.

The activities of Fortis are organised in three regions:

##### **Benelux**

The group enjoys enhanced scale and scope in certain key market areas which Fortis identified as central to its future development. For example, in the Benelux, the resulting single banking group is a leader in retail banking, covering also the individual and SME segments, the leader in private banking and one of the top three corporate banking operations. Management believes the combined investment management operations are the leading asset manager in the Benelux. The combined group also holds a strong position in investment banking in the Benelux.

Fortis' strengths in insurance and bancassurance (in which it is the leader in the Benelux) will enable its wide range products to be offered to the large Fortis Bank retail customer base, particularly through the Fortis Bank branch networks in Belgium, The Netherlands and Luxembourg and also to its corporate and private banking customers. As a result of the combination, Fortis is now the second largest financial services provider in the Benelux.

##### **Rest of Europe**

In the rest of Europe, outside the Benelux, the combined group intends to consolidate its overall position as a European Bank, with operations and services in most European Union countries, Switzerland and selected Eastern European countries. The combined group's banking interests are primarily focused on corporate banking, where Generale Bank's activities complement those of MeesPierson, and on private banking. In investment management, the enlarged base created by the combination of the companies' operations will enable progressive development in selective areas in the rest of Europe, both to institutional clients and, where the appropriate distribution networks exist, to retail clients.

##### **Outside Europe**

Internationally, the combined banking operations have a presence in specific countries in Asia, such as in Hong Kong and Singapore, and in Africa where Fortis Bank is present in 18 countries through Banque BelgoLaise, its subsidiary. The focus is on corporate, private and retail banking, and these business areas will be expanded through the combination. The banking activities of Fortis Bank in Hong Kong will provide a base for regional expansion in Asia.

## 5. STRATEGY AND POLICY

Fortis Bank aims to expand its current operations globally. In Europe, Fortis Bank will be looking to develop its current presence and enter into new markets by implementing a focused (and prudent) acquisitions policy. Outside Europe, Fortis Bank intends to grow in accordance with the needs of its customers.

## 6. CAPITAL ADEQUACY – RATING

The Basle Committee on Banking Regulations and Supervisory Practices (the “Basle Committee”) has developed guidelines for the measurement of capital adequacy of international banking organisations. These guidelines set minimum capital adequacy ratios of 4 per cent. for Tier 1 capital and 8 per cent. for total capital (Tier 1 and 2). The table below sets out the Tier 1 and total capital ratios in accordance with Fortis Group’s principles for the Generale Bank and ASLK-CGER Bank, now merged into Fortis Bank:

	<b>31-Dec-97</b>	<b>31-Dec-98</b>	<b>31-Dec-99</b>
	<b>Pro forma</b>		
Tier 1 capital ratio.....	7.00%	7.7%	7.6%
Total capital ratio .....	10.5%	10.90%	10.6%

The current ratings of Fortis Bank are the following:

	<b>Long-Term Debt</b>	<b>Short-Term Debt</b>
Moody’s .....	Aa3	P-1
Standard & Poor’s .....	AA-	A-1+
Fitch .....	AA-	F1+
Thomson BankWatch .....	AA-	TBW-1

## 7. MANAGEMENT, DECISION-MAKING AND SUPERVISION

Decision-making and management functions at Fortis Bank are divided between the Management Committee and the Board of Directors.

The management of Fortis Bank is the exclusive responsibility of the Management Committee, which consists of a number of managing directors and operates within the framework of the general policy outlined by the Board of Directors.

The Board of Directors is responsible for the supervision of the management and control of the financial position of Fortis Bank, and for defining the general policy. The Board is able to nominate and discharge the members of the Management Committee within the limits of the Protocol on the banking autonomy.

## **Management of the Bank**

### *Board of Directors*

Anton van Rossum	Chairman
Herman Verwilt	Chairman of the Management Committee
Jean-Pierre Cardinael	Managing Director
Karel De Boeck	Managing Director
Filip Dierckx	Managing Director
Alain Georges	Managing Director
Patrick Evrard	Managing Director
Joop Feilzer	Managing Director
Chris van Boetzelaer	Managing Director
Rosa Van Elegem	Managing Director
Sjoerd van Keulen	Managing Director
Jean-Jacques Verdickt	Managing Director
Christian Basecq	Director
Kerry Clayton	Director
Jozef De Mey	Director
Joop Feilzer	Director
Jean Meyer	Director
Gilbert Mittler	Director
Kees Rutten	Director
Georges Valckenaere	Director
Robert van der Meer	Director
Michel van Pée	Director

### *Management Committee*

Herman Verwilt  
Jean-Pierre Cardinael  
Karel De Boeck  
Filip Dierckx  
Patrick Evrard  
Joop Feilzer  
Alain Georges  
Chris van Boetzelaer  
Erik van de Merwe  
Rosa Van Elegem  
Sjoerd van Keulen  
Jean-Jacques Verdickt

### *Accredited Statutory Auditors*

PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C., represented by Daniel Van Woensel, Partner.  
Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., represented by Virgile Nijs, Partner.

## 8. RECENT DEVELOPMENTS OF FORTIS GROUP

- Exceeded financial targets
- Net profit up by 24 per cent. to EUR 2,105 million
- Earnings per share up 17 per cent.
- Return on equity 21 per cent.
- Gross premium income up 28 per cent. in Life insurance and 46 per cent. in Non-life insurance
- Net revenues in banking up 12 per cent. to EUR 5,759 million

During the first three quarters of 2000 Fortis again exceeded its financial targets, showing return on equity (ROE) of 21 per cent., well above the minimum objective of 12 per cent. Net profit grew by 24 per cent. and net earnings per share by 17 per cent. Excluding capital gains, exceptional items, provisions for early retirement and the addition to the Fund for General Banking Risks, net profit growth was 22 per cent. The growth in internal net profit (excluding exchange rate differences and acquisitions) was 16 per cent. For the year 2000 as a whole, Fortis expects to exceed its financial long-term objectives, achieving net profit growth of about 20 per cent. resulting in growth in earnings per share of between 12 per cent. and 15 per cent.

The insurance division posted excellent results in both Life and Non-life. Gross premium income increased by 28 per cent. in Life and by 46 per cent. in Non-life. Net profit growth was 32 per cent., with the insurance division in the United States of America (the combination of American Security Group and American Bankers Insurance Group) accounting for approximately one fifth of the growth. The Banking division also showed solid results with a 19 per cent. increase in net profit. The improvement in the net profit is mainly driven by a strong increase of 12 per cent. in net revenues.

In the third quarter Fortis developed strongly on both domestic and international markets. The acquisition of the pre-need insurer American Memorial Life Insurance Company in the USA was finalised according to schedule. In the Benelux, Fortis launched a successful offer for the outstanding shares of Belgolaise Bank. Fortis Bank now holds nearly 100 per cent. of the share capital.

More recently Fortis launched a public offer of exchange for all outstanding shares of the Rotterdam-based insurer ASR Verzekeringsgroep. If this offer is successful, Fortis will be the largest insurer in the Benelux.

In September, Anton van Rossum was officially appointed CEO of Fortis. At the same time, the Fortis (B) and Fortis (NL) Boards of Directors merged and now operate as one single Board. A new Executive Committee has also been appointed.

### Key figures (in EUR million)

	<b>First three quarters 2000</b>	<b>First three quarters 1999</b>	<b>Increase in %</b>
<i>Fortis</i>			
Result before taxation.....	3,177	2,464	29
Net profit .....	2,105	1,697	24
Net equity .....	15,085	13,508 <sup>(1)</sup>	12
Total assets.....	428,271	406,109 <sup>(1)</sup>	5
Total assets under management .....	303,253	278,207 <sup>(1)</sup>	9
Return on equity (in %). .....	21	20	
<i>Insurance</i>			
Total revenue, net of interest expense .....	15,494	12,185	27
Result before taxation.....	1,496	1,053	42
Net profit .....	1,069	808	32
<i>Banking</i>			
Total revenue, net of interest expense .....	6,104	5,524	11
Result before taxation.....	1,836	1,545	19
Net profit .....	1,201	1,006	19

(1) Year-end 1999.

## Key figures per share (in EUR)

	First three quarters 2000	First three quarters 1999
<i>Fortis (B) and Fortis (NL)</i>		
Net earnings .....	1.74	1.49
After full conversion <sup>(1)</sup> .....	1.71	1.47
Net equity .....	12.35	11.46 <sup>(2)</sup>

(1) After full conversion of the warrants, the option rights and the convertible bonds.

(2) Year-end 1999.

### Banking: solid achievement

During the first three quarters of 2000 the banking activities of Fortis were very successful. Net profit increased by 19 per cent. compared to the first three quarters of 1999, amounting to EUR 1,201 million. This improvement was mainly due to a stronger increase in net revenues (12 per cent.), whereas growth in operating expenses was limited to 8 per cent. Among the factors contributing to the expenses were the acquisitions of PPA Bank and Meeschaert-Rouselle, the consolidation of Beta Capital earlier this year, currency effects and indexed increases in salaries and bonuses related to good trading results. Internal expenses increased by 6 per cent.

Commission income rose by 14 per cent., amounting to EUR 1,595 million as against EUR 1,404 million in 1999. This increase derived from commissions on security transactions, payment services and capital management. The result from financial transactions was up by 79 per cent. (against a particularly disappointing result in 1999). Excluding venture capital, capital gains amounted to EUR 371 million. This substantial growth confirms again the positive trend already noticeable in the first two quarters of this year. Total net interest income was slightly down (-1.5 per cent.), due to a narrowing interest spread which was not fully offset by growth in volume. The increase in interest rates also had a negative effect.

In the absence of losses in the first three quarters, Fortis has released 75 per cent. of the provisions that had been set aside for possible millennium-related credit problems, an amount of EUR 118 million before taxation.

Due to higher results on financial transactions and commissions and fees, the cost/income ratio (64.3 per cent.) was slightly better than last year's three-quarter figure, which stood at 65.5 per cent.

### Assets under Management

During the first nine months of the year, total assets under management by Fortis grew by 9 per cent. Total investments on behalf of policyholders experienced an increase of 24 per cent., reflecting the continuous growth of unit-linked savings products. Total funds under management grew by 13 per cent., most of this due to contribution of new capital. Total assets managed for third parties grew by 15 per cent.

### Fortis shares

In recent years Fortis has issued a number of equity-related instruments, such as options for its personnel, warrants and convertibles, which over time may lead to the issue of new shares. In order to reduce dilution of its shares, Fortis arranged in July to buy back a total of 12.2 million Fortis (NL) shares.

At the time of the agreement between AMEV Stad Rotterdam and Fortis to combine their operations, Fortis announced that it would finance the operation by issuing new shares, and by buying back up to 33 million Fortis (NL) shares in order to achieve the required financial mix.

On 17th October, 2000 Fortis bought back 20 million Fortis (NL) shares from ING. It may acquire additional shares in the near future if the opportunity arises.

Fortis has launched a new stock option plan for its personnel which is still open for subscription. The total number of options on Fortis (NL) shares available under this plan is 14.5 million, i.e. approximately 50 per cent. of the number of options offered last year. To date, approximately 10.1 million options have been granted. These options expire between 2005 and 2007 and have an average exercise price of EUR 35.09.

**Outlook**

The year 2000 as a whole will feature high capital gains, although not as high as in 1999, and will benefit from the positive impact of the release of millennium-related provisions. Due to realized capital gains and results from other financial transactions, including those from venture capital activities, the results may vary considerably from quarter to quarter.

Fortis expects to be able to exceed its financial long-term objectives this year and to achieve net profit growth of about 20 per cent., giving growth in earnings per share of between 12 per cent. and 15 per cent. and return on equity of at least 12 per cent.

The 1999 Fortis annual report is available on [www.fortis.com](http://www.fortis.com).



## 9. CAPITALISATION AND INDEBTEDNESS OF THE GUARANTOR

The unaudited capitalisation and indebtedness of the Guarantor is set forth below on a consolidated basis:

	<b>As at 30th June, 2000</b> <i>(in millions of EURO)</i>
<b>Shareholders' Equity</b>	
Share capital <sup>(1)</sup> .....	3,112
Share premium account .....	4,875
Reserves and accumulated profit .....	932
Translation differences .....	(1)
<b>Total Shareholders' Equity</b> .....	<u>8,918</u>
Contingency Reserve .....	1,639
<b>Long Term Debt</b> <sup>(2)</sup>	
Subordinated liabilities .....	8,812
Unsubordinated liabilities .....	34,599
<b>Total Long Term Debt</b> .....	<u>43,411</u>
<b>Total capitalisation</b> .....	<u>53,968</u>

### Notes

(1) As at the date of this Offering Circular, the issued and paid-up share capital amounted to EUR 3,111,838,861 and was represented by 160,404,065 no-par-value ordinary shares, and the authorised share capital amounted to EUR 3,285,364,328.34.

(2) Since 30th June, 2000, the Bank guaranteed the following new issues by Fortis Lux Finance S.A. or FORTIS IFICO:

- EUR 50,000,000 13.5 per cent. 2000/2002 Reverse Convertible into Siemens Shares
- EUR 25,000,000 11.375 per cent. 2000/2002 Reverse Convertible into Deutsche Bank Shares
- EUR 50,000,000 12.5 per cent. 2000/2002 Reverse Convertible into Société Générale Shares
- EUR 25,000,000 14 per cent. 2000/2002 Reverse Convertible into Koninklijke KPN N.V. Shares
- EUR 70,000,000 13.125 per cent. 2000/2002 Reverse Convertible into Philips Electronics NV Shares
- EUR 60,000,000 10.75 per cent. 2000/2002 Reverse Convertible into KBC Bank and Insurance Holding Company NV Shares
- EUR 25,000,000 14.5 per cent. 2000/2002 Reverse Convertible into Cisco Systems Inc.
- EUR 25,000,000 9 per cent. 2000/2005 Index linked
- EUR 50,000,000 Min-Nomax 2000/2010
- EUR 25,000,000 12 per cent. 2000/2002 Reverse Convertible into a Basket of Shares
- EUR 25,000,000 11 per cent. 2000/2002 Reverse Convertible into BNP Paribas Shares
- EUR 25,000,000 11 per cent. 2000/2002 Reverse Convertible into Suez Lyonnaise des Eaux SA Shares
- EUR 25,000,000 9.75 per cent. 2000/2002 Reverse Convertible into Dexia Shares
- USD 30,000,000 06-Sep-2000-06-Sep-2001 zero coupon issued, linked to Lehman US High Yield Index
- USD 20,000,000 10-Oct-2000-10-Oct-2001 zero coupon issued, linked to Lehman US High Yield Index
- EUR 55,500,000 15-Nov-2000-15-Nov-2010 Subordinated 3.80 per cent. + European inflation linked

Save as disclosed in the notes above, there has been no material change in the capitalisation and indebtedness of the Bank since 30th June, 2000.

## 10. SELECTED FINANCIAL INFORMATION: EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTS OF THE GUARANTOR

Unaudited pro forma 1998 consolidated accounts and audited consolidated 1999 accounts of FORTIS BANK nv-sa.

### 1. Balance Sheet after Appropriation

	Codes	31st Dec, 1999	31st Dec, 1998	
		<i>(in thousands of EURO)</i>		
<b>ASSETS</b>				
I.	Cash in hand, balances with central banks and giro offices	101.000	1,169,654	956,400
II.	Government securities eligible for refinancing at the central bank	102.000	8,977,905	6,924,904
III.	Amounts receivable from credit institutions	103.000	82,468,469	58,729,156
	A. <i>At sight</i>	103.100	3,008,052	5,561,233
	B. <i>Other amounts receivable (at fixed term or period of notice)</i>	103.200	79,460,417	53,167,923
IV.	Amounts receivable from customers	104.000	133,116,855	115,588,688
V.	Bonds and other fixed-income securities	105.000	85,283,361	80,970,821
	A. <i>Of public issuers</i>	105.100	58,138,255	57,676,619
	B. <i>Of other issuers</i>	105.200	27,145,106	23,294,202
VI.	Corporate shares and other variable-income securities	106.000	4,732,245	3,635,792
VII.	Financial fixed assets	107.000	826,588	748,488
	A. <i>Companies valued by equity method</i>			
	1. <i>Participating interests</i>	107.100	182,934	170,472
	2. <i>Subordinated loans</i>	107.200	0	0
	B. <i>Other companies</i>			
	1. <i>Participating interests and shares</i>	107.300	632,504	565,369
	2. <i>Subordinated loans</i>	107.400	11,150	12,647
VIII.	Formation expenses and intangible fixed assets	108.000	120,155	105,129
IX.	Consolidation differences	109.000	0	402,140
X.	Tangible fixed assets	110.000	3,407,429	3,285,450
XI.	Own shares	111.000	0	0
XII.	Other assets	112.000	7,543,371	4,431,924
	A. <i>Investments concerning operations linked with an investment fund of "life insurance" and of which the risk is not borne by the company</i>		3,682,464	1,666,195
	B. <i>Share of reinsurers in technical provisions</i>		53,996	52,505
	C. <i>Other</i>		3,806,910	2,713,224
XIII.	Deferred charges and accrued income	113.000	12,820,279	10,149,851
	<b>TOTAL ASSETS</b>	<b>199.000</b>	<b>340,466,310</b>	<b>285,928,743</b>

	<b>Codes</b>	<b>31st Dec, 1999</b>	<b>31st Dec, 1998</b>	
		<i>(in thousands of EURO)</i>		
<b>LIABILITIES</b>				
I.	Amounts payable to credit institutions	201.000	117,319,931	80,394,711
	A. <i>At sight</i>	201.100	5,435,402	9,378,496
	B. <i>Resulting from refinancing by rediscounting of trade bills</i>	201.200	163,903	234,325
	C. <i>Other amounts payable at fixed term or period of notice</i>	201.300	111,720,627	70,781,890
II.	Amounts payable to clients	202.000	142,147,238	131,143,329
	A. <i>Savings deposits</i>	202.100	32,272,843	31,187,291
	B. <i>Other amounts payable</i>	202.200	109,874,395	99,956,038
	1. <i>At sight</i>	202.201	51,502,462	45,390,445
	2. <i>At fixed term or period of notice</i>	202.202	58,369,836	54,564,960
	3. <i>Resulting from refinancing by rediscounting of trade bills</i>	202.203	2,097	633
III.	Amounts payable represented by a security	203.000	32,853,039	34,524,552
	A. <i>Bills and bonds in circulation</i>	203.100	26,393,164	30,508,140
	B. <i>Other</i>	203.200	6,459,875	4,016,412
IV.	Other amounts payable	204.000	16,006,005	12,880,610
	A. <i>Technical provisions for insurance</i>		7,337,458	6,039,419
	B. <i>Technical provisions for operations linked with an investment fund of "life insurance" and of which the risk is not borne by the company</i>		3,680,221	1,666,195
	C. <i>Other</i>		4,988,326	5,174,997
V.	Accrued charges and deferred income	205.000	11,604,122	9,245,027
VI.	Provisions for risks and charges, deferred taxes	206.000	2,757,520	2,383,289
	A. <i>Provisions for risks and charges</i>	206.100	2,669,467	2,308,663
	1. <i>Pensions and similar obligations</i>	206.101	510,056	315,606
	2. <i>Fiscal charges</i>	206.102	15,649	14,521
	3. <i>Other risks and charges</i>	206.103	2,143,763	1,978,536
	B. <i>Deferred taxes</i>	206.200	88,053	74,626
VII.	Fund for general banking risks	207.000	1,421,277	1,266,931
VIII.	Subordinated amounts payable	208.000	7,588,844	6,096,923
	<b>SHAREHOLDERS' EQUITY</b>		<b>7,294,939</b>	<b>7,192,018</b>
IX.	Capital	209.000	2,925,397	3,122,948
	A. <i>Subscribed capital</i>	209.100	2,925,397	3,122,948
	B. <i>Uncalled capital</i>	209.200	0	0
X.	Share premiums	210.000	3,738,632	3,743,139
XI.	Revaluation surpluses	211.000	(2)	0
XII.	Reserves and profit brought forward	212.000	638,010	357,051
XIII.	Consolidation differences	213.000	0	6,265
XIV.	Exchange differences	214.000	(7,098)	(37,384)
	<b>THIRD PARTY INTERESTS</b>			
XV.	Third party interests	215.000	1,473,396	801,353
	<b>TOTAL LIABILITIES</b>	<b>299.000</b>	<b>340,466,310</b>	<b>285,928,743</b>

	<b>Codes</b>	<b>31st Dec, 1999</b>	<b>31st Dec, 1998</b>	
<b>OFF-BALANCE SHEET ITEMS</b>				
I.	Contingent liabilities	301.000	33,067,283	24,746,369
	A. <i>Unnegotiated acceptances</i>	301.100	232,171	151,691
	B. <i>Guarantees in the nature of credit substitutes</i>	301.200	2,067,688	1,767,922
	C. <i>Other guarantees</i>	301.300	28,494,499	21,050,614
	D. <i>Documentary credits</i>	301.400	2,254,846	1,757,444
	E. <i>Assets pledged by secured guarantees on behalf of third parties</i>	301.500	18,079	18,698
II.	Commitments which can give rise to a credit risk	302.000	79,567,831	64,034,479
	A. <i>Firm commitments to make funds available</i>	302.100	9,140,428	6,330,655
	B. <i>Commitments in respect of spot purchases of transferable securities or other assets</i>	302.200	295,697	409,746
	C. <i>Available margin under confirmed credit lines</i>	302.300	70,041,756	57,284,323
	D. <i>Commitments to underwrite and place securities</i>	302.400	89,949	9,755
	E. <i>Repurchase commitments resulting from imperfect repurchase agreements</i>	302.500	0	0
III.	Assets entrusted to the consolidated institutions	303.000	243,251,658	270,840,613
	A. <i>Assets held on an organised trusteeship basis</i>	303.100	2,388,073	1,821,090
	B. <i>Assets in safe custody and under similar arrangements</i>	303.200	240,863,585	269,019,524
IV.	To be paid upon corporate shares and units	304.000	235,853	58,090

## 2. Income Statement

	<b>31st Dec, 1999</b>	<b>31st Dec, 1998</b>		
	<i>(in thousands of EURO)</i>			
I.				
A.	Interest and similar revenues: bank	14,353,260	14,271,890	
	of which: from fixed-income securities	4,592,040	4,102,687	
	B.	Premiums and income from insurance	2,838,686	2,574,985
	a.	Interest and similar revenues: insurance	357,765	351,554
	b.	Premiums and other technical income	2,480,921	2,223,431
II.				
A.	Interest and similar charges	(10,130,953)	(10,234,712)	
B.	Technical charges insurance	(2,629,199)	(2,364,381)	
III.				
Income from variable-income securities	146,528	92,883		
A.	Corporate shares and units and other variable-income securities	56,834	59,603	
B.	Participating interests in affiliated enterprises	89,694	33,280	
IV.	Commission received	2,194,124	2,059,673	
V.	Commission paid	(429,849)	(405,052)	
VI.				
Profit from (loss on) financial operations	775,385	1,460,376		
	A.	Foreign exchange transactions and transactions in securities and other financial instruments	277,966	489,297
	B.	Realisation of investment securities	497,418	971,079
VII.				
General administrative expenses	(4,344,709)	(4,080,644)		
A.	Wages and salaries, social charges and pensions	(2,725,234)	(2,608,784)	
B.	Other administrative expenses	(1,619,474)	(1,471,860)	
VIII.				
Depreciation of and amounts written off on formation expenses and intangible and tangible fixed assets	(464,892)	(425,206)		
IX.				
Write-back of amounts written off (Amounts written off) on amounts receivable and provisions for headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section	(485,175)	14,024		
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	39,633	(56,188)		
XI.				
Uses and write-back of provisions for risks and charges other than those referred to by heading "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section	270,198	139,254		

Income Statement (continued)

	<b>31st Dec, 1999</b>	<b>31st Dec, 1998</b>
	<i>(in thousands of EURO)</i>	
XII. Provisions for risks and charges other than those covered by headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section	(296,534)	(444,162)
XIII. Transfers from (Appropriation to) the fund for general banking risks	(140,700)	(810,979)
XIV. Other operating income	412,690	199,977
XV. Other operating charges	<u>(189,588)</u>	<u>(201,849)</u>
XVI. Current profit (Current loss) before taxes	<u>1,918,906</u>	<u>1,789,890</u>
XVII. Extraordinary income	197,867	256,292
A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets	756	1,407
B. Write-back of amounts written off on financial fixed assets	1,823	11,849
C. Write-back of provisions for exceptional risks and charges	35,784	0
D. Capital gains on disposal of fixed assets	140,084	237,348
E. Other extraordinary income	19,420	5,688
XVIII. Extraordinary charges	(470,573)	(615,883)
A. Extraordinary depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets	(5)	(1,788)
B. Amounts written off on financial fixed assets	(10,746)	(5,651)
C. Provisions for extraordinary risks and charges	(295,460)	(575,549)
D. Capital losses on disposal of fixed assets	(111,098)	(13,688)
E. Other extraordinary charges	<u>(53,264)</u>	<u>(19,208)</u>
XIX. Consolidated profit (Loss) for the year before taxes	<u>1,646,200</u>	<u>1,430,298</u>
XX. A. Transfers to deferred taxes	(134,722)	(2,641)
B. Transfers from deferred taxes	173,336	9,186
XXI. Taxes on result	(379,994)	(653,378)
A. Taxes	(584,785)	(924,466)
B. Adjustment of income taxes and write-back of tax provisions	204,791	271,087
XXII. Consolidated profit (Loss) of the year	<u>1,304,821</u>	<u>783,464</u>
XXIII. Part of the results of participating interests valued by equity method	29,457	30,115
A. Profits	29,811	34,131
B. Losses	(354)	(4,017)
XXIV. Consolidated profit	<u>1,334,278</u>	<u>813,579</u>
XXV. Third party interests	129,673	74,236
XXVI. Group profit	1,204,604	739,343

## BELGIAN TAXATION

**Withholding tax.** Payment of interest and principal under the Notes by the Issuer or by the Guarantor in its capacity as guarantor will not be subject to Belgian withholding tax, unless such payment is made through a financial institution or other intermediary established in Belgium. If it is so made, withholding tax may be levied at the rate of 15 per cent. subject to certain exemptions or reductions. Currently, exemptions are in particular available in the following circumstances, in each case subject to certain conditions and identification formalities:

- the Noteholder is a non-resident of Belgium, does not allocate the Notes to any professional activity in Belgium and keeps the Notes in custody with a financial institution established in Belgium;
- the Noteholder is a non-resident of Belgium, does not allocate the Notes to any professional activity in Belgium and has the benefit of a tax treaty which provides for such an exemption;
- the Noteholder is a resident of Belgium, or is a non-resident but holds the Notes through a permanent establishment in Belgium, and qualifies for an exemption of withholding tax by reason of its own tax status. It should be noted that this last type of exemption is generally not available in respect of payments which relate to an original issue discount on Zero Coupon Notes.

These exemptions will be amended according to the European Directive relating to taxation on savings income.

If payment is made by the Guarantor in its capacity as principal debtor under Perpetual Notes further to the winding-up, liquidation or bankruptcy of the Issuer in accordance with Condition 10(c)(v) of the Notes, withholding tax may be also levied at the rate of 15 per cent., subject to certain limited exemptions or reductions.

**Income tax.** Noteholders who are residents of Belgium or hold the Notes through a permanent establishment in Belgium will be subject to Belgian income tax on the interest collected under the Notes and, depending on their tax status, on capital gains realised in respect of the Notes. Other Noteholders will not be subject to such Belgian income tax (save, as the case may be and as set out above, in the form of withholding tax).

**Stamp duties.** Subscriptions for or trades in respect of the Notes, if made through a financial intermediary established in Belgium, will be subject to stamp duties at the rates of 0.14 per cent. in the case of primary market subscriptions or 0.07 per cent. in the case of trades on the secondary market (subject in each case to a maximum amount of BEF 10,000 per transaction). Such stamp duty is not applicable, however, to Noteholders who are non-residents of Belgium or are qualifying institutional investors.

**Tax on the delivery of bearer instruments.** The physical delivery to investors (other than qualifying financial institutions) of Definitive Notes in bearer form will be subject to a tax of 0.2 per cent., if such delivery takes place in Belgium.

**Inheritance duties.** No Belgian inheritance duties will be levied in respect of the Notes if the deceased Noteholder was not a Belgian resident at the time of his or her death.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in a Distribution Agreement dated 22nd November, 1999 as supplemented by a Supplemental Distribution Agreement dated 6th December, 2000 (the "Distribution Agreement") between the Issuer, the Guarantor and the Dealers the Notes will be offered on a continuing basis by the Issuer through the Dealers. The Issuer will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes as a whole or, subject to the terms of the offer, in part. The Dealers shall have the right, in their discretion reasonably exercised, without notice to the Issuer, to reject any proposed purchase of the Notes made to them as a whole or, subject to the terms of the offer, in part. Unless otherwise agreed, the Issuer will pay a Dealer a commission of from 0.075 per cent. to 0.625 per cent. of the principal amount of the Notes, depending upon maturity, in respect of the Notes solicited for purchase by it. The Issuer, failing whom the Guarantor, has agreed to reimburse the Dealers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers' activity in connection therewith, as provided in the Distribution Agreement.

The Issuer may also sell Notes to the Dealers as principals, for their own accounts at a price to be agreed upon at the time of sale. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Distribution Agreement also provides for Notes to be issued in Tranches which may be jointly and severally underwritten by two or more Dealers.

The Issuer, failing whom the Guarantor, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all the Dealers or any of them by the Issuer and the Guarantor or, in relation to itself and the Issuer only, by any Dealer in any such case, and for any reason and at any time upon the giving of not less than 10 business days' written notice of such termination to the other parties hereto.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each of the Dealers has agreed that it will not offer, sell or deliver a Note in bearer form within the United States or to U.S. persons except as permitted by the Distribution Agreement.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes from that offering within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each of the Dealers has represented and agreed that (i) in relation to Notes which have a maturity of one year or more, it has not offered or sold and will not offer or sell any such Notes to persons in the United Kingdom prior to the expiry of the period of six months from the issue date of such Notes except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in any offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended, (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of such Notes to a person who is of a kind described in article 11(3) of the Financial Services Act



1986 (Investment Advertisements) (Exemptions) Order 1997 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on.

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “Japanese person” shall mean “any person resident in Japan, including any corporation or other entity organised under the laws of Japan.”

Each Dealer has confirmed that it is aware of the fact that no German selling prospectus (*Verkaufsprospekt*) has been or will be published with respect to the Programme and that such Dealer will comply with the Securities Selling Prospectus Act (the “SSPA”) of the Federal Republic of Germany (*Wertpapier-Verkaufsprospektgesetz*). In particular, each Dealer has undertaken not to engage in public offering (*öffentliches Anbieten*) or other selling activities in the Federal Republic of Germany with respect to any Notes issued under the Programme otherwise than in accordance with the SSPA and any other legislation replacing or supplementing the SSPA and all other applicable laws and regulations.

The Issuer, the Guarantor and each Dealer has represented and agreed that, in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (*investisseurs qualifiés*) and/or (ii) a restricted group of investors (*cercle restreint d’investisseurs*), all as defined in and in accordance with Article 6 of *ordonnance* no. 67-833 dated 28 September, 1967 (as amended) and *décret* no. 98-880 dated 1 October, 1998.”

Each Dealer has represented and agreed that all Notes (other than Notes listed on the Luxembourg Stock Exchange or Notes having a denomination equal to or in excess of NLG 100,000 (or its equivalent in any other currency)) issued under the Programme shall, if the prohibition referred to in article 3 of the Netherlands Act on the supervision of the securities trade (as amended and/or restated from time to time) 1995 (“*Wet toezicht effectenverkeer 1995*”) (the “Act”) applies, (i) only be issued if another exemption as referred to in the Exemption Regulation (as amended and/or restated from time to time) based on the Act (“*Vrijstellingsregeling Wet toezicht effectenverkeer 1995*”) from the above prohibition applies and the requirements of such exemption are fully complied with or (ii) only be issued if the Securities Board of The Netherlands has, upon request, granted an individual dispensation from the above prohibition and the conditions attached to such dispensation are fully complied with.

Pursuant to The Netherlands Savings Certificates Act (“*Wet inzake spaarbewijzen*”; the “Savings Certificates Act”) of 21st May, 1985, any transfer or acceptance of Zero Coupon Notes (as defined below) in definitive form which fall within the definition of savings certificates (“*spaarbewijzen*”) in the Savings Certificates Act may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V. (“*toegelaten instelling*”). No such mediation is required in respect of (i) a transfer and acceptance by individuals not acting in the course of their business or profession and (ii) an issue of Notes qualifying as savings certificates to the first holders thereof. In addition, pursuant to the Savings Certificates Act, certain identification requirements in relation to an issue of, transfer of, or payment on Notes qualifying as savings certificates have to be complied with. The Savings Certificates Act is not applicable to an issue and trading of Notes qualifying as savings certificates, if such Notes are physically issued outside The Netherlands and are not immediately thereafter distributed within The Netherlands in the course of primary trading. For the purposes of this paragraph “Zero Coupon Notes” are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

The Offering Circular has not been, and it is not expected that it will be, submitted for approval to the Belgian Banking and Finance Commission and, accordingly, neither the Notes nor any offering material in respect thereto may be distributed by way of public offering in Belgium. Each Dealer has represented and

agreed that it has not taken and will not take any steps in relation to the Notes or any offering material in respect thereof that would constitute or result in a public offer of the Notes in the Kingdom of Belgium within the provisions of the Royal Decree No. 185 of 9th July, 1935 and the Royal Decree of 7th July, 1999, as amended.

Each Dealer has represented and agreed that no invitation will be made to the public of the Cayman Islands to purchase any Notes, whether directly or indirectly.

Selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in, or in the interpretation or application of, a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

Each of the Dealers, the Issuer and the Guarantor has agreed not to take any action in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each of the Dealers has agreed to comply, to the best of its knowledge and belief, with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular or any other offering material, in all cases at its own expense.

# PRO FORMA PRICING SUPPLEMENT

Pricing Supplement dated ●

## FORTIS IFICO

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**Guaranteed by FORTIS BANK nv-sa**

**under the U.S.\$3,000,000,000**

**Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 6th December, 2000. This Pricing Supplement must be read in conjunction with such Offering Circular.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Except as disclosing in this document there has been no significant change in the financial or trading position of the Issuer, the Guarantor or of the Guarantor and its subsidiaries since [date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer, the Guarantor or of the Guarantor and its subsidiaries since [date of last published annual accounts].

[In connection with this issue, [name of Stabilising Agent] may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

1. [(i)] Issuer: [            ]  
    [(ii)] Guarantor: [            ]
2. [(i)] Series Number: [            ]  
    [(ii)] Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.) [            ]
3. Currency or Currencies: [            ]
4. Form: [Bearer/Exchangeable]  
          [Bearer/Registered]
5. Principal Amount of Tranche:  
    [(i)] Series: [            ]  
    [(ii)] Tranche: [            ]

6. [(i)] Issue Price: [ ] per cent. of the Principal Amount of Tranche [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
- [(ii)] Net proceeds: [ ] (Required only for listed issues)
7. Dealer's Commission: [ ]
8. Specified Denominations: [ ]  
[ ]
9. [(i)] Issue Date: [ ]
- [(ii)] Interest Commencement Date (if different from the Issue Date): [ ]
10. Maturity Date: [ ], [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention for which the Relevant Business Day(s) [is/are] [specify cities]]/[The Interest Payment Date falling in [specify month and year]] [The Notes are Perpetual Notes Guaranteed on a Subordinated Basis and accordingly have no Maturity Date]
11. Interest Basis: [[ ] per cent. Fixed Rate]  
[[specify reference rate] +/-  
[ ] per cent. Floating Rate]  
[Zero Coupon]  
[Variable Coupon Amount]
12. Redemption Amount: [Principal Amount/[other]]
13. Change of Interest or Redemption Amount: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
14. Terms of redemption at the option of the Issuer/ Noteholder or other Issuer's/Noteholders's option: [ ]  
[(further particulars specified below)]
15. [(i)] Status of the Notes: [ ]
- [(ii)] Status of the Guarantee: [Senior/Senior Subordinated/Junior Subordinated]
16. Listing: [ ]
17. Method of distribution: [Syndicated/Non-syndicated]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

18. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interests Rate[s]: [ ] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year
- (iii) Interest Period Dates: [ ]
- (iv) Fixed Coupon Amount[(s)]: [ ] per [ ] in Principal Amount
- (v) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]

- (v) Other terms relating to the method of calculating interest for Fixed Interest Rate Notes: [Not Applicable/give details]  
(Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)
- 19. Floating Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate after 1 January 1999)
- (i) Interest Determination Date: [[ ] Business Days in [specify city] prior to [the first day in each Interest Period/each Interest Payment Date]
- (ii) Benchmark: [EURO BBA LIBOR, EURIBOR or other benchmark]
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (iv) Relevant Financial Centre: [ ]
- (v) Reference Banks: [specify four]
- (vi) Spread (if applicable): [ ] per cent. per annum
- (vii) Spread Multiplier (if applicable) [ ]
- (viii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Agent]): [ ]
- (ix) Relevant Time (if applicable) [ ]
- (x) Screen Rate Determination:
- Reference Rate: [ ]
- Interest Determination Date(s): [ ]
- Relevant Screen Page: [ ]
- (x) Minimum Interest Rate: [ ] per cent. per annum
- (xi) Maximum Interest Rate: [ ] per cent. per annum
- (xii) Day Count Fraction: [ ]
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- 20. Zero Coupon Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield (Zero Coupon/High Interest/Low Interest Note): [ ] per cent. per annum
- (ii) Reference Price (Zero Coupon/High Interest/Low Interest Note): [ ]

- (iii) Any other formula/basis of determining amount payable: [ ]
21. **Variable Coupon Amount Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: *[give or annex details]*
- (ii) Calculation Agent responsible for calculating the interest due: [ ]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [ ]
- (iv) Interest Period Dates/Interest Payment Dates: [ ]
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other *(give details)*]
- (vi) Relevant Financial Centre: [ ]
- (vii) Minimum Interest Rate: [ ] per cent. per annum
- (viii) Maximum Interest Rate: [ ] per cent. per annum
- (ix) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

22. **Redemption at the option of the Issuer or other Issuer's option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Issuer's Option Period: [ ]
- (ii) Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ]
- (iii) If redeemable in part:
- (a) minimum redemption amount: [ ]
- (b) maximum redemption amount: [ ]
23. **Redemption at the option of the Noteholder or other Noteholder's option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Noteholder's Option Period: [ ]
- (ii) Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ]
24. **Final Redemption Amount** [Par/other/see Appendix]

25. **Early Redemption Amount**

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [ ]

26. Instalment Date(s) (if applicable): [ ]

27. Instalment Amount(s) (if applicable): [ ]

28. Unmatured Coupons to become void upon early redemption: [ ]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

29. Form of Notes:

**Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].

[Registered Notes]

30. Any special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the place of payment, and not interest period end dates, to which item 19(iv) ("Relevant Financial Centre") relates]

31. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon: [No/Yes, maturing every [ ] Interest Payment Dates]

32. Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]

33. Redenomination, renominisation and reconventioning provisions: [Not Applicable/The provisions annexed to this Pricing Supplement] apply]

34. Consolidation provisions: [Not Applicable/The provisions annexed to this Pricing Supplement] apply]

35. Business Day Jurisdictions for Condition 7(g): [ ]

36. Exchange for Definitive Notes at the request of the holder at the expense of: [the Issuer/Holder]

37. The aggregate principal amount of Notes issued has been translated in U.S. dollars at the rate of [ ] (for Notes not denominated in U.S. dollars) [ ]

38. Other terms or special conditions: [Not Applicable/give details]

**DISTRIBUTION**

- 39. (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- 40. If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 41. Additional selling restrictions: [Not Applicable/*give details*]

**OPERATIONAL INFORMATION**

- 42. ISIN Code: [ ]
- 43. Common Code: [ ]
- 44. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 45. Delivery: Delivery [against/free of] payment
- 46. Calculation Agent: [ ]

**[LISTING APPLICATION**

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the U.S.\$3,000,000,000 Euro Medium Term Note Programme of **FORTIS IFICO.**]

**RESPONSIBILITY**

The Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: .....  
Duly authorised

Signed on behalf of the Guarantor:

By: .....  
Duly authorised



## **[The Banking Act 1987 (Exempt Transactions) Regulations 1997**

[The Notes constitute [commercial paper] [shorter/longer term debt securities]<sup>1</sup> issued in accordance with regulations made under section 4 of the Banking Act 1987. The Issuer of the Notes is Fortis Ifico, which is not an authorised institution or a European authorised institution (as such terms are defined in the Banking Act 1987 (Exempt Transactions) Regulations 1997). Repayment of the principal and payment of any interest or premium in connection with the Notes has been guaranteed by Fortis Bank nv-sa, which is [neither an authorised institution nor a European authorised institution] [an authorised institution, but not a European authorised institution] [not an authorised institution but which is a European authorised institution]]<sup>2</sup>.]

[The Issuer (a) has complied with its obligations under the listing rules of the [●] Stock Exchange in relation to the admission to and continuing listing of any Notes issued under the Programme and of any previous issues made by it under the Programme and listed on the same exchange; (b) confirms that it will have complied with its obligations under the listing rules of the [●] Stock Exchange in relation to the admission to listing of the Notes by the time when the Notes are so admitted; [and] (c) has not, since the last publication of information in compliance with the listing rules of the [●] Stock Exchange about the Programme, any previous issues made by it under the Programme and listed on the [●] Stock Exchange, or the Notes, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as Issuer in respect of the Notes as they fall due; and (d) has complied and will continue to comply with its obligations under the Banking Act 1987 (Exempt Transactions) Regulations 1997 to lodge all relevant information in relation to the Notes with the UK Listing Authority]<sup>3</sup>.]<sup>4</sup>

Notes:—

- (1) Include “commercial paper” if Notes must be redeemed before their first anniversary. Include “shorter” if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include “longer” if Notes may not be redeemed before their third anniversary.
- (2) Unless otherwise permitted, text to be included for all Notes (including Notes denominated in sterling) in respect of which the issue proceeds are accepted by the Issuer in the U.K.
- (3) Wording only applies where the Issuer is relying on Regulation 13(4)(b).
- (4) Unless otherwise permitted, text to be included for all Notes which are to be listed on the Official List of the UK Listing Authority or another EEA Stock Exchange. The text would not be required if the Issuer is relying on Regulation 13(4)(c) to (g) of the Regulations.

## GENERAL INFORMATION

1. Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange. Prior to the listing of any Notes, the constitutional documents of the Issuer and the Guarantor and the legal notice relating to the issue will be registered with the Registrar of the District Court in Luxembourg (*Greffier en chef du tribunal d'Arrondissement de et à Luxembourg*), where copies of these documents may be obtained upon request. Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealers may agree.
2. The issue of Notes was authorised by resolutions of the Board of Directors of the Issuer passed on 4th December, 2000 and the guarantee of the Notes was authorised by a resolution of the Executive Committee of the Guarantor passed on 9th November, 1999.
3. Each temporary Global Note, permanent Global Note, Bearer Note, Exchangeable Bearer Note, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 1 65(j) and 1287(a) of the Internal Revenue Code."
4. There are no legal or arbitration proceedings, including any which are pending or threatened, involving the Issuer or the Guarantor or any of its subsidiaries, which may have or have had during the 12 months prior to the date hereof individually or in the aggregate a significant effect on the financial position of the Issuer or the Guarantor and its subsidiaries taken as a whole.
5. Save as disclosed herein, since 31st December 1999, there has been no significant change in the financial or trading position and no material adverse change in the financial position or prospects of the Issuer or the Guarantor and its subsidiaries taken as a whole.
6. Bearer Notes and Exchangeable Bearer Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code given by the Euroclear Operator and Clearstream, Luxembourg, together with the relevant ISIN number for each Series of Notes will be set out in the relevant Pricing Supplement.
7. Each Pricing Supplement will contain, *inter alia*, the following information in respect of the issue of Notes to which it relates:—
  - (i) Series No.;
  - (ii) principal amount of the Notes;
  - (iii) the form of the Notes;
  - (iv) issue date and interest commencement date;
  - (v) currency and denomination;
  - (vi) maturity date/redemption month (if any);
  - (vii) issue price;
  - (viii) interest rate, spread, the interest period, any maximum or minimum rate of interest and all other information required to calculate interest amounts (including basis for calculating interest payable on Variable Coupon Amount Notes, if applicable);
  - (ix) interest payment dates;
  - (x) basis for calculating redemption amounts payable in respect of Zero Coupon Notes, Variable Redemption Amount Notes, High Interest Notes or Low Interest Notes, if applicable;
  - (xi) the currencies in which payments will be made in respect of Dual Currency Notes;
  - (xii) the common code given by the Euroclear Operator and Clearstream, Luxembourg and the ISIN number;
  - (xiii) whether the Notes are redeemable prior to their stated maturity at the option of the Issuer or the Guarantor and/or the Noteholders and the terms relating thereto;

- (xiv) the amortisation yield in respect of Zero Coupon Notes;
- (xv) whether or not the Notes will be listed and, if listed, the relevant stock exchange;
- (xvi) the name of any Stabilising Agent;
- (xvii) the rate of exchange (if any) at which the principal amount of the tranche issued has been converted into U.S. dollars;
- (xviii) whether the Guarantee is subordinated or unsubordinated;
- (xix) whether the Notes will be Subordinated Perpetual Notes or not;
- (xx) the details of any additional Dealers appointed in respect of any issue of Notes;
- (xxi) details of the Calculation Agent, if any;
- (xxii) the name of the Principal Paying Agent (if not the Fiscal Agent);
- (xxiii) any additional selling restrictions;
- (xxiv) the name and specified office of the Paying Agent in France (where applicable);
- (xxv) the name of the specialist broker in France (where applicable); and
- (xxvi) any other relevant information which is not inconsistent with the Programme or the terms of the Agency Agreement.

Copies of each Pricing Supplement relating to a Series of Notes which is to be listed on the Luxembourg Stock Exchange will be made freely available at the office of the Listing Agent in Luxembourg.

8. For so long as the Programme remains in effect or any Notes remain outstanding, the following documents (together, in the case of any document not in the English language, with an English translation thereof) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection and, in the case of paragraphs (v), (vi), and (vii) below, may be obtained free of charge, at the registered office of the Issuer and at the office of the Fiscal Agent and the Paying Agent in Luxembourg:

- (i) the Agency Agreement (which includes the form of the Global Notes, the Definitive Notes in Bearer and Registered Form, the Guarantees, the Coupons, Receipts and Talons);
- (ii) the Distribution Agreement;
- (iii) the Deed of Covenant;
- (iv) the Memorandum and Articles of Association of the Issuer and the Articles of Association of the Guarantor;
- (v) the latest audited annual accounts of the Issuer and the Guarantor, respectively, for the year ended 31st December, together with any explanatory notes and auditors' report accompanying such accounts. The Guarantor publishes consolidated and non-consolidated accounts: neither the Issuer nor the Guarantor publish any interim accounts;
- (vi) each Pricing Supplement for Notes which are listed on the Luxembourg Stock Exchange or any other stock exchange; and
- (vii) a copy of this Offering Circular or any further Offering Circular together with any supplement thereto.

9. The business address of all the members of the Board of Directors of the Issuer is C/o MeesPierson (Cayman) Limited, P.O. Box 20031 GT, George Town, Grand Cayman, Cayman Islands and of the Board of Directors of the Guarantor is Montagne du Parc 3 B-1000 Brussels, Belgium.

10. The financial statements of the Issuer for the years ended 31st December, 1996 and 1997 have been audited without qualification by Coopers & Lybrand, chartered accountants, in accordance with the laws of the Cayman Islands. The financial statements of the Issuer for the year ended 31st December, 1998 have been audited without qualification by PricewaterhouseCoopers, chartered accountants, in accordance with the laws of the Cayman Islands. The 1997 and 1998 financial statements of the Guarantor have been audited without qualification by Ernst & Young, represented by Pierre Anciaux and Klynveld Peat Marwick

Goerdeler Réviseurs d'Entreprises S.C.C., represented by Virgile Nijs, Partner, in accordance with the laws of Belgium.

The 1999 financial statements of the Guarantor, except for the 1998 pro forma comparative figures, have been audited without qualification by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C., represented by Daniel Van Woensel, Partner, Avenue du Cortenberg 75 B-1000 Brussels and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., represented by Virgile Nijs, Partner, Avenue du Bourget 40, B-1130 Brussels in accordance with the laws of Belgium.

11. All amounts payable by the Issuer or the Guarantor in respect of the Notes, the Guarantees, the Agency Agreement and the Deed of Covenant may be made free and clear of and without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Cayman Islands or the Kingdom of Belgium or any political subdivision thereof or any authority therein or thereof having power to tax save as set out in "Belgian Taxation".

12. The Memorandum and Articles of Association of the Issuer have not been amended since its incorporation on 14th June, 1988, save for the special resolution changing the name of the Issuer dated 31st August, 1999; the Articles of Association of the Guarantor have not been amended since 23rd June, 1999.

13. Notes (including Sterling Notes) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom and which are issued pursuant to an exempt transaction under regulation 13(1) or (3) of the Banking Act 1987 (Exempt Transactions) Regulations 1997 (the "Regulations") will constitute commercial paper, or shorter term debt securities or longer term debt securities (in each case, as defined in the Regulations), as specified in the applicable Pricing Supplement, in each case issued in accordance with regulations made under Section 4 of the Banking Act 1987. The Issuer is not an authorised institution or a European authorised institution (as such terms are defined in the Regulations) and repayment of the principal and payment of any interest or premium in connection with such Notes will be guaranteed by the Guarantor which is not an authorised institution or a European authorised institution.

In relation to any Notes which are issued pursuant to an exempt transaction under regulation 13(3) of the Regulations where such Notes would fall within regulation (13(4)(a) or (b) of the Regulations:

- (a) the Issuer confirms that, as at the date hereof, it has complied with its obligations under the relevant rules (as defined in the Regulations) in relation to the admission to and listing of any Notes issued under the Programme and of any previous issues made under it and listed on the same exchange;
- (b) the Issuer confirms that it will have complied with its obligations under the relevant rules in relation to the admission to listing of such Notes issued under the Programme by the time when such Notes are so admitted; and
- (c) the Issuer confirms that, as at the date hereof, it has not, since the last publication, if any, in compliance with the relevant rules of information about any Notes issued under the Programme, any previous issues made under it or the listing of any Notes issued under the Programme falling within regulation 13(4)(a) or (b) of the Regulations, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as Issuer in respect of such Instruments issued under the Programme as they fall due.

In relation to Notes which are to be an exempt transaction under regulation 13(3) of the Regulations and fall within regulation 13(4)(b) of the Regulations, the Issuer confirms that, as at the date hereof, it has complied and will continue to comply with its obligations under the Regulations to lodge all relevant information (as defined in the Regulations) in relation to any such Instruments with the UK Listing Authority.

It should be noted that the foregoing shall not be taken as a representation or implication of any present or future statement or certification by or on behalf of the Luxembourg Stock Exchange.

14. Notes with a maturity of less than one year to be issued under the Programme have been rated A– 1+ by Standard & Poor's Ratings Group and P1 by Moody's Investors Service, Inc., who have respectively rated Notes with a maturity of more than one year, guaranteed on a senior unsubordinated basis, to be issued under the Programme AA– and Aa3.

*Notes guaranteed on a senior subordinated basis to be issued under the Programme have been rated A+ by Standard & Poor's Ratings Group and A1 by Moody's Investors Service, Inc., who have respectively rated Notes guaranteed on a junior subordinated basis to be issued under the Programme have been rated A and A1.*

#### **15. Proposed European Directive on the Taxation of Savings**

In May 1998, the European Commission presented to the Council of Ministers of the European Union a proposal to oblige Member States to adopt either a "withholding tax system" or an "information reporting system" in relation to interest, discounts and premiums. It is unclear whether this proposal will be adopted, and if it is adopted, whether it will be adopted in its current form. The "withholding tax system" would require a paying agent established in a Member State to withhold tax at a minimum rate of 20 per cent. from any interest, discount or premium paid to an individual resident in another Member State unless such an individual presents a certificate obtained from the tax authorities of the Member State in which the individual is resident confirming that those authorities are aware of the payment due to that individual. The "information reporting system" would require a Member State to supply, to other Member States, details of any payment of interest, discount or premium made by paying agents within its jurisdiction to an individual resident in another Member State. For these purposes, the term "paying agent" is widely defined and includes an agent who collects interest, discounts or premiums on behalf of an individual beneficially entitled thereto. If this proposal is adopted, it will not apply to payments of interest, discounts and premiums made before 1st January, 2001.

16. The Luxembourg Stock Exchange has allocated the number 9475 to the Programme for listing purposes.

17. Schroder is a trademark of Schrodgers Holdings plc and is used under licence by Salomon Brothers International Limited.

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