

BASE PROSPECTUS



FORTIS BANK nv-sa

(INCORPORATED AS A PUBLIC COMPANY WITH LIMITED LIABILITY (NAAMLOZE VENNOOTSCHAP/SOCIÉTÉ ANONYME) UNDER THE LAWS OF BELGIUM, ENTERPRISE NO. 0403.199.702, REGISTER OF LEGAL ENTITIES OF BRUSSELS)

AND

FORTIS LUXEMBOURG FINANCE S.A.

(INCORPORATED AS A SOCIÉTÉ ANONYME UNDER THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG REGISTERED WITH THE LUXEMBOURG REGISTRY OF COMMERCE AND COMPANIES UNDER NO. B 24,784)

UNCONDITIONALLY* AND IRREVOCABLY GUARANTEED BY

FORTIS BANK nv-sa

EUR 30,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

FORTIS BANK nv-sa and Fortis Luxembourg Finance S.A. are part of Fortis

Under this Euro Medium Term Note Programme (the "**Programme**"), FORTIS BANK nv-sa ("**Fortis Bank**") and FORTIS LUXEMBOURG FINANCE S.A. ("**Fortis Luxembourg**") and together with Fortis Bank, the "**Issuers**" and each an "**Issuer**" may, from time to time, issue Euro Medium Term Notes (the "**Notes**"), subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate approval or other consents. Notes issued by Fortis Luxembourg will be guaranteed on a subordinated or unsubordinated basis by Fortis Bank nv-sa (the "**Guarantor**").

This base prospectus prepared in connection with the Programme constitutes a base prospectus for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**"), as revised, supplemented or amended from time to time by the Issuers and the Guarantor (the "**Base Prospectus**"). As a result, Notes issued under the Programme may be offered to the public or/and admitted to trading on a regulated market (as defined in Directive 93/22/EEC) as more fully described below and subject to the relevant implementing measures of the Prospectus Directive in the relevant Member State.

Notes issued under the Programme may be in the form of the new global note, the new format for international debt securities which will ensure compliance of the Notes with European Central Bank ("**ECB**") Standard 3 eligibility criteria for use as collateral in Eurosystem monetary operations.

A general description of the Programme can be found on page 21. The aggregate principal amount of Notes outstanding from time to time will not exceed EUR 30,000,000,000 (or the equivalent in other currencies, as calculated by reference to the aggregate principal amount of the Notes), subject to any duly authorised increase. 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. The Notes may also be redeemed by delivery of shares, bonds or loans. 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 Tranche will be set forth in a set of final terms to this Base Prospectus which is the final terms document substantially in the relevant form set out in the section entitled "**Forms of Final Terms**" on page 209 which will be completed at the time of the agreement to issue each Tranche of Notes and which will constitute final terms for the purposes of Article 5.4 of the Prospectus Directive (the "**Final Terms**").

The Issuers may redeem the Notes if certain changes in Luxembourg or Belgian taxation law occur or, if the Final Terms issued in respect of any Series so provides, in the circumstances set out in it. An Issuer and, if applicable, the Guarantor, may agree with any Dealer (as defined below) that Notes may be issued, offered to the public, and/or admitted to trading on a regulated market in a form not contemplated by the Terms and Conditions of the Notes described in this Base Prospectus, in which event a supplement to the Base Prospectus or, if appropriate, a Drawdown Prospectus (as defined below), will be submitted for approval to the relevant competent authority and will be made available.

In the case of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Moreover, an investment in Notes issued under the Programme involves certain risks. **Prospective investors and purchasers should consider the investment considerations set forth in the section entitled "Risk Factors" on page 5 as well as the selling restrictions as set out in the section entitled "Plan of Distribution" on page 201.**

This Programme has been rated by Moody's Investors Service Limited ("**Moody's**"), Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies Inc. ("**S&P**"), and Fitch IBCA. Nevertheless, some Tranches of Notes issued under the Programme may be assigned a specific rating that will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the relevant assigning rating agency. A brief explanation of the meaning of the ratings is included on page 266 of this Base Prospectus.

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg Law dated 10 July 2005 on prospectuses for securities, and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Consequently Notes issued under the Programme may be offered to the public, in accordance with the requirements of the Prospectus Directive.

The Issuers have requested the CSSF to provide to the relevant competent authority of the Netherlands, Belgium, France, Poland, Spain and Italy respectively, with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Issuers reserve the right to request the CSSF to provide the competent authority of any other host Member State, in the meaning of the Prospectus Directive, with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive, such notification being accompanied by the relevant translation of the summary of this Base Prospectus, if applicable.

The Notes will be offered by the Issuers through Fortis Bank nv-sa, ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, BNP Paribas, CALYON, Citigroup Global Markets Limited, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Merrill Lynch International, Société Générale, The Royal Bank of Scotland plc and UBS Limited (the "**Dealers**"), which expression shall include any additional Dealers appointed under this Programme from time to time, for a specific Tranche of Notes or on an ongoing basis, and details of which in relation to each Tranche will be set forth in the relevant Final Terms). The Issuers 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 underwritten by two or more Dealers on a several basis only or on a joint and several basis. For further details, please refer to the section entitled "**Plan of Distribution**" on page 201.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange under the Prospectus Directive during the period of 12 months after the date of publication of this Base Prospectus. Application has been made to the AIAP Fixed Income Market ("**AIAP**"), Euronext Amsterdam N.V. ("**Euronext Amsterdam**"), Euronext Brussels ("**Euronext Brussels**"), Euronext Paris S.A. ("**Euronext Paris**") and the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) ("**GPW S.A.**") for Notes issued under the Programme to be admitted to listing and trading on the respective regulated markets of the AIAP in Spain, Eurolist by Euronext Amsterdam in The Netherlands, Eurolist by Euronext Brussels in Belgium, Eurolist by Euronext Paris in France and GPW S.A. in Poland. The CSSF has been requested to provide the Spanish Comisión Nacional del Mercado de Valores (the "**NM**"), the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**"), the Belgian Bank Finance and Insurance Commission (*Commission bancaire, financière et des assurances*, the "**BFIC**"), the French *Autorité des marchés financiers* (the "**AMF**"), the Polish *Komisja Papierów Wartościowych i Giełd* (the "**KPWIG**") and the Italian *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (in their respective capacities as the relevant host Member States) (as defined below) competent authority for the purposes of the Prospectus Directive) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. However, please refer to the section entitled "**Plan of Distribution**" for a description of certain restrictions in relation to the admission to trading of certain Notes on Euronext Amsterdam. Application will also be made to the Swiss Exchange ("**SWX**") for Notes issued under the Programme to be admitted to listing and/or trading on SWX. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuers. Under the Luxembourg Law dated 10 July 2005 on prospectuses for securities, which implements the Prospectus Directive, prospectuses relating to an offering to the public or to the admission to trading on a regulated market of money market instruments with a maturity at issue of less than 12 months that also comply with the definition of securities are not subject to the approval provisions of such law and do not have to be approved by the CSSF.

Each Tranche of Notes in bearer form will, unless otherwise provided on the Final Terms, initially be represented by a temporary global Note which will be deposited on the issue date with a common depository or a common safekeeper (as the case may be) on behalf of Euroclear Bank S.A./N.V., ("**Euroclear**") 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 the section entitled "**Summary of Provisions relating to Global Notes**" on page 144. In the case of Notes issued by Fortis Bank and if so provided in the relevant Final Terms, the Notes will be represented by a permanent Global Note which will be deposited on or about the issue date with the National Bank of Belgium or any successor thereto (the "**NBB**") as operator of the X/N System or its custodian.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises from the relevant Issuer, the Guarantor or the Dealers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made on or prior to the date specified for such purpose in such prospectus or Final Terms as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the relevant Issuer, the Guarantor nor the Dealers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Dealers to publish or supplement a prospectus for such offer.

* In the case of Junior Subordinated Notes issued by Fortis Luxembourg 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 Fortis Luxembourg, the Guarantor shall become the principal debtor and the Noteholders shall cease to have any rights or claims against Fortis Luxembourg, as more fully described in the section entitled "**Terms and Conditions of the Notes — Status and Guarantees**" and "**Terms and Conditions of the Notes — Events of Default**".

Arranger for the Programme

FORTIS BANK

Dealers

ABN AMRO
BARCLAYS CAPITAL
CALYON CORPORATE AND INVESTMENT BANK
FORTIS BANK
HSBC
LEHMAN BROTHERS
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
BNP PARIBAS
CITI
GOLDMAN SACHS INTERNATIONAL
JPMORGAN
MERRILL LYNCH INTERNATIONAL
THE ROYAL BANK OF SCOTLAND

UBS INVESTMENT BANK

This Base Prospectus is dated 9 July 2007.

This Base Prospectus supersedes all previous offering circulars or base prospectuses in connection with the Programme. Any Notes issued under the Programme are issued subject to the provisions set out herein. This does not affect any Notes already issued or any Notes issued after the date of this Base Prospectus and forming a single Series with Notes issued prior to the date of this Base Prospectus. This Base Prospectus should be read in conjunction with any supplement hereto and any other documents or information incorporated herein by reference and, in relation to any Tranche of Notes which is subject to Final Terms, must be read and construed together with the relevant Final Terms.

Responsibility Statement

This Base Prospectus has been prepared for the purpose of giving information with regard to the Issuers, the Guarantor, their respective subsidiaries (if any) and the Notes.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus. The Issuer and the Guarantor declare that, having taken all reasonable care to ensure that such is the case the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Notice

Each of the Issuers and the Guarantor have confirmed to the Dealers that this Base Prospectus (subject to being supplemented by the relevant Final Terms) 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 Issuers and, where applicable, the Guarantor and of the rights attaching to the relevant Notes.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein in the section entitled "*Terms and Conditions of the Notes*" (the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche called Final Terms or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described in the section entitled "*Final Terms and Drawdown Prospectuses*" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

This Base Prospectus should be read and construed with any supplement hereto and with any other documents or information incorporated by reference herein and in relation to any Tranche (as defined herein) of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

Neither of the Issuers nor the Guarantor have authorised the making or provision of any representation or information regarding the Issuers, the Guarantor or the Notes other than as contained or incorporated by reference in this Base Prospectus or any Final Terms or as approved for such purpose by the Issuers or the Guarantor. Any such representation or information should not be relied upon as having been authorised by the Issuers, the Guarantor or any Dealer.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change or any event reasonably likely to involve any adverse change in the prospects or financial or trading position of the Issuers or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied, or if different, the date indicated on the same.

The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. The Notes have not been and will 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 Base Prospectus please refer to the section entitled "*Plan of Distribution*" of this Base Prospectus.

Neither this Base Prospectus nor any Final Terms constitutes 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 and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that the recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers and the Guarantor.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus, nor separately verified the information contained in this Base Prospectus and none of them makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus 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 Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus 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 Base Prospectus and in the relevant Final Terms, 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 Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus 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 Manager, named in the relevant Final Terms, 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 Manager is appointed.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (**provided that**, in the case of any Tranche of Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or any other regulated market as defined in Directive 93/22/EEC, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

In this Base Prospectus, references to a “**Member State**” are references to a Member State of the European Economic Area, references to “**EUR**”, “**euro**” or “**€**” refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to “**GBP**” or “**£**” refer to Sterling, the lawful currency of the United Kingdom, references to “**dollars**”, “**U.S. dollars**”, “**U.S.\$**”, “**USD**” or “**\$**” refer to United States dollars, references to “**Japanese Yen**”, “**Yen**”, “**JPY**” and “**¥**” refer to the lawful currency of Japan, references to “**Swiss Francs**” and “**CHF**” refer to the lawful currency of Switzerland, references to “**Roubles**” refer to the lawful currency of the Russian Federation, references to “**S\$**” refer to the lawful currency of Singapore, and references to “**billions**” are to thousand millions.

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SUMMARY

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Such Base Prospectus is available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the websites of Fortis Bank (www.fortisbanking.be, www.fortis.com, www.fortisbank.be/info/beleggen/emissions.htm (in Dutch) or www.fortisbanque.be/investir (cliquez sur "Obligations" puis "Emissions (in French)). Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area no civil liability will attach to the persons taking responsibility for the Base Prospectus (the "**Responsible Persons**") in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.*

1. KEY INFORMATION ABOUT THE NOTES ISSUED UNDER THE PROGRAMME

The Notes may be issued by Fortis Luxembourg Finance S.A. ("**Fortis Luxembourg**") or by Fortis Bank nv-sa ("**Fortis Bank**") (each an "**Issuer**" and together the "**Issuers**"). Each of the Notes issued by Fortis Luxembourg have the benefit of a guarantee from Fortis Bank (the "**Guarantor**"). The guarantee relating to such Notes may be a senior guarantee, a senior subordinated guarantee or a junior subordinated guarantee.

The Arranger of this Euro Medium Term Note Programme is Fortis Bank. The Fiscal Agent, Principal Paying Agent and Luxembourg Listing Agent is Fortis Banque Luxembourg S.A.

The Issuers may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in any currency. The aggregate principal amount of Notes outstanding will not at any time exceed EUR 30,000,000,000 (or its equivalent in other currencies), subject to any duly authorised increase.

The Notes may be issued in bearer form or (in the case of Notes issued by Fortis Luxembourg only) in registered form, with or without interest coupons, and in certain circumstances, in denominations of not less than EUR 1,000 (or nearly equivalent in another currency).

The Notes may be issued as unsubordinated obligations, senior subordinated obligations or junior subordinated obligations of the relevant Issuer. The Notes will have the benefit of a negative pledge and the events of default set out in the section entitled "*Terms and Conditions of the Notes*".

The aggregate principal amount, any interest rate or interest calculation, the issue price, maturity, redemption amount, optional redemption and any other terms and conditions not contained herein with respect to each Tranche of Notes will be established at the time of issuance and set forth in the relevant Final Terms.

The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law except for (i) in the case of Notes issued by Fortis Luxembourg, Conditions 3(b) and 3(c) which shall be governed by, and construed in accordance with Luxembourg law and Conditions 3(e) and 3(f) which shall be governed by, and construed in accordance with Belgian law and (ii) in the case of Notes issued by Fortis Bank, Conditions 3(b), 3(c) and 11(a)(ii) which shall be governed by, and construed in accordance with Belgian law. Guarantees to which Condition 3(d) applies are governed by, and shall be construed in accordance with English law. Guarantees to which Condition 3(e) applies and Guarantees to which Condition 3(f) applies are governed by, and shall be construed in accordance with, the laws of the Kingdom of Belgium.

A general description of the Programme can be found on page 21 of the Base Prospectus.

The distribution of the Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Prospective investors and purchasers should consider the selling restrictions as set out in the section entitled "*Plan of Distribution*" on page 201 of this Base Prospectus.

2. ESSENTIAL CHARACTERISTICS OF THE ISSUERS AND THE GUARANTOR

Fortis Luxembourg's object is to grant loans to companies which are members of the Fortis group and may issue bonds or similar securities, raise loans, with or without a guarantee and in general have recourse to any sources of finance. Fortis Luxembourg is incorporated as a *société anonyme* under the Laws of the Grand Duchy of Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under N° B24784. Fortis Luxembourg's registered office is at 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg.

Fortis Luxembourg's issued and authorised share capital at 31 December 2006 is EUR 500,000 represented by 20,000 ordinary shares with a nominal value of EUR 25 each, which are fully paid-up. Fortis Luxembourg has no other classes of shares.

Fortis Luxembourg is part of Fortis (as defined below) and acts as a financing vehicle for Fortis. Fortis Bank holds 99.995 per cent, of Fortis Luxembourg's shares.

Fortis Luxembourg has no subsidiaries and therefore its financial statements are produced on an unconsolidated basis.

2.1 Fortis Bank

Fortis Bank is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law and its registered office and headquarters are based in Brussels, Montagne du Parc 3. Fortis Bank was established for an indefinite period. Fortis Bank was incorporated in Brussels on 5 December 1934 and is registered in the Register of Legal Entities of Brussels under the number 0403.199.702.

As stated in article 3 of its Articles of Association, Fortis Bank's object is to carry on the business of a credit institution, including brokerage and transactions involving derivatives. 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 that 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, including its subsidiaries, regroups the banking activities of the Fortis group ("**Fortis**"), an international provider of banking and insurance services. Fortis offers its personal, business and institutional customers a total package of financial products and services through its own high-performance channels and via intermediaries and other partners.

Fortis Bank combines the banking activities of Fortis and operates on a cross-border basis. Its organisation is centred around 2 businesses:

- Retail Banking, providing financial services to retail customers, self-employed, professionals and small businesses. Over six million active customers in nine countries currently use its integrated banking and insurance services, through proprietary and third-party networks, all embedded in a multi-channel environment;
- Merchant & Private Banking, offering tailored financial products and skill-oriented services to large international companies and institutions, to Europe-oriented medium-sized enterprises and entrepreneurs, and to private banking clients. This business has established a strong regional or global position in many of its products and skills, making it well-placed to capture growth opportunities;

Each business comprises several business lines which, in turn, group together activities focusing on specific customers or skills segments.

Moreover, the businesses are able to rely on five support functions – Group Resources, Finance, Investments, Risk and Strategy – which are each headed by a member of the Executive Committee. This operating model will allow the organisation to better leverage its core competences, align resources and extract cross-border synergies.

In accordance with the principle of autonomy of the banking function, the decision-making and management structure of Fortis Bank is based on a distinction between the Management Committee and the Board of Directors.

The management of the activities 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 and holds the power to nominate and discharge the members of the Management Committee within the limits of the Protocol on banking autonomy.

All matters not determined by law or the articles of association for the General Shareholders Meeting are the responsibility of the Board of Directors or the Management Committee.

There have been no recent events particular to Fortis Bank which are to a material extent relevant to the evaluation of Fortis Bank's solvency.

Fortis Bank is part of Fortis, which comprises Fortis SA/NV and Fortis N.V., and their respective subsidiaries ("**Fortis group**" or "**Fortis**"). Fortis Bank is approximately 100 per cent. owned by Fortis SA/NV and Fortis N.V. through their subsidiary Fortis Brussels SA/NV.

Fortis is the market leader in banking and insurance in the Benelux region – one of Europe's wealthiest. Building on that leadership, Fortis has developed an extensive European footprint in the retail banking market, operating through a variety of distribution channels. Fortis offers skill-oriented financial services to companies, institutional clients and high net worth individuals and provides integrated solutions to the enterprise and the entrepreneur. Fortis' unique expertise has made it a regional and in some cases global leader in niche markets, such as energy in North America and fund administration, commodities and transportation worldwide. Fortis successfully combines its banking and insurance skills in growth markets in Europe and Asia, and leads the market in bancassurance in the Iberian Peninsula and Malaysia.

Fortis ranks among Europe's top 20 financial institutions, with a market capitalisation of EUR 43 billion. With excellent solvency, a presence in over 50 countries and a dedicated, professional workforce of 60,000, the company combines global strength with local flexibility.

There are no conflicts of interest on the part of the members of Fortis Luxembourg or Fortis Bank's administrative, management or supervisory bodies in relation to their duties to Fortis Luxembourg or Fortis Bank, respectively, and their private interests.

3. **RISK FACTORS**

An investment in Notes issued under the Programme involves certain risks. **Prospective investors and purchasers should in particular and among other things consider the investment considerations set forth in the section entitled "Risk Factors" on page 5 of the Base Prospectus.**

3.1 **Risk Factors relating to the Issuers and the Guarantor**

The following is a summary of some of the investment considerations relating to the business of Fortis:

- (a) As part of the financial services industry, Fortis faces substantial competitive pressures which could adversely affect Fortis' results of operations.
- (b) Market conditions can adversely affect Fortis' results.
- (c) Securities market volatility or downturns can adversely affect Fortis' banking, asset management and insurance activities.
- (d) Volatility in interest rates may adversely affect Fortis' insurance, banking and asset management businesses.
- (e) Asset illiquidity can adversely affect Fortis' business.
- (f) While Fortis manages its operational risks, these risks remain an inherent part of all of Fortis' businesses.
- (g) Fortis' insurance business is subject to risks concerning the adequacy of its technical provisions to cover future losses and benefits.
- (h) Fortis has significant counterparty risk exposure.
- (i) Catastrophic events, terrorist attacks and other acts of war could have a negative impact on Fortis' business and results.
- (j) Fortis' results of operations can be adversely affected by significant adverse regulatory developments including changes in tax law.

3.2 **Risk Factors relating to Notes issued under the Programme** An investment in Notes linked to an index, exchange rate, reference rates, shares, securities, or any other underlying entails significant risks not associated with a similar investment in fixed or floating rate debt securities.

Application has been made for the Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange. However, Notes may also be issued under the Programme whereby they will be admitted to listing, trading and/or quotation by other stock exchanges, listing authorities and/or quotation systems, or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.

The Notes shall be accepted for clearing through one or more clearing systems as specified in the relevant Final Terms. Global Notes are to be held by or on behalf of the clearing systems and therefore, potential investors will have to rely on the clearing system procedures for transfer, payment and communications with the Issuer.

The Notes may be redeemed prior to maturity at par or at such other Redemption Amount as may be specified in the relevant Final Terms.

There is at the time of issue no active trading market for the Notes unless, in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued and for which there is such a market.

RISK FACTORS

Prospective investors should read the entire Base Prospectus. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this section. Investing in the Notes involves certain risks. In addition, the purchase of certain Notes may involve substantial risks and be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Instruments. Prospective investors should make such inquiries as they deem necessary without relying on the Issuer or any dealer and should consult with their financial, tax, legal, accounting and other advisers, prior to deciding to make an investment in the Notes. Prospective investors should consider, among other things, the following:

1. RISK RELATING TO THE NOTES GENERAL RISK RELATING TO THE NOTES

(a) ***There is no active trading market for the Notes.***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuers and the Guarantor. Although application has been made for the Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

(b) ***The Notes may be redeemed prior to maturity.***

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that an Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Belgium or Luxembourg or any political subdivision thereof or any authority therein or thereof having power to tax, the relevant Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the relevant Issuer's option in certain other circumstances such Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

(c) ***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and/or (in the case of Notes issued by Fortis Luxembourg) the Guarantor.***

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or, the NBB in the case of Notes issued by Fortis Bank where the relevant Global Note is deposited with the NBB as operator of the X/N System. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg or the NBB, as the case may be will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg or the NBB, as the case may be.

While the Notes are represented by one or more Global Notes the relevant Issuer and (in the case of Notes issued by Fortis Luxembourg) the Guarantor will discharge their payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or the NBB, as the case may be for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg or the X/N System, as the case may be, to receive payments under the relevant Notes. The Issuers and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg or the NBB, as the case may be to appoint appropriate proxies. Similarly, holders

of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Finally, Fortis Bank's credit ratings may not reflect the potential impact of the various risks that could affect the market value of the Notes. Accordingly, prospective investors should consult their own financial and legal advisers as to the risks an investment in the Notes may entail and the suitability of the Notes in light of their particular circumstances.

(d) ***Taxation.***

Potential investors of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing Notes and receiving payments of interest, principal and/or other amounts or delivery of securities under the Notes and the consequences of such actions under the tax laws of those countries.

(e) ***The Notes or the Guarantees may be subordinated to most of the Issuers' and the Guarantor's liabilities.***

If the relevant Issuer or the Guarantor is declared insolvent and any applicable winding up, bankruptcy, insolvency or other similar or analogous proceedings are initiated, such Issuer or the Guarantor (as the case may be) will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors and depositors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the relevant subordinated Notes. If this occurs, the relevant Issuer or Guarantor (as the case may be) may not have enough assets remaining after these payments to pay amounts due under the Notes or the Guarantees (as the case may be).

(f) ***Credit Rating.***

The credit rating of a Tranche of Notes (if any) will be provided in the relevant Final Terms. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings described herein. 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. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

(g) ***Stub Amounts***

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of EUR 50,000 (or its equivalent) that are not integral multiples of EUR 50,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

(h) ***Changes to the Basel Capital Accord***

The Basel Committee on Banking Supervision has issued proposals for reform of the 1988 Capital Accord and has proposed a framework which places enhanced emphasis on market discipline and sensitivity to risk. The third consultative paper on the New Basel Capital Accord was issued on 29 April 2003, with the consultation period ending on 31 July 2003. The committee announced on 11 May 2004 that it had achieved consensus on the remaining issues and published the text of the new framework on 26 June 2004 under the title Basel II: International Convergence of Capital Measurement and Capital Standards: a revised framework. This framework will serve as the basis for national and supernational rule-making and approval processes to continue and for banking organisations to complete their preparations for implementation of the new framework. The committee confirmed that it is currently intended that the various approaches under the framework will be implemented in stages, some from year-end 2006; the most advanced at year-end 2007. The new framework could affect the risk weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by the new framework. Consequently, prospective investors in the Notes should consult their own advisers as to the consequences to and effect on them of the potential application of the new framework. The Issuer and the Dealers cannot predict the precise effects of potential changes, which might result if the new framework were implemented in its current form and are not responsible for informing Noteholders thereof.

(i) ***The newness of debt instruments that are both denominated and settled in Roubles.***

Offerings of debt instruments that are both denominated and settled in Roubles such as may be the case with any Series of Notes that are so denominated, are a new phenomenon in the international capital markets.

This, coupled with the inexperience of both Euroclear and Clearstream, Luxembourg (the “Clearing Systems”) and the Russian and international banking systems in dealing with Rouble payments and Rouble accounts, could lead to unforeseen difficulties, which may have an adverse effect on the liquidity, marketability or trading price of such Notes. In particular:

- Debt instruments that are both denominated and settled in Roubles have not previously been accepted for clearance through the Clearing Systems. Roubles became an eligible settlement currency of Clearstream, Luxembourg with effect from 15 January 2007 and of Euroclear from 12 February 2007. Due to the lack of experience of the Clearing Systems with settling, clearing and trading debt instruments that are both denominated and settled in Roubles, there can be no guarantee that such clearing, settlement and trading procedures will progress smoothly or in a way which is comparable to procedures carried out with respect to instruments denominated in more conventionally settled currencies such as U.S. dollar or euro.
- Russian law previously prohibited or otherwise severely restricted the transfer and holding of Roubles offshore and their repatriation onshore. Although these restrictions have now been lifted for non-residents (save for some restrictions which apply to the regime of residents’ accounts held outside of Russia), there is still no specific tested framework under Russian law for transferring or holding Roubles in offshore Rouble accounts. As with much recent Russian legislation, there is extremely limited or non-existent regulatory or court practice in interpreting these regulations. If restrictions or prohibitions were placed on the transfer and holding of Roubles offshore or if such legislation was reinterpreted by the Russian regulators or courts to the effect that restrictions were still deemed to apply to the transfer and holding of Roubles offshore, this would severely hinder Noteholders’ ability to receive payments of principal or interest under such Notes or proceeds from the sale of such Notes.
- Payments of principal and interest under such Notes and proceeds from the sale of such Notes will be made in Roubles. All payments of Roubles to, from, or between Rouble accounts located outside Russia is expected to be made via onshore correspondent accounts within the Russian banking system. The Russian banking system is less developed than many of its Western counterparts and at present has little experience in dealing with payments relating to eurobonds or similar international debt instruments. Consequently there is a risk that payments of both principal and interest under such Notes and proceeds from the sale of such Notes, which need to pass through the Russian banking system, will be subject to delays and disruptions which may not exist in more mature banking markets.
- In order for Noteholders of such Notes to remove Roubles received from payments of principal and interest on such Notes and proceeds from the sale of such Notes from the Clearing Systems, they will need to hold a bank account denominated in Roubles. The administrative difficulties associated with opening Rouble accounts outside Russia are significant. Non-resident Noteholders may also encounter considerable procedural difficulties with opening Rouble accounts onshore in Russia. There can therefore be no guarantee that Noteholders will be able to successfully open up a Rouble bank account either offshore or in Russia or transfer Rouble payments made under such Notes out of the Clearing Systems.

1.1 RISK RELATING TO PARTICULAR NOTES

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

(a) **Notes subject to optional redemption by the Issuer**

If in the case of any particular Tranche of Notes the Final Terms specifies that the Notes are redeemable at the Issuer’s option in certain circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

(b) **Fixed Rate Notes**

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

(c) **Floating Rate Notes**

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the Final Terms) of the reference rate (e.g. every three months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

(d) **Inverse Floating Rate Notes**

Investments in Notes which bear interest at an inverse floating rate comprise (i) a fixed base rate minus (ii) a reference rate. The market value of such Notes typically is more volatile than the market value of floating rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

(e) **Fixed to Floating Rate Notes**

Fixed to floating rate Notes initially bear interest at a fixed rate. Conversion from a fixed rate to a floating rate then takes place either automatically or at the option of the Issuer (if certain predetermined conditions are met or at the sole discretion of the Issuer). The conversion (whether automatic or optional) of the interest rate will affect the secondary market and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes.

(f) **Notes issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

(g) **Variable rate Notes with a multiplier or other leverage factor**

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

(h) **Variable rate Notes**

(i) **General**

Prospective purchasers of the Notes are warned that interest, may be affected by, *inter alia*, the value of the underlying. Prospective purchasers of the Notes should make their own independent evaluation of the risks associated with an investment in the Notes. The kind of Notes mentioned below is only a part of the variable rate structures that can be issued under the Programme.

(ii) **Snowball Notes**

Interest is generally payable annually in arrear. At the end of the first Interest Period, investors shall receive a gross coupon of a fixed rate per annum, payable on the first Interest Payment Date.

Thereafter, for the period from, and including, the first Interest Payment Date to, but excluding the Maturity Date, the Notes will bear interest according to a formula which is dependant on the evolution of a reference rate (e.g. the 12 month EURIBOR).

The formula is composed of the interest rate paid at the previous Interest Payment Date plus a predetermined additional output which grows every year minus the reference rate.

The value of this variable rate mechanism is included in the pricing of the Notes (determination of the conditions, level of the first fixed rate).

(iii) **Thunderball Notes**

Interest is generally payable annually in arrear. At the end of the first Interest Period, investors shall receive a gross coupon of a fixed rate per annum, payable on the first Interest Payment Date.

Thereafter, for the period from, and including, the first Interest Payment Date to, but excluding the Maturity Date, the Notes will bear interest dependant on the quotations of a reference rate as more fully specified under the formula mentioned in the relevant Final Terms. Therefore, the quotations will affect the interest payable on the relevant Interest Payment Date.

The formula is a percentage of the interest rate paid at the previous Interest Payment Date minus the reference rate. The Interest Rate applicable for each Interest Period, such rate being determined in accordance with the formula, will be of a maximum fixed rate per annum.

(iv) **Range Accrual Notes**

The Notes will bear interest dependant on the daily evolution of a reference rate (e.g. the 12 month EURIBOR) during the entire interest period preceding the interest payment date, compared to a reference range. The interest rate will be calculated on the basis of the number of calendar days or business days for which the reference rate is at or within the reference range. The reference range can be fixed or not.

The formula to determine the interest rate is a percentage times the number of calendar days or business days in the interest period for which the reference rate is at or within the reference range on the total number of calendar days or business days in the Interest Period.

(v) **CMS Linked Notes**

The interest on the Notes is linked to (i) the performance of the 10 year Euro Constant Maturity Swap (CMS) Rate and (ii) the development of the difference between such rate ("**EUR 10 Yr CMS**") and the 2 year Euro Constant Maturity Swap Rate ("**EUR 2 Yr CMS**"). Both rates give an indication of the rates at which banks are prepared to lend to each other in the interbank market for the relevant period. Generally speaking, the 10 year rate is supposed to be higher than the 2 year rate because of the longer time horizon and the higher risk associated therewith. The interest on the Notes will depend on, *inter alia*, the difference between the two rates. The higher the difference observed between the two rates (i.e. the 10 year rate minus the 2 year rate) is *greater*, the higher the interest on the Notes will be. The Interest Rate applicable for each Interest Period, will be of a minimum percentage per annum and of a maximum percentage per annum.

Any historical information regarding rates does not necessarily constitute an indication as to the future performance of the relevant rate.

(vi) **TARGET Redemption Notes**

Interests are payable annually in arrears. At the end of the first year, the investor will receive a fixed gross coupon. Afterwards, during the succeeding Interest Periods, the investor will receive a gross yearly coupon with a variable rate, the calculation of which will be based on a formula taking into account the evolution of a reference (e.g. the 12 months EURIBOR rate in Euro). The Final Coupon will be equal to an amount (expressed as a percentage) representing a certain percentage (as specified in the relevant Final Terms) of the nominal value minus the total value of the gross coupons already paid.

As soon as the sum of the paid gross coupons reaches a certain percentage of the nominal value of the Notes, the Notes will be automatically redeemed.

(i) **Index-Linked Notes**

(i) **General**

An investment in Notes linked to an index, exchange rate, reference rates, securities, or another underlying entails significant risks not associated with a similar investment in fixed or floating rate debt securities.

An investment in Notes, the terms of which provide that the principal, premium, if any, and/or interest payable and/or securities deliverable, is linked to one or more currencies or composite currencies (including exchange rates and swap indices between currencies or composite currencies), commodities, securities, basket of securities or securities indices, interest rates or other indices (together, the

“indices”), either directly or inversely (the “indexed Notes”), entails significant risks that are not associated with investments in a conventional fixed rate or floating rate debt security.

These risks include the possibility that an index or indices may be subject to significant changes, that the resulting interest rate will be less than that payable on a conventional fixed or floating rate debt security issued by the relevant Issuer at the same time, that the repayment of principal and/or premium, if any, and/or delivery of securities can occur at times other than that expected by the investor, that, in certain circumstances, the Notes may cease to bear interest and that prospective investors, could lose all or a substantial portion of their investment, if any, payable on the maturity date. These risks depend on a number of interrelated factors, including economic, financial and political events, over which the relevant Issuer has no control.

Additionally, if the formula used to determine the amount of principal, premium, if any, and/or interest payable and/or securities deliverable with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the applicable index or indices will be magnified. In recent years, values of certain indices have been highly volatile; such volatility in the past is not necessarily indicative, however, of fluctuations that may occur in the future.

Index-linked Notes are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of an index, which itself may contain substantial credit, interest rate or other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the Holder of Notes and may even be zero in which case the Holder of Notes may lose his entire investment.

Index-linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the Issuer or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

None of the Issuer, Dealer(s) or any of their affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of index-linked Notes. The issue of index-linked Notes will not create any obligation on the part of any such persons to disclose to the Holders of Notes or any other party such information (whether or not confidential).

In addition, certain Notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Prospective investors may not be able to sell such Notes readily or at prices that will enable them to realise their anticipated yield. Prospective investors should not purchase such Notes unless they understand and are able to bear the risks that such Notes may not be readily saleable, that the value of such Notes will fluctuate over time and that such fluctuations may be significant.

(ii) **Performance Notes**

The Final Redemption Amount of each Note is linked to the evolution of an Index (e.g. the Dow Jones Euro Stoxx 50SM). The Redemption Amount will at least equal to the Principal Amount.

The main data of the formula used to determine Final Redemption Amount is the sum of the monthly performances of the Index over a certain period (e.g. 2 years), a certain number of highest monthly performances (e.g. 5) not being taken into account, as specified in the relevant Final Terms.

(iii) **Inflation-Linked Notes**

The Final Redemption Amount will be the principal amount of each Note multiplied by the evolution of the inflation index as defined in the relevant Final Terms during the period specified in the relevant Final Terms.

(j) **Equity-Linked Notes**

(i) **General**

The interest amount and/or the redemption amount is linked to the evolution of a share or of a basket of shares. An investment in these Notes entails significant risks not associated with a similar investment in fixed or floating rate debt securities. An investment in equity-linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly.

(ii) **Swing Notes**

Interest is generally payable annually in arrears at a variable rate of interest equal to the percentage of the smallest yearly performance in absolute value among a number of shares of a basket (the “**Shares**”) with a minimum percentage per annum. The Notes will be reimbursed at their nominal amount at maturity.

An investment in the Notes is not the same as an investment in any or all of the Shares or an investment which is linked to an index reflecting the prices of each of the Shares. These Notes are meant for investors who believe in the volatility of the price of the Shares in the basket.

The Notes involve complex risks, which include, among other things, Share price risks, credit risks, interest rate risks and risks related to the liquidity of the Notes.

The Shares are specified in the relevant Final Terms and are subject to adjustments or replacements as provided in the terms and conditions and in the Final Terms.

(k) **Credit Linked Notes**

(i) **General**

Investment in the Notes is directed at institutional investors who are conversant with the considerable risks involved in credit derivatives, who are willing to assume such risks, and who can absorb a partial or complete loss of principal and interest. The Notes carry various risks including, without limitation, the insolvency risk of the relevant Issuer and the Guarantor, if any, and the insolvency, payment default and credit risk of the Reference Entities.

The Notes are linked to a notional structured credit default swap transaction and in particular to the occurrence of one or more Credit Events (as further described in the Final Terms and the Notional Credit Default Swap) with respect to a portfolio of companies comprising Reference Entities (the “**Reference Portfolio**”) under the Notional Credit Default Swap. If one or more Credit Events occur in relation to the Reference Entities, the amount of principal to be redeemed under the Notes upon maturity or early redemption and the amounts of interest under the Notes payable until maturity and early redemption is highly likely to be reduced. Accordingly, the amount payable to investors on redemption may be substantially less than the initial principal amount of the Notes and may even be zero.

Consequently, each prospective purchaser of the Notes should understand that the Notes are not principal or coupon guaranteed and it may lose, in part or in whole, amounts invested in the Notes, for instance, but not limited to, as the result of a Credit Event occurring with respect to one or more Reference Entities. You should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

In the case of Credit Linked Notes with a physical settlement, holders may receive in lieu of any payment of principal, certain securities of the reference entities which may have a market value substantially less than that of the initial investment of such holder. Prospective investors should note that they may be required to take delivery of these securities and should ensure that they have the capacity to receive such obligations on purchasing the Notes.

Investors in the Notes have to make their own analysis as to the suitability of investment in the Notes, the terms and conditions of which are set out in the relevant Final Terms, and may not rely on any prior representations made which would not be in accordance with the information described in the relevant Final Terms.

(ii) **Limited liquidity of Credit Linked Notes**

There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity or that it will continue for the life of the Notes.

No person has granted any undertaking to provide any secondary market for the Notes.

Consequently, any purchaser of the Notes must be prepared to hold the Notes for an indefinite period of time or until final redemption or maturity of the Notes. The purchase of the Notes is only suitable for investors who can bear the risks associated with a lack of liquidity in the Notes.

(iii) Conflicts of interest, Fortis Bank nv-sa

Potential investors should pay attention to the fact that Fortis Bank nv-sa is arranger, Issuer or Guarantor, Calculation Agent, protection buyer under a credit default swap similar to the Notional Credit Default Swap in relation to an identical Reference Portfolio (in such capacity, the “**Credit Default Swap Counterparty**”), and is underwriting the issue of the Notes, so that various potential and actual conflicts of interest may arise. In order to mitigate the occurrence of such conflicts of interest, Fortis Bank nv-sa, when acting in its various capacities in connection with the issue of the Notes, shall comply with the standards of conduct applicable generally to banks in Belgium, as applied by Fortis Bank nv-sa’s internal compliance procedure. Fortis Bank nv-sa acting in such capacities shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

In case of the occurrence of a conflict of interest as described above, the Credit Default Swap Counterparty shall not be obliged to give priority to the interests of the Issuer. For the avoidance of doubt, the Credit Default Swap Counterparty shall be under no obligation to prioritise the Issuer over any other issuer involved in its commercial arrangements outside the arrangements relating to the Notes.

As Calculation Agent in respect of the Notes and the Notional Credit Default Swap, Fortis Bank nv-sa acts solely as agent of the Issuer and as Guarantor (in case of Notes issued by Fortis Luxembourg Finance S.A.) and it does not assume any obligation, relationship of agency, trust or other responsibility toward the Noteholders. Therefore, potential conflicts of interest may exist between the Calculation Agent and the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent may make under the Conditions and the Notional Credit Default Swap, which may influence the amount receivable upon redemption of the Notes and the amount of interest receivable.

As Calculation Agent, Fortis Bank nv-sa will make certain determinations and judgments in good faith and in a commercially reasonable manner. Such determinations and judgments including the valuation of a Credit Event on a Reference Entity, which will affect the outstanding notional amount under any Notional Credit Default Swap. Consequently, this valuation will impact the calculation of the coupon and the redemption amount. The interests of Fortis Bank nv-sa as Credit Swap Counterparty do not correspond with and can be opposite to the interests of the Noteholders.

(iv) Conflicts of Interest, Fortis Luxembourg Finance S.A.

In case of Notes issued by Fortis Luxembourg Finance S.A., the Issuer may from time to time enter into credit default swap agreements with Fortis Bank nv-sa or other counterparties. The Issuer may issue further credit linked notes, involving the same, similar or other Reference Entities.

(v) Independent review and advice

Each prospective purchaser of Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer, the Guarantor, any Reference Entity and the terms of the Notional Credit Default Swap) and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, whether an investment in the Notes is appropriate in its particular circumstances.

In so doing, and without restricting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary’s) financial needs, objectives and condition, (ii) complies and is fully consistent with its articles of association and with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Neither the relevant Final Terms, any other parts of the Base Prospectus nor any other information supplied in connection with any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation by the Issuer,

the Guarantor or any other person that any recipient of the Final Terms, any other part of the Base Prospectus or any other information supplied in connection with any of them should purchase any Notes.

In case of any doubt about the content or the meaning of the Final Terms, the functioning of the Notes or about the risk involved in purchasing the Notes, investors should consult a specialised financial adviser or abstain from investing.

Neither the Issuer, the Guarantor (if any), the Arranger, the Calculation Agent, the Credit Swap Counterparty, the Paying Agents, the Fiscal Agent or any other party makes any representation as to the credit quality of any Reference Entity. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to such Reference Entity. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or status of affairs of any Reference Entity or conduct any investigation or due diligence into any Reference Entity.

(l) ***Partly-paid Notes***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

(m) ***Structured Notes in general***

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates, shares or other indices of formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant currencies, commodities, interest rates, shares or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates, shares or other indices or formulae during the term of any Note.

2. **RISKS RELATING TO THE ISSUERS AND THE GUARANTOR**

Any investment in the Notes involves risks, including those described below. Prospective investors of Notes should carefully consider the following investment considerations and the other information in this Base Prospectus before deciding whether an investment in the Notes is suitable. If any of the following risks actually occurs, the trading price of the Notes could decline and an investor could lose all or part of its investment. Additional risks not currently known to the relevant Issuer, the Guarantor or Fortis generally or risks that the relevant Issuer, the Guarantor or Fortis generally presently deems immaterial may subsequently harm such Issuer, the Guarantor or Fortis generally and affect an investor's investment.

2.1 **INVESTMENT CONSIDERATIONS RELATING TO THE BUSINESS OF FORTIS.**

(a) ***As part of the financial services industry, Fortis faces substantial competitive pressures which could adversely affect Fortis' results of operations.***

There is substantial competition in the Benelux and the other regions in which Fortis does business for the types of insurance, banking and asset management and other products and services which Fortis provides. Such competition is most pronounced in Fortis' core Benelux markets (38 per cent., 45 per cent. and 17 per cent. of operating result before taxation in 2003 was derived from Belgium, The Netherlands and Luxembourg, respectively) where it faces competition from companies such as ING Group, ABN AMRO Bank N.V., Aegon N.V., Rabobank, KBC Bank N.V. and Dexia. As a result, Fortis' strategy is to maintain customer loyalty and retention which can be influenced by a number of factors, including service levels, the prices and attributes of products and services, financial strength and claims-paying ratings and actions taken by competitors. If Fortis is unable to compete with attractive product and service offerings that are profitable, Fortis may lose market share or incur losses on some or all activities.

Competition in the financial services industry is affected by the high level of consolidation, both at a national and an international level, in the markets in which Fortis operates as well as the emergence of alternative distribution channels for many of the products Fortis offers. Consumer demand, technological changes, regulatory actions and other factors also affect competition. The implementation of the euro also resulted in increased cross-border competition.

Competitive pressures could result in increased pricing pressures on a number of Fortis' products and services, particularly as competitors seek to win market share, and may harm Fortis' ability to maintain or increase profitability.

(b) ***Market conditions can adversely affect Fortis' results.***

Each of Fortis' business segments is affected by market conditions, which can cause results to fluctuate from year to year as well as on a long-term basis. These conditions include economic cycles such as insurance industry cycles, particularly with respect to non-life insurance, financial market cycles, including volatile movements in market prices, and banking industry cycles. The non-life insurance industry cycles are characterised by periods of price competition, fluctuations in underwriting results and the occurrence of unpredictable weather-related and other losses. Fluctuations in interest rates and exchange rates, monetary policy, consumer and business spending, demographics and changes with respect to mortality, particularly with respect to life insurance, and competitive and other factors also influence Fortis' performance. As a result of changing market conditions and the influence of financial and industry cycles, Fortis' results of operations are subject to volatility that may be outside the control of Fortis. In particular, Fortis' merchant banking, securities trading and brokerage activities income and profit or loss before taxation may vary significantly from year to year depending on market conditions.

(c) ***Securities market volatility or downturns can adversely affect Fortis' banking, asset management and insurance activities.***

Market volatility and overall declines in market indices can negatively affect Fortis' merchant banking, securities trading, brokerage, asset management and insurance activities. Volatility and declines in market indices can reduce unrealised gains in Fortis' various portfolios, the excess solvency margin of its insurance subsidiaries, or the demand for some of its banking, asset management or insurance products. However, a further protracted or another steep decline in the stock or bond markets would adversely affect investments, could reduce market liquidity, and would likely further reduce the popularity of products linked to financial assets. Market downturns and high volatility can occur not only as a result of purely economic factors, but also as a result of war, acts of terrorism, natural disasters, or other similar events.

(d) ***Volatility in interest rates may adversely affect Fortis' insurance, banking and asset management businesses.***

Fluctuations in interest rates affect the returns Fortis earns on fixed interest investments. Interest rate changes also affect the market values of, and the amounts of capital gains or losses Fortis takes on the fixed interest securities it holds. Over the past several years, movements in short and long-term interest rates have affected Fortis' net interest income and how much and when Fortis recognised gains and losses on securities held in its investment portfolios.

While Fortis reduces the impact of interest rate fluctuations on its life insurance business by transferring interest rate exposure to some policyholders through product design, Fortis' insurance business can be adversely affected by sustained low interest rates as well as certain interest rate movements. In particular, the profitability of spread-based insurance products depends in large part upon the ability to manage interest rate spreads and the credit and other risks inherent in the investment portfolio. In addition certain of Fortis' traditional life insurance products provide for guaranteed returns. Although the impact of such guarantees on results of operations will be spread out over a period of years in a sustained low-interest rate environment, such guarantees may also affect profitability. There can be no assurance that Fortis will be able to successfully manage interest rate spreads or the potential negative impact of risks associated with sustained low rates or interest rate changes.

The results of Fortis' banking operations are affected by its management of interest rate sensitivity.

Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. The composition of Fortis banking assets and liabilities, and any gap position resulting from the composition, causes the banking operations' net interest income to vary with changes in interest rates. In addition, variations in interest rate sensitivity may exist within the repricing periods or between the different currencies in which Fortis holds interest rate positions. A mismatch of interest-earning assets and interest-bearing liabilities in any given period may, in the event of changes in interest rates, have a material effect on the financial condition or result from operations of Fortis' banking businesses.

(e) ***Asset illiquidity can adversely affect Fortis' business.***

Liquidity risk is inherent in much of Fortis' business. Each asset purchased and liability sold has liquidity characteristics that are unique. Some liabilities are surrenderable while some assets have low liquidity such as privately placed loans, mortgages loans, real estate and limited partnership interests. Additionally, protracted market declines can reduce the liquidity of markets that are typically liquid. If, in the course of its insurance or other activities, Fortis requires significant amounts of cash on short notice in excess of anticipated cash requirements, Fortis may have difficulty selling these investments at attractive prices, in a timely manner, or both.

- (f) ***While Fortis manages its operational risks, these risks remain an inherent part of all of Fortis' businesses.***

The operational risks that Fortis faces include the possibility of inadequate or failed internal or external processes or systems, human error, regulatory breaches, employee misconduct or external events such as fraud. These events can potentially result in financial loss as well as harm to Fortis' reputation. Additionally, the loss of key personnel could adversely affect Fortis' operations and results.

Fortis' business inherently generates operational risks. The business is dependent on processing a large number of complex transactions across numerous and diverse products, and is subject to a number of different legal and regulatory regimes. Additionally, because of the long-term nature of much of Fortis' business, accurate records have to be maintained for significant periods.

Fortis attempts to keep operational risks at appropriate levels by maintaining a sound and well controlled environment in light of the characteristics of its business, the markets and the regulatory environments in which it operates. While these control measures mitigate operational risks they do not eliminate them.

- (g) ***Fortis' insurance business is subject to risks concerning the adequacy of its technical provisions to cover future losses and benefits.***

Fortis' technical provisions may prove to be inadequate to cover Fortis' actual losses and benefits experience. For example, Fortis derives its life and health insurance reserves from actuarial practices and assumptions, including an assessment of mortality and morbidity rates. If the actual future mortality and morbidity rates deviate from those Fortis has projected, the insurance reserves could be inadequate. Other assumptions that influence insurance reserves relate to long-term development of interest rates, guaranteed return levels, investment returns, policyholder bonus rates, policyholder lapses, and future expense levels.

Additionally, some of Fortis' insurance products are affected by certain unpredictable events, including catastrophic events. For example, some weather-related events could result in substantial costs to Fortis.

To the extent that technical provisions are insufficient to cover actual insurance losses, loss adjustment expenses or future policy benefits, Fortis would have to add to these technical provisions and incur a charge to its earnings. Additional losses, including losses arising from changes in the legal environment, the type or magnitude of which Fortis cannot foresee, may emerge in the future. Any insufficiencies in technical provisions for future claims could have a material adverse effect on Fortis' future consolidated financial condition, results of operations and cash flows.

- (h) ***Fortis has significant counterparty risk exposure.***

Fortis is subject to general credit risks, including credit risks of borrowers, as well as credit risks of its reinsurers. Third parties that owe Fortis money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans made, the issuers whose securities Fortis holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to Fortis due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

Fortis transfers its exposure to certain risks in its non-life and life insurance businesses to others through reinsurance arrangements. Under these arrangements, other insurers assume a portion of Fortis' losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly.

Any decrease in the amount of Fortis' reinsurance will increase Fortis' risk of loss. When Fortis obtains reinsurance, it is still liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of Fortis' reinsurers to meet their financial obligations could materially affect Fortis' results of operations. Although Fortis conducts periodic reviews of the financial statements and reputations of its reinsurers, the reinsurers may become financially unsound by the time they are called upon to pay amounts due, which may not occur for many years.

- (i) ***Catastrophic events, terrorist attacks and other acts of war could have a negative impact on Fortis' business and results.***

Catastrophic events, terrorist attacks, other acts of war or hostility, and responses to those acts may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which Fortis operates and, more specifically, on the business and results of Fortis in ways that cannot be predicted.

- (j) ***Fortis' results of operations can be adversely affected by significant adverse regulatory developments including changes in tax law.***

Fortis conducts its businesses subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations in the Benelux and the other regions in which Fortis does business. The timing and form of future changes in regulation are unpredictable and beyond the control of Fortis, and changes made could materially adversely affect Fortis' business, the products and services offered or the value of assets.

INFORMATION INCORPORATED BY REFERENCE

The following documents have been filed with the CSSF and shall be deemed incorporated in, and form part of this Base Prospectus:

1. the 2005 Management Report and Annual Accounts of Fortis Bank nv-sa, including, among other things:
 - (a) the audited consolidated balance sheet and income statement of Fortis Bank nv-sa for the financial year ending 31 December 2005; pages 68 to 74
 - (b) the notes to the consolidated balance sheet and income statement for the financial year ending 31 December 2005; and pages 75 to 139
 - (c) the unqualified statutory auditor's report of the joint statutory auditors on the consolidated financial statements for the year ending 31 December 2005 submitted to the General Shareholders' Meeting of the Fortis Bank; pages 140 to 141
2. the 2006 Management Report and Annual Accounts of Fortis Bank nv-sa, including, among other things:
 - (a) the audited consolidated balance sheet and income statement of Fortis Bank nv-sa for the financial year ending 31 December 2006; pages 14 to 15
 - (b) the audited consolidated cashflow statement of Fortis Bank nv-sa for the financial year ending 31 December 2006; page 17
 - (c) the notes to the consolidated balance sheet and income statement for the financial year ending 31 December 2006; and pages 112 to 181
 - (d) and the unqualified statutory auditor's report of the joint statutory auditors on the consolidated financial statements for the year ending 31 December 2006 submitted to the General Shareholders' Meeting of the Fortis Bank; pages 218 to 270
3. the audited annual financial statements of Fortis Luxembourg Finance S.A. for the financial year ending 31 December 2005, including:
 - (a) the balance sheet, the profit and loss account; pages 2 to 3
 - (b) the notes to the company accounts; and pages 4 to 9
 - (c) the auditors' report to the audited annual financial statements for the financial year ending 31 December 2005; page 1
4. the audited annual financial statements of Fortis Luxembourg Finance S.A. for the financial year ending 31 December 2006, including:
 - (a) the balance sheet, the profit and loss account; pages 8 to 9
 - (b) the notes to the company accounts; and pages 10 to 15
 - (c) the auditors' report to the audited annual financial statements for the financial year ending 31 December 2006; pages 6 to 7
5. the press release published by Fortis on 11 May 2007 concerning its first quarter results for 2007;
6. articles of association of Fortis Bank nv-sa and Fortis Luxembourg Finance S.A. as at the date hereof, included for information purposes; and.
7. consolidated audited annual financial statements of Fortis SA/NV for the financial year ended 31 December 2006 set out in the Annual Accounts

2006, included for information purposes;

8. consolidated audited annual financial statements of Fortis N.V. for the financial year ended 31 December 2005 set out in the Financial Statements 2005, included for information purposes;
9. consolidated audited annual financial statements of Fortis N.V. for the financial year ended 31 December 2006 set out in the Annual Accounts 2006, included for information purposes;
10. unaudited consolidated Interim Financial Statements of Fortis SA/NV and Fortis N.V. for the first quarter of 2007;
11. the cash flow statements of Fortis Luxembourg Finance S.A. for the financial years ended 31 December 2005 and 2004 and the corresponding comfort letter relating thereto from KPMG Audit S.à r.l. set out at pages 137 to 138 of the base prospectus relating to the Issuers and the Guarantor's Euro Medium Term Note Programme dated 29 September 2006; and
12. the cash flow statements of Fortis Bank nv-sa for the financial years ended 31 December 2005 and 2004 and the corresponding audit report relating thereto by PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C.R.L. and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile, set out at pages 158 to 160 of the base prospectus relating to the Issuers and the Guarantor Euro Medium Term Note Programme dated 29 September 2006.

Apart from the information itemised in the table above, information contained in the documents which have been incorporated by reference have been included for informational purposes only. This Base Prospectus, together with applicable Final Terms issued in respect of each Tranche of Notes, may only be used in connection with the offer, sale and admission to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system of Notes in an aggregate principal amount of not more than EUR 30,000,000,000 (or its equivalent in other currencies) outstanding at any time.

Copies of this Base Prospectus (and all documents forming part thereof) are available free of charge from the principal offices of the respective Paying Agents and the Listing Agent in Luxembourg and the respective registered offices of the Issuers. In addition, this Base Prospectus the documents incorporated by reference as stated above and the Final Terms of any Tranche admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be available in electronic form on the website of the Luxembourg Stock Exchange.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression “necessary information” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers and the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuers and the Guarantor have endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will therefore be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, will be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or Drawdown Prospectus, as the case may be.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

An Issuer and, if applicable, the Guarantor, may agree with any Dealer that Notes may be issued, offered to the public, and/or admitted to trading on a regulated market in a form not contemplated by the Terms and Conditions of the Notes described in this Base Prospectus, in which event a supplement to the Base Prospectus or a Drawdown Prospectus, will be submitted for approval to the relevant competent authority and will be made available. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

In accordance with Article 5.3 of the Prospectus Directive, the Drawdown Prospectus will be either:

- (1) drawn up as a single document, incorporating by reference, if applicable, the relevant part of the Base Prospectus; or
- (2) composed of the following separate documents:
 - (i) a registration document (the “**Registration Document**”) containing the necessary information relating to the relevant Issuer and, if applicable, the Guarantor;
 - (ii) a securities note in the form and content that is required in accordance with the Prospectus Directive and the Commission Regulation N°809/2004, depending on the kind of Notes that will be admitted to trading or/and offered to the public; and
 - (iii) if necessary, a summary note in accordance with article 5.2 of the Prospectus Directive.

In the case of separate documents, the securities note shall provide information that would normally be provided in the registration document if there has been a material change or recent development which could affect investors' assessments since the latest updated registration document or any supplement as provided for in Article 16 of the Prospectus Directive was approved. The securities note and, if applicable, summary note shall be subject to approval separately.

The Issuers and the Guarantor have undertaken in connection with the admission to listing on the official list and to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, and/or the admission to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, or/and in connection with an offer to the public of Notes, that if at any time there shall occur any significant new

factor which is not reflected in this Base Prospectus or any supplements thereto and/or there shall be any material mistake or inaccuracy relating to the information included in this Base Prospectus or any supplements thereto, in each case, which is capable of affecting the assessment of the Notes, the Issuers and the Guarantor will prepare or procure the preparation of and make available a supplement to this Base Prospectus or, as the case may be, a new Base Prospectus for use in connection with any subsequent issue of Notes to be offered to the public or/and admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system. If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus inaccurate or misleading, a new Base Prospectus or supplement will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

The following summary of key features of the Programme is qualified in its entirety by the remainder of this Base Prospectus. The Notes may be issued on such terms as may be agreed between the relevant Dealer(s) and the Issuer(s) and, unless otherwise specified in the applicable Final Terms in relation to any particular Tranche or Series, will be subject to the Terms and Conditions set out below. 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.

Issuers:	Fortis Bank and Fortis Luxembourg.
Guarantor:	Fortis Bank (in respect of Notes issued by Fortis Luxembourg).
Description:	Euro Medium Term Note Programme.
Guarantee:	Each of the Notes issued by Fortis Luxembourg have the benefit of a guarantee (the " <i>Guarantee</i> ") from the Guarantor.
Arranger:	Fortis Bank nv-sa.
Dealers:	ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, BNP PARIBAS, CALYON, Citigroup Global Markets Limited, Fortis Bank nv-sa, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Merrill Lynch International, Société Générale, The Royal Bank of Scotland plc, UBS Limited and such other Dealers as may be appointed under the Programme.
Fiscal Agent and Principal Paying Agent:	Fortis Banque Luxembourg S.A.
Domiciliary Agent:	Fortis Bank nv-sa.
Alternative Principal Paying Agent:	Fortis Bank nv-sa.
Paying Agents:	Fortis Bank nv-sa, Fortis Bank (Nederland) N.V., Fortis Banque (Suisse) S.A. and Citibank, N.A.
Amsterdam Listing Agent:	Fortis Bank (Nederland) N.V.
Belgian Listing Agent:	Fortis Bank nv-sa.
Luxembourg Listing Agent:	Fortis Banque Luxembourg S.A.
Swiss Listing Agent:	Fortis Banque (Suisse) S.A.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and completed by a set of Final Terms or (2) pursuant to a separate prospectus prepared in connection with a particular Tranche of Notes (a " Drawdown Prospectus ") as more fully described in the section entitled " <i>Final Terms and Drawdown Prospectuses</i> ".
Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Notes a copy of which will, in the case of Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange be delivered to the Luxembourg Stock Exchange and in the case of Notes to be admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, be delivered to such competent authority, stock exchange and/or quotation system. The terms and conditions applicable to each Tranche will be those set out herein under " <i>Terms and Conditions of the Notes</i> " as supplemented, modified or replaced by the relevant Final Terms. In case of offer to the public, the Final Terms will be filed with the relevant competent authority as soon as practicable and if possible in advance of the beginning of the offer.

Size:	This Base Prospectus, together with applicable Final Terms issued in respect of each Tranche of Notes, may only be used in connection with the offer, sale or/and admission to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system of Notes in an aggregate principal amount of not more than EUR 30,000,000,000 (or its equivalent in other currencies at the date of issue) outstanding at any time, subject to any duly authorised increase.
Currencies:	Notes may be issued in U.S. dollars, Canadian dollars, Australian dollars, New Zealand dollars, Sterling, Euro, Japanese yen, Swedish kronor, Danish kroner, Hungarian Forints, New Turkish Lira, Russian Rouble or in any other currencies if the relevant 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.
Maturities:	<p>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.</p> <p>If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by that Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only 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 who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by that Issuer.</p>
Issue Price:	Notes may be issued at par or at a discount or premium to par or with a zero coupon as specified in the relevant Final Terms. Partly-paid Notes may also be issued, the issue price of which will be payable in two or more instalments. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer, where applicable, the Guarantor, and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Method of Issue:	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.
Fixed Interest Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms and at maturity (if any).
Floating Rate Notes:	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 Final Terms) as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their principal amount or at a discount to par and will not bear interest.
Variable Coupon Amount Notes:	The Final Terms 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 indexes, shares, reference rates or formula or as otherwise provided in the relevant Final Terms.

Fixed Redemption Amount Notes:	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 Final Terms.
Variable Redemption Notes:	The Final Terms 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 indexes, shares, reference rates or formula or as otherwise provided in the relevant Final Terms. The redemption at maturity can be done at par, at an amount that is above or below the nominal amount of the Notes, or by delivery of shares, bonds or loans.
Other Notes:	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, Credit-linked Notes, Snowball Notes, Thunderball Notes, Swing Notes, Target Redemption Notes, Range Accrual Notes, Autocallable Notes, Inflation Linked Notes, Equity Linked Notes, Index Linked Notes, or any variant, and any other type of Note which the relevant Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
Form of Notes:	<p>Notes may be in bearer or (only in the case of Notes issued by Fortis Luxembourg) registered form. Each Tranche of bearer Notes which is not intended to be issued in new global note ("NGN") form (a "Classic Global Note" or "CGN") as specified in the relevant Final Terms will initially be represented by a temporary Global Note and will be deposited on or around the issue date with a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg and interests therein will be credited to the accounts of the relevant purchasers with Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.</p> <p>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 (only in the case of Notes issued by Fortis Luxembourg) registered form on 60 days' prior notice.</p> <p>In the case of Notes issued by Fortis Bank and if so provided in the relevant Final Terms, the Notes will be represented by a permanent Global Note which will be deposited on or about the issue date with the NBB as operator of the X/N System or its custodian and interests therein will be credited to the accounts of the relevant purchasers with the X/N System, Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Such Notes will not be issued in NGN form. Please refer to the section entitled "<i>Summary of Provisions relating to Global Notes</i>".</p>
Denominations:	Notes will be issued in any denominations agreed between the relevant Issuer and the relevant Dealer(s), subject to compliance with all applicable legal and/or securities settlement systems and/or regulatory and/or central bank requirements.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed at the option of the relevant Issuer or the Guarantor (as the case may be) (either in whole or in part) and/or the holders, and if so, the terms applicable to such redemption.
Early Redemption:	Except as provided in " <i>Optional Redemption</i> " above, Notes will be redeemable at the option of the Issuer only for tax reasons.

Redemption by Instalments:	The Final Terms 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.
Listing and Admission to Trading:	Notes may be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system specified in the relevant Final Terms. Notes issued under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms “regulated market” and “offer to the public” are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency) or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuers or by any entity belonging to the Issuers’ group. Subject thereto, Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.
Status of Notes and the Guarantee:	Notes issued by the Issuers may either be direct, unconditional, unsubordinated and unsecured obligations, or subordinated obligations of such Issuer. The Guarantees will either be direct, unconditional, unsubordinated and unsecured obligations of the Guarantor or subordinated obligations of the Guarantor.
Cross Default:	The Unsubordinated Notes will contain a cross default in respect of indebtedness for borrowed money of the Issuers and the Guarantor (in respect of Notes issued by Fortis Luxembourg) as more fully set out in “ <i>Terms and Conditions of the Notes – 10. Events of Default</i> ”.
Negative Pledge:	A negative pledge will be contained in the Notes in respect of any Unsubordinated Note or Coupon which remains outstanding as more fully set out in “ <i>Terms and Conditions of the Notes – 4. Negative Pledge</i> ”.
Taxation:	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 Luxembourg (in the case of Fortis Luxembourg) or Belgium (in the case of Fortis Bank) subject to customary exceptions as specified in the Terms and Conditions.
Governing Law:	<p>The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law except for (i) in the case of Notes issued by Fortis Luxembourg, Conditions 3(b) and 3(c) which shall be governed by, and construed in accordance with Luxembourg law and Conditions 3(e) and 3(f) which shall be governed by, and construed in accordance with Belgian law and (ii) in the case of Notes issued by Fortis Bank, Conditions 3(b), 3(c) and 11(a)(ii) which shall be governed by, and construed in accordance with Belgian law.</p> <p>A Guarantee of Fortis Bank applicable in relation to any Senior Notes issued by Fortis Luxembourg are governed by, and shall be construed in accordance with English law and a Guarantees of Fortis Bank applicable in relation to any subordinated Notes issued by Fortis Luxembourg are governed by, and shall be construed in accordance with, the laws of the Kingdom of Belgium.</p>
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material under the laws of Belgium, France, Poland, Italy, Republic of Hungary, Spain, the Kingdom of Norway, the Netherlands, the United Kingdom, in the European Economic Area, Australia, Netherlands Antilles, Hong Kong, Japan, New Zealand, Singapore, Switzerland, Turkey, and the United States of America, please

refer to the section entitled “*Plan of Distribution*” of this Base Prospectus.

Such description is only a summary at the date of the Base Prospectus of certain restrictions that can vary from time to time. Prospective investors and purchasers of Notes must inform themselves about all the relevant, applicable and up-to-date restrictions prior to investing in the applicable Notes. Moreover the selling restrictions that are applicable to a Tranche of Notes can be modified in the relevant Final Terms if agreed by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer.

TERMS AND CONDITIONS OF THE NOTES

PART 1: MEDIUM TERM 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 Final Terms 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 Final Terms:

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 set of final terms ("Final Terms") based on the form included in the Base Prospectus dated 9 July 2007.

The Notes are issued pursuant to an Amended and Restated Agency Agreement dated 9 July 2007 (as amended or supplemented from time to time, the "Agency Agreement") between Fortis Luxembourg Finance S.A. ("Fortis Luxembourg") and Fortis Bank nv-sa ("Fortis Bank" and together with Fortis Luxembourg, the "Issuers" and each, an "Issuer"), Fortis Bank (the "Guarantor"), Fortis Banque Luxembourg, S.A. as fiscal agent (the "Fiscal Agent"), registrar (the "Registrar"), principal paying agent (the "Principal Paying Agent"), transfer agent (the "Transfer Agent") and calculation agent (the "Calculation Agent"), Fortis Bank nv-sa as alternative principal paying agent (the "Alternative Principal Paying Agent"), Fortis Bank (Nederland) N.V., Fortis Banque (Suisse) S.A. and Citibank, N.A. as paying agents (together with the Principal Paying Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "Paying Agents") and as transfer agents (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") and Fortis Bank nv-sa as domiciliary agent ("Domiciliary Agent"). For the purposes of these Conditions, "Principal Paying Agent" means, in relation to any series of Notes, the Fiscal Agent or the Principal Paying Agent specified above or the Alternative Principal Paying Agent, as specified on the relevant Note. The initial Calculation Agent (if any) is specified on the relevant Note. In relation to the Notes issued by Fortis Bank which are to be cleared through the book-entry clearance and settlement system (the "X/N System") "X/N Notes" operated by the National Bank of Belgium or any successor thereto (the "NBB"), if so specified in the relevant Final Terms, Fortis Bank has in addition to the Agency Agreement it entered into with, *inter alia*, Fortis Bank nv-sa as Domiciliary Agent, also entered into a clearing agreement with the NBB and the Domiciliary Agent on 3 November 2005 (as amended or supplemented from time to time, the "Clearing Agreement"). The Notes have the benefit of a deed of covenant dated 9 July 2007 (the "Deed of Covenant" as amended, supplemented and replaced) executed by the Issuers and the Guarantor. 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 and the Deed of Covenant applicable to them.

Copies of the Agency Agreement, the Clearing Agreement and the Deed of Covenant 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

Notes are issued in bearer form ("Bearer Notes", which expression includes Notes which are specified to be Exchangeable Bearer Notes) in the Specified Denomination(s) (as specified in the relevant Final Terms), (in the case of Notes issued by Fortis Luxembourg only) in registered form ("Registered Notes") in amounts of the Denomination or an integral multiple thereof ("Authorised Denominations") or (in the case of Notes issued by Fortis Luxembourg only) 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 (except as otherwise required by law) which the relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement; and an up-to-date copy of the Register shall be kept at the registered office of the relevant Issuer. For the avoidance of doubt, title to Registered Notes issued by Fortis Luxembourg, shall as a matter of Luxembourg law, pass by registration in the duplicate Register maintained by it. As soon as any changes are

made by the Registrar to the Register, the Registrar shall forthwith notify the relevant Issuer who shall ensure that its records in the duplicate Register are updated accordingly. For the purposes of Luxembourg law, if there is any inconsistency between the records set out in the Register maintained by the Registrar relating to Registered Notes issued by Fortis Luxembourg and the records set out in the duplicate Register maintained by Fortis Luxembourg, the records of the latter shall prevail.

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 such Notes, the absence of any such meaning indicating that such term is not applicable to such 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 relevant 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 relevant 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) Senior Notes

This Condition 3(a) is applicable in relation to Notes issued by the relevant Issuer on an unsubordinated basis (the “*Senior Notes*”).

The Senior Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 below) unsecured and general obligations of the relevant Issuer and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations, including guarantees and other obligations of a similar nature of such Issuer.

(b) Senior Subordinated Notes

This Condition 3(b) is applicable in relation to Notes issued by the relevant Issuer to which both the following conditions apply, namely (i) the Notes have a Maturity Date and (ii) the Notes are being issued on a subordinated basis (“*Senior Subordinated Notes*”).

The obligations of the relevant Issuer in respect of the Senior Subordinated Notes constitute senior subordinated obligations of such Issuer and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding senior subordinated obligations, including guarantees and other obligations of a similar nature of such Issuer. Accordingly, the liabilities of the relevant Issuer under or pursuant to the Senior Subordinated Notes shall not be required to be satisfied until satisfaction of all indebtedness of such Issuer to the depositors (in the case of Fortis Bank) and Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment. For the purposes of this Condition 3(b), “*Senior Creditors*” means all present and future unsubordinated creditors of the relevant Issuer.

(c) Junior Subordinated Notes

This Condition 3(c) is applicable in relation to Notes issued by the relevant Issuer to which both the following conditions apply, namely (i) the Notes do not have a Maturity Date and (ii) the Notes are issued on a subordinated basis (“*Junior Subordinated Notes*”).

The obligations of the relevant Issuer in respect of Junior Subordinated Notes constitute direct, unsecured and junior subordinated obligations of such Issuer, conditional as described below, and rank (i) *pari passu* without any preference among themselves and with any other Junior Subordinated Notes and, in the case of Fortis Bank, the Junior Subordinated Guarantees granted by the Guarantor under Condition 3(f), (ii) junior to all present and future unsecured obligations of such Issuer which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of such Issuer but not further or otherwise (“*Senior Subordinated Obligations*”), (iii) at least equally and rateably with all other present and future obligations of such Issuer 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 such Issuer, subject to mandatory provisions of Belgian law (in the case of Junior Subordinated Notes issued by Fortis Bank) or the laws of Luxembourg (in the case of Junior Subordinated Notes issued by Fortis Luxembourg).

Claims in respect of the Junior Subordinated Notes are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Senior Subordinated Notes and, in the case of Fortis Bank, holders of Senior Subordinated Notes issued by Fortis Luxembourg, in respect of a Senior Subordinated Guarantee granted by the Guarantor, and payments of principal and interest by the relevant Issuer in respect of Junior Subordinated Notes will be conditional upon such Issuer being solvent at the time of payment by that Issuer and no principal or interest shall be due and payable in respect of Junior Subordinated Notes except to the extent that (assuming a payment was then due by the relevant Issuer) such Issuer 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 relevant Issuer 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 relevant Issuer by two directors of such Issuer or (if such Issuer is in winding-up, liquidation or bankruptcy) the liquidator of such Issuer, shall in the absence of proven error be treated and accepted by such Issuer, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of this Condition 3(c), “*Senior and Subordinated Creditors*” means, all creditors of the relevant Issuer (including any holders of Senior Subordinated Notes, in the case of Fortis Bank, holders of Notes

issued by Fortis Luxembourg, in respect of a Senior Subordinated Guarantee granted by the Guarantor, other than creditors whose claims are in respect of: (i) any class of equity (including preference shares), subject to mandatory provisions of Belgian law (in the case of Junior Subordinated Notes issued by Fortis Bank) or the laws of Luxembourg (in the case of Notes issued by Fortis Luxembourg), or (ii) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations 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 Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto; "Assets" means the total assets of the relevant Issuer and "Liabilities" means the total liabilities of such Issuer, each as shown by the latest published audited balance sheet of such Issuer 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 relevant Issuer which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto.

If the relevant Issuer 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 Junior Subordinated Notes will be available to meet the losses of such Issuer.

(d) *Senior Guarantee*

This Condition 3(d) is applicable in relation to any Senior Notes issued by Fortis Luxembourg.

The Guarantor has, by the guarantees endorsed on such Senior Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the "*Senior Guarantees*"), unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due from Fortis Luxembourg under such Senior 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 Senior 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.

(e) *Senior Subordinated Guarantee*

This Condition 3(e) is applicable in relation to any Senior Subordinated Notes issued by Fortis Luxembourg.

The Guarantor has, by the guarantees endorsed on such Senior Subordinated Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the "*Senior Subordinated Guarantees*"), unconditionally and irrevocably guaranteed, on a subordinated basis, the due and punctual payment of all amounts due from Fortis Luxembourg under such Senior Subordinated 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 Senior Subordinated Guarantees, the obligations of the Guarantor in respect of the Senior Subordinated Guarantees constitute senior subordinated obligations of the Guarantor. Accordingly, in the events specified in the Senior Subordinated Guarantees, the liabilities of the Guarantor under or pursuant to the Senior Subordinated 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.

(f) *Junior Subordinated Guarantee*

This Condition 3(f) is applicable in relation to Junior Subordinated Notes issued by Fortis Luxembourg.

The Guarantor has, by guarantees endorsed on such Junior Subordinated Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the "*Junior Subordinated Guarantees*" and together with the Senior Guarantees and the Senior Subordinated Guarantees, the "*Guarantees*"), as primary obligor guaranteed, on a subordinated basis, the due and punctual payment of all amounts payable by Fortis Luxembourg on or in respect of such Junior Subordinated 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 Junior Subordinated 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

Junior Subordinated Guarantees and the Junior Subordinated 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 Junior Subordinated Guarantees are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Senior Subordinated Notes issued by Fortis Bank and holders of Senior Subordinated Notes issued by Fortis Luxembourg in respect of a Senior Subordinated Guarantee granted by the Guarantor, and payments of principal and interest by Fortis Luxembourg in respect of such Junior Subordinated Notes will be conditional upon the Guarantor being solvent at the time of payment by Fortis Luxembourg and no principal or interest shall be due and payable in respect of such Junior Subordinated Notes 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 relevant Issuer, the Guarantor, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of this Condition 3(f), "*Senior and Subordinated Creditors*" means all creditors of the Guarantor (including any holders of Senior Subordinated Notes issued by Fortis Bank and holders of Senior Subordinated Notes issued by Fortis Luxembourg in respect of the Senior Subordinated Guarantee granted by the Guarantor) 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 Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto under the Junior Subordinated 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 Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto under the Junior Subordinated 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 Junior Subordinated Notes will be available to meet the losses of the Guarantor.

4. **Negative Pledge**

This Condition 4 is not applicable to Senior Subordinated Notes and Junior Subordinated Notes.

So long as any of the Notes, Receipts or Coupons remains outstanding (as defined in the Agency Agreement), neither of the Issuers 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 to secure any indebtedness represented by, or in the form of, bonds, notes, debentures or other securities or any guarantee or indemnity in respect of such indebtedness, 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) *Accrual of interest*

Each Note bears interest on its outstanding principal amount or, in relation to Cash-Settled Credit Linked Notes, its average daily Principal Amount Outstanding 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 Junior Subordinated Notes, to Condition 3(c) and (f), if such Notes have the benefit of a Junior Subordinated Guarantee) in arrear on each Interest Payment Date provided (in the case of Junior Subordinated Notes) 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 Junior Subordinated Notes, on any Optional Interest Payment Date there may be paid (if the relevant Issuer or the Guarantor, as the case may be, so elects but subject to Condition 3(c) and (f), if such Notes have the benefit of a Junior Subordinated Guarantee) the interest accrued in the Interest Period ending on the day immediately preceding such date but the relevant Issuer or the Guarantor, as the case may be, shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the relevant Issuer or (where such Issuer is Fortis Luxembourg) the Guarantor for any purpose. Any interest not paid in respect of Junior Subordinated Notes 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 relevant Issuer or the Guarantor as the case may be, 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(c) and (f), if the Notes have the benefit of a Junior Subordinated Guarantee) 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 Fortis Luxembourg or the Guarantor (as the case may be), (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 Fortis Luxembourg or the Guarantor (as the case may be) or the commencement of judicial composition proceedings ("*concordat judiciaire*") in respect of Fortis Luxembourg or the Guarantor (as the case may be). If notice is given by the relevant Issuer or the Guarantor, as the case may be, of its intention to pay the whole or part of Arrears of Interest, the relevant Issuer shall be obliged (subject to Condition 3(c) or (f), as the case may be,) 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 Fixed Rate Notes*

If the Interest Rate is specified as being Fixed Rate and unless otherwise specified in the relevant Final Terms and unless the Notes are Cash-Settled Credit Linked Notes, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Interest Rate on Floating Rate Notes*

If the Interest Rate is specified as being Floating Rate and Screen Rate Determination is specified in the relevant Final Terms, the Interest Rate 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 relevant Issuer and (in the case of Notes issued by Fortis Luxembourg) 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.

(e) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms 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 Final Terms) 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 or, in the case of X/N Notes, the Domiciliary Agent under an interest rate swap transaction if the Fiscal Agent or, as the case may be, the Domiciliary 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:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) 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 Final Terms.

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

(f) *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 in the relevant Final Terms or multiplying by any Spread Multiplier specified in such Final Terms, subject always to the next paragraph.

If a Maximum or Minimum Interest Rate is specified in such Final Terms, then the Interest Rate shall in no event exceed the maximum or be less than the minimum.

(g) *Calculation*

The amount of interest payable in respect of any Note for any period for which a Fixed Coupon Amount is not specified or not applicable shall be calculated by multiplying the product of the Interest Rate and the Calculation 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) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. 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.

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

If a Calculation Agent is provided for in relation to any 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 relevant Issuer, the Guarantor, the Registrar, the Domiciliary Agent (if applicable), each of the Paying Agents, any competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation 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. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(i) *Calculation Agent and Reference Banks*

The relevant 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 relevant Issuer) and a Calculation Agent if provision is made for them in the Conditions applicable to such Notes 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 relevant 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.

(j) *Definitions*

As used in these Conditions:—

“*Additional Business Centre(s)*” means the city or cities specified as such in the relevant Final Terms.

“*Calculation Amount*” has the meaning given in the relevant Final Terms.

“*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 unless, in the case of the final Calculation Period, the date of final maturity 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); and

- (vi) if “*Actual/Actual (ICMA)*” is specified in the applicable Final Terms, means:—
- (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) where the Calculation Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any 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.

“*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 the relevant Notes (the “*Issue Date*”) or such other date as may be specified in the applicable Final Terms.

“*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 in the relevant Final Terms.

“*Interest Payment Date*” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

“*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 in the relevant Final Terms.

“*Interest Rate*” means the rate of interest payable from time to time in respect of the relevant Notes and which is either specified, or calculated in accordance with the provisions, of such Notes.

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

“*Regular Period*” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where

"*Regular Date*" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"*Relevant Business Day*" means:—

- (i) in the case of a specified currency other than euro, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are generally open for business in the principal financial centre for that currency and/or each of the Additional Business Centre(s) so specified; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating and a day on which banks and foreign exchange markets are generally open for business in each (if any) Additional Business Centre.

"*Relevant Financial Centre(s)*" means London or such other financial centre as may be specified on such Note.

"*Relevant Rate*" means:—

- (i) an offered rate in the case of a Note the Benchmark for which relates to an offered rate;
- (ii) a bid rate in the case of a Note the Benchmark for which relates to a bid rate; and
- (iii) 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 in the relevant Final Terms 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 in the relevant Final Terms.

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

(k) *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.

(l) *Interest Rate on Variable Coupon Amount Notes*

If the Variable Coupon Amount Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.

(m) *Calculations by the Calculation Agent*

The Calculation Agent, the Issuer and the Guarantor (if any) will have no responsibility for good faith errors or omissions in any calculations made or provided by the Calculations Agent. The calculations and determinations of the Calculation Agent will be made in accordance with the Conditions having regards, in each case, to the relevant criteria stipulated in the Conditions, in the relevant Final Terms and, where relevant, on the basis of information provided to or obtained by it as well as after such further enquiries as it deems necessary. Such calculations will, in the absence of manifest error, be final, conclusive and binding on the holders of Notes.

6. **Redemption, Purchase and Options**

(a) *Final Redemption*

Unless the relevant Note is a Junior Subordinated Note, 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), such Note will be redeemed at its Redemption Amount (which, unless otherwise provided, is its principal amount) or, in relation to a Cash-Settled Credit Linked Note, its Principal Amount Outstanding on the later of (i) the Maturity Date specified in the relevant Final Terms; (ii) to the extent that "Grace Period Extension" is applicable in relation to Cash-Settled Credit Linked Notes, the Business Day following the latest Grace Period Extension Date, if applicable; (iii) the Business Day following the latest Repudiation/Moratorium Evaluation Date in relation to Cash-Settled Credit Linked Notes, if applicable and (iv) the Business Day following the last Cash Settlement Date to occur. If the relevant Note is a Junior Subordinated Note, the relevant Issuer shall not be at liberty to redeem such 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 Luxembourg or 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 relevant Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, 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 which, unless otherwise provided, is its principal amount or, in relation to a Cash-Settled Credit Linked Note, its Principal Amount Outstanding 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 relevant Issuer (or (in the case of Notes issued by Fortis Luxembourg) 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 relevant Issuer shall deliver to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent a certificate signed by two persons each of whom is a Director of the relevant Issuer stating that the relevant 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 relevant Issuer so to redeem have occurred.

(c) *Purchases*

The Issuers, 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(k).

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

If so provided in the relevant Note or in any event if such Notes do not have a Maturity Date, the relevant Issuer shall, or (in the case of Notes issued by Fortis Luxembourg) the Guarantor on giving irrevocable notice to the Noteholders falling within such Issuer's Option Period (as specified in the relevant Final Terms) redeem, or exercise any such 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 (as specified in the relevant Final Terms) 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 relevant 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 selected by drawing lots in such place as the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and competent authority, stock exchange or quotation system's requirements and, if applicable, the rules and procedures of Euroclear and Clearstream Luxembourg (to be reflected in the records of Euroclear and Clearstream Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

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

If so provided on the relevant Note, the relevant 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 (as specified in the relevant Final Terms) 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 the relevant 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 (as specified in the relevant Final Terms). No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant 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 the relevant 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 relevant 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 such Issuer (in the case of Notes issued by Fortis Luxembourg), 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 such Issuer and/or (in the case of Notes issued by Fortis Luxembourg) the Guarantor in respect of any such Notes shall be discharged, and where such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, the Issuer will forthwith inform the Luxembourg Stock Exchange of any such cancellation.

(i) *Consents*

Any redemption by the relevant Issuer of such Junior Subordinated Notes pursuant to Condition 6(b) or (if applicable) Condition 6(e) and any purchase and cancellation of such Junior Subordinated Notes pursuant to Condition 6(c) and (h) will be subject to the prior consent of the Belgian Banking, Finance and Insurance Commission (*Commissie voor Bank-, Financier- en Assurantiwezen/ Commission bancaire, financière et des assurances*).

(j) *Early redemption in whole or in part upon the occurrence of a Credit Event*

If the Final Terms specify the Notes to be Credit Linked Notes then the Final Terms shall include a condition to permit the early redemption in whole or in part of the Notes upon the designation of an Event Determination Date (as defined in Part 4A, 4B or 4C as applicable).

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 Junior Subordinated Notes) subject to Condition 3(c) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, 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 Rouble, the transfer may be to a Rouble account or on an account which accepts Rouble payments (iii) in the case of euro, the transfer may be to a euro account or on an account which accepts euro payments and (iv) 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 Junior Subordinated Notes) to Condition 3(d) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, 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 Junior Subordinated Notes) to Condition 3(d) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, 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 relevant 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 relevant Issuer, adverse tax consequence to such 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 Issuers 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 Issuers and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuers 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 Issuers will at all times maintain (i) a Fiscal Agent, (ii) a Principal Paying Agent, (iii) a Registrar in relation to Registered Notes, (iv) at least 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 admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, shall be Luxembourg and/or such other place as may be required by the rules of such other competent authority, stock exchange and/or quotation system, (v) a Calculation Agent where the Conditions so require one, (vi) at least a Paying Agent having a specified office in a European city outside Belgium which, so long as the Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange shall be Luxembourg and/or such other place as may be required by the rules and regulations of such other competent authority, stock exchange and/or quotation system, and (vii) the relevant Issuer and (in the case of Notes issued by Fortis Luxembourg) the Guarantor will ensure that they maintain a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any law implementing or complying with, or introduced to conform to, such Directive.

In addition, the relevant 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.

For as long as any Notes issued by Fortis Bank and cleared through the X/N System, Fortis Bank nv-sa, in its capacity as Domiciliary Agent, has agreed in the Agency Agreement to perform all its duties and obligations under the Clearing Agreement and has undertaken (i) to remain a participant in such X/N System as long as possible and (ii) to appoint an appropriate substitute agent which will assume all such duties and obligations should Fortis Bank nv-sa no longer be able to do so.

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 unexchanged 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 unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the relevant 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, if such Note is not intended to be issued in NGN form. 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 and 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 or, in the case of X/N Notes, the Domiciliary 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 relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) (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, levied, collected, withheld or assessed by or on behalf of (in the case of Fortis Luxembourg) Luxembourg or any political subdivision thereof or any authority or agency therein or thereof having the power to tax or, where applicable, (in the case of the Guarantor) Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such deduction or withholding is required by law. In such event, the relevant 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) issued by Fortis Bank, where such Note, Receipt or Coupon is not cleared through the X/N System; or
- (ii) issued by Fortis Bank where such Note, Receipt or Coupon is cleared through the X/N System, and where such deduction or withholding is imposed or levied because the holder (or the beneficial owner) is not an Eligible Investor (unless that person was an Eligible Investor at the time of its acquisition of the relevant Note, Receipt or Coupon and has since ceased from being an Eligible Investor by reason of a change in the Belgian tax laws or regulations or in the interpretation or application thereof), or is an Eligible Investor but is not holding the relevant Note, Receipt or Coupon in an exempt securities account with a qualifying clearing system in accordance with the Belgian law of 6 August 1993 relating to transactions in certain securities; or
- (iii) presented for payment in Belgium; or
- (iv) 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
- (v) 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 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

- (vi) 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; or
- (vii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (viii) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union.

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, "*Eligible Investor*" means from time to time a person who is allowed to hold securities through a so called "X account" (being an account exempted from withholding tax) in the X/N System in accordance with Article 4 of the Belgian Royal Decree of 26 May 1994, as amended or replaced from time to time and "*X/N System*" means the book-entry clearance and settlement system operated by the National Bank of Belgium. 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 relevant 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 Senior Subordinated Notes and Junior Subordinated Notes*

This Condition 10(a) is applicable in relation to all Senior Notes.

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 or, in the case of X/N Notes, the Domiciliary Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount which, unless otherwise provided, is the principal 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 or, as the case may be, the Domiciliary Agent, the relevant Issuer or, where applicable, the Guarantor shall have cured or the relevant Issuer or, where applicable, the Guarantor shall otherwise have made good all Events of Default in respect of the Notes:

- (i) default in the payment of any principal or 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 relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) 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 or, as the case may be, the Domiciliary Agent of written notice thereof given by any Noteholder requiring the same to be remedied; or
- (iii) default by the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) 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 relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 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 relevant Issuer or (in the Notes issued by Fortis Luxembourg) the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 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 relevant Issuer is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes or (in the case of Notes issued by Fortis Luxembourg) 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 relevant 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 the Issuer is Fortis Bank); or
- (v) the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor becomes insolvent, is unable to pay its debts generally (or in the case of the Guarantor is in *staking van betaling/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 relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor, or if the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) 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 relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor or of any substantial part of its property or as the winding up or liquidation of the relevant Issuer, or (in the case of Notes issued by Fortis Luxembourg) if the Guarantor applies for a *liquidation/vereffening* (liquidation) or *faillite/faillissement* (bankruptcy) or any procedures having similar or equivalent effect shall have been initiated in respect of the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor; or
- (vi) a court having jurisdiction in the premises enters a decree or order for relief in respect of the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) 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 relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) 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 relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) 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:

- (i) 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:
 - (A) automatically by operation of applicable law; or
 - (B) 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,

- (ii) 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 or, in the case of X/N Notes, the Domiciliary Agent shall specify the serial number(s) of the Note(s) concerned.

(b) *Senior Subordinated Notes*

This Condition 10(b) is applicable in relation to Senior Subordinated Notes.

Any holder of a Senior Subordinated Note may, by notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the relevant 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*), or liquidation (*vereffening/liquidation*) of the relevant Issuer or the Guarantor, as the case may be.

(c) *Junior Subordinated Notes*

This Condition 10(c) is applicable in relation to Junior Subordinated Notes.

- (i) Any holder of a Junior Subordinated Note may, by notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the relevant Issuer, declare his Note to be due and payable, and such Note shall accordingly (subject to the provisions of Condition 3(c) or Condition 3(f), as the case may be,) 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 relevant Issuer or the Guarantor, as the case may be.
- (ii) A Noteholder may at its discretion institute such proceedings against the relevant Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the relevant Issuer under the Notes or the Coupons or the Receipts (if any) **provided that** such 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.
- (iii) No remedy against the relevant Issuer, other than the institution of the proceedings referred to in sub-paragraph (ii) above or the proving or claiming in any winding-up of such 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).
- (iv) In the event of an order being made or an effective resolution being passed for the winding-up, liquidation or bankruptcy of Fortis Luxembourg; 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 Fortis Luxembourg 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 Fortis Luxembourg; **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 Fortis Luxembourg 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 (save that Condition 8(i) does not apply in these circumstances).

11. Meeting of Noteholders, Modifications and Substitution

(a) Meetings of Noteholders

- (i) In the case of Notes issued by Fortis Luxembourg, 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*, (1) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (2) to reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (3) 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, (4) 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, (5) 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, (6) to change the currency or currencies of payment of the Notes, (7) to cancel or change the provisions of any Guarantee, (8) to take any steps which the relevant Note specifies may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (9) 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. For the avoidance of doubt, the provisions of Articles 86 to 94-8 of the Luxembourg law on commercial companies dated 10 August 1915, as amended, are hereby excluded.
- (ii) In the case of Notes issued by Fortis Bank, all meetings of Noteholders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to bondholders meetings. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the Brussels court of appeal, the meeting of Noteholders shall be entitled to modify or waive any provision of these Conditions. Resolutions duly passed in accordance with these provisions of the Belgian Company Code at any meeting of Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution. A summary of such resolutions, setting out the decisions adopted at the meeting of Noteholders, shall be published in accordance with Condition 14 (*Notices*), so long as the Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and its rules so require. All convening notices for meetings of Noteholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting, in the Belgian Official Gazette (*"Moniteur Belge/Belgisch Staatsblad"*) and in a newspaper of national distribution in Belgium. Convening notices will also be published once, not less than eight days prior to the meeting, in accordance with Condition 14 (*Notices*).

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series. Without limitation to the generality of these Conditions, Notes may be issued on a partly-paid, instalment or other basis, where the interest rate, aggregate principal amount and/or other terms may be varied from time to time (as specified in the applicable Final Terms relating thereto).

(b) Modification of Agency Agreement

The Issuers 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

An 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 (save where such Issuer is Fortis Bank), 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 relevant 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. The Issuer and the Substitute shall also notify the Luxembourg Stock Exchange in respect of such a substitution, procure that a supplement to the Base Prospectus be prepared and comply with the relevant rules and regulations of the Luxembourg Stock Exchange and/or such other competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation.

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 the regulations of the relevant competent authority, stock exchange and/or quotation system, at the specified office of such Paying Agent as may from time to time be designated by the relevant 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 relevant Issuer on demand the amount payable by such Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as such Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Further Issues

The relevant 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 date of mailing, in the case of a Credit Event Notice, or in all other circumstances, 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 (A) (i) published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*) (ii) in the case of Bearer Notes and Registered Notes which are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and the rules and regulations of that exchange so require), in a leading newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or the website of the Luxembourg Stock Exchange (www.bourse.lu), (iii) in the case of any Bearer Notes and Registered Notes which are admitted to trading on any other competent authority, stock exchange and/or quotation system, such other place as may be required by the rules and regulations of the relevant competent authority, stock exchange and/or quotation system and (iv) in the case of Notes issued by Fortis Bank, published in accordance with the applicable provisions of the Belgian Company Code or (B) in the case of (i), (ii) and (iii), 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 competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or

quotation. 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.

The Issuers and the Calculation Agent may, from time to time, publish calculations, adjustments or provide details of any other relevant information and events on the website of the Issuers (www.fortis.com) and/or (in the case of Notes which are offered to the public pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Directive) through Euroclear, Clearstream and/or any other relevant clearing system.

15. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable under these Conditions or such order or judgment into another currency (the "second currency") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

16. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

17. **Governing Law and Jurisdiction**

(a) *Governing Law*

The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law except for (i) in the case of Notes issued by Fortis Luxembourg, Conditions 3(b) and 3(c) which shall be governed by, and construed in accordance with Luxembourg law and Conditions 3(e) and 3(f) which shall be governed by, and construed in accordance with Belgian law and (ii) in the case of Notes issued by Fortis Bank, Conditions 3(b), 3(c) and 11(a)(ii) which shall be governed by, and construed in accordance with Belgian law.

Guarantees to which Condition 3(d) applies are governed by, and shall be construed in accordance with English law.

Guarantees to which Condition 3(e) applies and Guarantees to which Condition 3(f) 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, Camomile Court, 23 Camomile Street, London EC3A 7PP 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 relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) 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 Issuers and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders (in the case of Notes issued by Fortis Luxembourg) of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

PART 2: INDEX LINKED NOTES

PART 2A: SINGLE INDEX

The terms and conditions applicable to Notes linked to a single index shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Single Index Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Single Index Linked Conditions, the Single Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Single Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, for the purposes of Condition 6(a) the Final Redemption Amount payable per Note on the Maturity Date (subject to the provisions of Condition 6(l) and 6(m)) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

“**Additional Disruption Event**” means a Change in Law.

“**Averaging Dates**” means, each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“**Change in Law**” means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that the relevant Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Disrupted Day**” means any Scheduled Trading Day on which (i) if “Multi-Exchange Index” is specified in the Final Terms, the Index Sponsor fails to publish the level of the Index or, if “Non Multi-Exchange Index” is specified in the Final Terms, the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“**Early Closure**” means the closure on any Exchange Business Day of the relevant Exchange(s) or Related Exchange(s), if any, prior to its/their Scheduled Closing Time unless such earlier closing time is announced by the relevant Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

“**Exchange(s)**” means, if “Non Multi-Exchange Index” is specified in the Final Terms, the Exchange specified in the Final Terms or, if “Multi-Exchange Index” is specified in the Final Terms, in respect of any securities comprised in the Index, the stock exchanges (from time to time) on which in the determination of the relevant Issuer such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the Index has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding such relevant Exchange or any such relevant Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, if “Multi-Exchange Index” is specified in the Final Terms, any security comprised in the Index on any relevant Exchange or, if “Non Multi-Exchange Index” is specified in the Final Terms, securities that comprise 20

per cent or more of the level of the Index on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

“Expiration Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Index” means the index specified in the Final Terms, or any Successor Index.

“Index Cancellation” means the Index Sponsor cancels the Index and no Successor Index exists.

“Index Disruption” means the Index Sponsor fails to calculate and announce the Index Level.

“Index Level” means, on any relevant Scheduled Trading Day, the official closing level of the Index, as calculated and published by the Index Sponsor.

“Index Modification” means the Index Sponsor announces that it will make (in the opinion of the relevant Issuer) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalization and other routine events).

“Index Sponsor” means either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person.

“Market Disruption Event” means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, **provided that**, if “Multi-Exchange Index” is specified in the Final Terms, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the relevant Issuer, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

“Observation Date” means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Observation Period” has the meaning ascribed to it in the Final Terms.

“Related Exchange” means each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index, or such other options or futures exchange(s) as the relevant Issuer may select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Scheduled Closing Time” means in respect of the relevant Exchange(s) or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the relevant Exchange(s) or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means (i) if “Multi-Exchange Index” is specified in the Final Terms, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if “Non Multi-Exchange Index” is specified in the Final

Terms, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

“Strike Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Strike Price” means the price (if any) specified as such in the Final Terms.

“Successor Index” means where the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, such successor index or index calculated and announced by the successor sponsor.

“Trading Disruption” means any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or the relevant Related Exchange or otherwise (i) if “Multi-Exchange Index” is specified in the Final Terms, on any relevant Exchange(s) relating to any security comprised in the Index or, if “Non Multi-Exchange Index” is specified in the Final Terms, on the Exchange relating to securities that comprise 20 per cent or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on a Related Exchange.

“Valuation Time” means the Scheduled Closing Time on the relevant date. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 6(l)) the Valuation Time shall be such actual closing time.

3. **Disrupted Days**

For the purposes of the Notes, Condition 6 shall be amended by the addition of a new Condition 6(l) as follows:

“(l) Disrupted Days

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, in respect of the Index is a Disrupted Day, then the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the relevant Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, in respect of the Index, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Index Level on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day). Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on the Expiration Date and/or any Observation Date or Averaging Date, payment of the Final Redemption Amount any/or any amount of interest (if the payment of interest is index-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the Final Terms) following the postponed Expiration Date, Observation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 6(l).

The relevant Issuer shall give notice to the holders of the Notes, in accordance with Condition 14, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.”

4. **Adjustments, Consequences of Certain Events and Currency**

For the purposes of the Notes, Condition 6 shall be amended by the addition of a new Condition 6(m) as follows:

“(m) Adjustments and Currency

(i) Index Modification, Index Cancellation and/or Index Disruption

If the Calculation Agent determines that an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes, the relevant Issuer may make any adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.

(ii) Change of Exchange

If the or an Exchange is changed, the relevant Issuer may make such consequential modifications to any of the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

(iii) Price Correction

In the event that any price or level published on the relevant Exchange(s) or by the Index Sponsor and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange(s) or Index Sponsor(s) within three Business Days (or such other period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the relevant Issuer will adjust the terms and conditions of the Notes to account for such correction.

(iv) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the relevant Issuer), the relevant Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.

(v) Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the relevant Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.”

5. **Index Disclaimer**

The Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and the Index Sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the relevant Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the relevant Issuer, the Guarantor, nor the Calculation Agent has any affiliation with or control over the Index or the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the relevant Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the relevant Issuer, the Guarantor or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

PART 2B: BASKET OF INDICES

The terms and conditions applicable to Notes linked to a basket of indices shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Basket Index Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Basket Index Linked Conditions, the Basket Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Basket Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, for the purposes of Condition 6(a) the Final Redemption Amount payable per Note on the Maturity Date (subject to the provisions of Condition 6(l) and 6(m)) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

“**Additional Disruption Event**” means a Change in Law.

“**Averaging Dates**” means, in respect of an Index, each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day in respect of the relevant Index, the next following Scheduled Trading Day in respect of that Index, in each case subject to Condition 6(l).

“**Basket**” means a basket composed of the Indices specified in the Final Terms.

“**Change in Law**” means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that the relevant Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Disrupted Day**” means, in respect of an Index, any Scheduled Trading Day on which (i) if “Multi-Exchange Index” is specified in the Final Terms, the relevant Index Sponsor fails to publish the level of the relevant Index or, if “Non Multi-Exchange Index” is specified in relation to that Index in the Final Terms, the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“**Early Closure**” means, in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

“**Exchange(s)**” means, in respect of an Index, if “Non Multi-Exchange Index” is specified in relation to that Index in the Final Terms, the Exchange specified for such Index in the Final Terms and, if “Multi-Exchange Index” is specified in relation to that Index in the Final Terms, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the relevant Issuer such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means, in respect of an Index, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

“Exchange Disruption” means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (x) if “Multi-Exchange Index” is specified in relation to that Index in the Final Terms any security comprised in such Index on any relevant Exchange and (y) if “Non Multi-Exchange Index” is specified in relation to that Index in the Final Terms, securities that comprise 20 per cent. or more of the level of such Index on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange.

“Expiration Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Index” means one of the indices specified in the definition of Basket or any Successor Index, and

“Indices” means all such indices together.

“Index Cancellation” means, in respect of an Index, the Index Sponsor in respect of such Index cancels the Index and no Successor Index exists.

“Index Disruption” means, in respect of an Index, the Index Sponsor in respect of such Index fails to calculate and announce the Index Level.

“Index Level” means, in respect of an Index, on any relevant Scheduled Trading Day, the official closing level of the relevant Index, as calculated and published by the relevant Index Sponsor.

“Index Modification” means, in respect of an Index, the relevant Index Sponsor announces that it will make (in the opinion of the relevant Issuer) a material change in the formula for or the method of calculating such Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalization and other routine events).

“Index Sponsor” means, in respect of an Index, either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person.

“Market Disruption Event” means, in respect of an Index, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, **provided that**, if “Multi-Exchange Index” is specified in relation to that Index in the Final Terms, the securities comprised in the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the relevant Issuer, in aggregate to 20 per cent. or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

“Observation Date” means, in respect of an Index, each date, if any, specified as such in the Final Terms or, if any such date is not a Scheduled Trading Day in respect of such Index, the next following such Scheduled Trading Day, in each case subject to Condition 6(l).

“Observation Period” has the meaning ascribed to it in the Final Terms.

“Related Exchange” means, in respect of an Index, each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the relevant Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Scheduled Closing Time” means in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means, in respect of an Index, (i) if “Multi-Exchange Index” is specified in relation to that Index in the Final Terms, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if “Non Multi-Exchange Index” is specified in relation to that Index in the Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

“Strike Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Strike Price” means the price (if any) specified as such in the Final Terms.

“Successor Index” means, in respect of an Index, where such Index is (i) not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the relevant Issuer or (ii) replaced by a successor index using, in the determination of the relevant Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor.

“Trading Disruption” means, in respect of an Index, any suspension of or limitation imposed on trading by a relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise (i) if “Multi-Exchange Index” is specified in relation to that Index in the Final Terms, on any relevant Exchange(s) relating to any security comprised in the relevant Index or, if “Non Multi-Exchange Index” is specified in relation to that Index in the Final Terms, on the Exchange relating to securities that comprise 20 per cent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange.

“Valuation Time” means the Scheduled Closing Time on the relevant date. If a relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 6(l)) the Valuation Time shall be such actual closing time.

3. **Disrupted Days**

For the purposes of the Notes, Condition 6 shall be amended by the addition of a new Condition 6(l) as follows:

“(l) Disrupted Days

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, is a Disrupted Day in respect of an Index, then the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, for such Index shall be the first succeeding Scheduled Trading Day in respect of such Index that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the relevant Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, is a Disrupted Day for such Index. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, for such Index, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Index Level of such Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred in respect of an Index on the Expiration Date and/or any Observation Date or Averaging Date, payment of the Final Redemption Amount and/or amount of interest (if the payment of interest is index-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the Final Terms) following the postponed Expiration Date, Observation Date or Averaging Date, as the case may be, in respect of the Indices. For the avoidance of doubt, no additional amounts shall be payable in respect of the

postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 6(l). The relevant Issuer shall give notice to the holders of the Notes, in accordance with Condition 14, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes."

4. **Adjustments, Consequences of Certain Events and Currency**

For the purposes of the Notes, Condition 6 shall be amended by the addition of a new Condition 6(m) as follows:

"(m) Adjustments and Currency

(i) **Index Modification, Index Cancellation and/or Index Disruption**

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes, the relevant Issuer may make any adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.

(ii) **Change of Exchange**

If an Exchange is changed, the relevant Issuer may make such consequential modifications to the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

(iii) **Price Correction**

In the event that any price or level published on any relevant Exchange or by any relevant Index Sponsor in respect of an Index and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period as specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the relevant Issuer will adjust the terms and conditions of the Notes to account for such correction.

(iv) **Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the relevant Issuer), the relevant Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.

(v) **Additional Disruption Events**

If the Calculation Agent determines that an Additional Disruption Event has occurred, the relevant Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14."

5. **Index Disclaimer**

The Notes are not sponsored, endorsed, sold or promoted by any of the Indices or any of the Index Sponsors and none of the Index Sponsors has made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Index and/or the levels at which any such Index stands at any particular time on any particular date or otherwise. None of the Index Sponsors shall be liable (whether in negligence or otherwise) to any person for any error in any relevant Index and none of the Index Sponsors are under any obligation to advise any person of any error therein. The Index Sponsors have made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the relevant Issuer, the Guarantor nor the Calculation Agent shall have any liability to any person for any act or failure to act by any Index Sponsor in connection with the calculation, adjustment or maintenance of any Index. Neither the relevant Issuer, the Guarantor nor the Calculation Agent has any affiliation with or control over any of the Indices or any of the Index Sponsors or any control over the computation, composition or dissemination of the Indices. Although the relevant Issuer and the Calculation Agent will obtain

information concerning the Indices from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the relevant Issuer, the Guarantor or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Index.

PART 3: EQUITY LINKED NOTES

PART 3A: SINGLE SHARE

The terms and conditions applicable to Notes linked to a single share shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Equity Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Equity Linked Conditions, the Equity Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Equity Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 6(l) and 6(m)) the relevant Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if “Share Delivery” is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 6(n)), all as further specified in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

“**Additional Disruption Event**” means Change in Law and/or Insolvency Filing.

“**Averaging Dates**” means each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“**Change in Law**” means that on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the relevant Issuer to hold, acquire or dispose of the Shares, or (Y) the relevant Issuer will incur a materially increased cost in holding, acquiring or disposing of the Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**De-listing**” means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the relevant Issuer.

“**Delivery Day**” means, if “Share Delivery” is specified as being applicable in the Final Terms, a day, if any, on which the Shares comprised in the Share Amount(s) may be delivered to the Noteholders in a manner which the relevant Issuer determines to be appropriate.

“**Disrupted Day**” means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“**Disruption Cash Settlement Price**” means, if “Share Delivery” is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the Share Amount, as determined by the Calculation Agent in its sole discretion.

“**Early Closure**” means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“**Exchange**” means the Exchange specified in the Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares has temporarily been

relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any such Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange.

“Expiration Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Extraordinary Dividend” means, in respect of the Shares, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the relevant Issuer.

“Final Share Price” means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

“Fractional Amount” means, if “Share Delivery” is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 6(n)(iii).

“Fractional Cash Amount” means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent:

$$\text{Fractional Cash Amount} = (\text{Final Share Price} \times \text{Fractional Amount}).$$

“Initial Share Price” means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

“Insolvency” means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them.

“Insolvency Filing” means that the Calculation Agent determines that the Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

“Market Disruption Event” means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

“Merger Date” means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than

Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a “**Reverse Merger**”), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

“**Nationalisation**” means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**New Shares**” means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the relevant Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

“**Observation Date**” means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“**Observation Period**” has the meaning ascribed to it in the Final Terms.

“**Other Consideration**” means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party).

“**Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the Shares of (A) Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by the Share Issuer in respect of Shares that are not fully paid;
- (v) a repurchase by the Share Issuer or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to the Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (**provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights);
- (vii) the effective date of a consolidation of an Underlying with another company or merger of an Underlying with another company; or
- (viii) any other event that may have a diluting or concentrative effect on the theoretical value of the Shares.

Following the declaration by a Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will make the corresponding adjustment, if any, using its sole and absolute discretion.

“**Price**” means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if “Constant Monitoring” is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if “Valuation Time Only” is specified as being

applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

“Related Exchange” means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Shares, or such other options or futures exchange(s) as the relevant Issuer may select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Shares has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Shares on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Scheduled Closing Time” means, in respect of the Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“Settlement Disruption Event” means, if “Share Delivery” is specified as being applicable in the Final Terms, an event determined by the Calculation Agent to be beyond the control of the relevant Issuer as a result of which the relevant Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the relevant Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

“Share Amount” has the meaning ascribed to it in the Final Terms.

“Share Currency” has the meaning ascribed to it in the Final Terms.

“Share Delivery Date” has the meaning ascribed to it in the Final Terms.

“Share Issuer” has the meaning ascribed to it in the Final Terms.

“Shares” has the meaning ascribed to it in the Final Terms.

“Strike Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Strike Price” means the price (if any) specified as such in the Final Terms.

“Tender Offer” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“Trading Disruption” means any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange.

“Valuation Time” means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 6(l)) the Valuation Time shall be such actual closing time.

3. **Disrupted Days**

For the purposes of the Notes, Condition 6 shall be amended by the addition of a new Condition 7(l) as follows:

“(l) *Disrupted Days*

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, in respect of the Shares is a Disrupted Day, then the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately

following the original date that, but for the determination by the relevant Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on the Expiration Date and/or on any Observation Date or Averaging Date, payment of the Final Redemption Amount and/or any amount of interest (if the payment of interest is share-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period as specified in the Final Terms) following the postponed Expiration Date, Observation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 6(l).

The relevant Issuer shall give notice to the holders of the Notes, in accordance with Condition 14, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.”

4. **Adjustments**

For the purposes of the Notes, Condition 6 shall be amended by the addition of a new Condition 6(m) as follows:

“(m) *Adjustments, Consequences of Certain Events and Currency*

(i) **Adjustments**

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

(ii) **Consequences of a Merger Event**

If the Calculation Agent determines that a Merger Event has occurred, the relevant Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the relevant Issuer may notify to Noteholders in accordance with Condition 14; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (**provided that** no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/or
- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the “Shares” and the “Share Issuer”, respectively, and if the Calculation Agent determines to be appropriate, the relevant Issuer will adjust any relevant terms of the Notes as it may determine.

The relevant Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 14.

(iii) Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the relevant Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the relevant Issuer may notify to Noteholders in accordance with Condition 14; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (**provided that** no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

The relevant Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 14.

(iv) Nationalisation, Insolvency or De-listing

If in respect of the Shares or the Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the relevant Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.

(v) Change of Exchange

If the Exchange is changed, the relevant Issuer may make such consequential modifications to the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

(vi) Price Correction

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the Exchange within three Business Days (or such other period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the relevant Issuer will adjust the terms and conditions of the Notes to account for such correction.

(vii) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the relevant Issuer), the relevant Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.

(viii) Additional Disruption Events

If the Calculation Agent determines that an Additional Disruption Event has occurred, the relevant Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms).

Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.

(ix) Change in currency

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the relevant Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes."

5. **Delivery of Share Amount**

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, Condition 6 shall be amended by the addition of a new Condition 6(n) as follows:

"(n) *Delivery of Share Amounts*

(i) Delivery of Share Amounts

If the Notes are to be redeemed by the delivery of the Share Amounts, the relevant Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the relevant Issuer with sufficient instructions in a timely manner to enable the relevant Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The relevant Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, "delivery" in relation to any Share Amount means the carrying out of the steps required of the relevant Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "deliver" shall be construed accordingly. The relevant Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the relevant Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the Share Issuer. Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The relevant Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 6(m).

Neither the relevant Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) Settlement Disruption

If the relevant Issuer determines that delivery of any Share Amount in respect of any Note by the relevant Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 14, **provided that** the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the relevant Issuer deems appropriate in connection with delivery of

such Share Amount in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the relevant Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 14. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14.

The relevant Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 if a Settlement Disruption Event has occurred.

(iii) *Aggregate Share Amount*

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The relevant Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares."

(iv) *Entitlement to Dividends and Rights under the Shares*

The Issuer is entitled to any rights under the Shares existing before or on the Maturity Date, if the day on which the Shares are first traded on the Exchange "ex" such right is prior to or on the Maturity Date of the Notes. If the delivery of the Shares, for whatever reason, is effected after the Maturity Date of the Notes, the Noteholders are, with respect to such rights, to be treated as if they had already become owners of the Shares on the Maturity Date of the Notes.

(v) *Notes redeemed by the Shares - Obligations of Issuer and Fiscal Agent*

If the Notes are to be redeemed by the Shares, the Issuer or the Fiscal Agent is under no obligation to pass on to the Noteholders any notices, circulars or other documents received by the Issuer prior to delivery of the Shares, even if such notices, circulars or other documents relate to events occurring after delivery of the Shares. If the delivery of the Shares, for whatever reason, is only effected after the Maturity Date of the Notes, the Issuer is not obliged to exercise any rights under the Shares during the intervening period.

(vi) *Delivery of the Shares*

The delivery, if any, of the Shares will be made to the relevant account of the Noteholder's bank or in such other commercial reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery. All expenses including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery of the Shares shall be for the account of the relevant Noteholder. In case of delivery, the Shares will be deliverable at the risk of the relevant Noteholder on the Maturity Date.

(vii) *Publication of the Final Redemption Amount*

The Final Redemption Amount will be published as soon as possible after its determination on the following website: www.fortisbanking.be (select "Save and Invest" then "Bonds") or through the clearing systems (in this case, for any offer to the public which does not require the publication of a prospectus in accordance with the Prospectus Directive)."

6. **Prescription**

For the avoidance of doubt, Condition 9 shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, then, on the date that is 6 months after the Maturity Date, the Fiscal Agent on behalf of the relevant Issuer shall be entitled (i)

to sell the Shares with respect to Notes not presented for reimbursement and (ii) to determine the cash amount at which the Notes will be redeemed as from such date.

PART 3B: BASKET OF SHARES

The terms and conditions applicable to Notes linked to a basket of shares shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Basket Shares Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Basket Shares Linked Conditions, the Basket Shares Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Basket Shares Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 6(l) and 6(m)) the relevant Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if “Share Delivery” is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 6(n)), all as further specified in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

“**Additional Disruption Event**” means Change in Law and/or Insolvency Filing.

“**Averaging Dates**” means, in respect of a Share, each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“**Basket**” means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the Final Terms.

“**Change in Law**” means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the relevant Issuer to hold, acquire or dispose of any Shares, or (Y) the relevant Issuer will incur a materially increased cost in holding, acquiring or disposing of any Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**De-listing**” means that an Exchange announces that pursuant to its rules one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the relevant Issuer.

“**Delivery Day**” means, if “Share Delivery” is specified as being applicable in the Final Terms, a day, if any, on which Shares comprised in any Share Amount(s) may be delivered to the Noteholders in a manner which the Calculation Agent determines to be appropriate.

“**Disrupted Day**” means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“**Disruption Cash Settlement Price**” means, if “Share Delivery” is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the relevant Share Amount, as determined by the Calculation Agent in its sole discretion.

“**Early Closure**” means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange

Business Day and (ii) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“Exchange” means, in respect of a Share, the Exchange specified for such Share in the Final Terms or otherwise the stock exchange on which such Share is, in the determination of the relevant Issuer, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Share on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

“Expiration Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Extraordinary Dividend” means, in respect of a Share, the characterization of a dividend or portion thereof as an Extraordinary Dividend by the relevant Issuer.

“Final Share Price” means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

“Fractional Amount” means, if “Share Delivery” is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 6(n)(iii).

“Fractional Cash Amount” means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent:

$$\text{Fractional Cash Amount} = (\text{Final Share Price} \times \text{Fractional Amount}).$$

“Initial Share Price” means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

“Insolvency” means, in respect of a Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

“Insolvency Filing” means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

“Market Disruption Event” means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

“Merger Date” means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to

another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

"Nationalisation" means that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"New Shares" means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the relevant Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

"Observation Date" means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

"Observation Period" has the meaning ascribed to it in the Final Terms.

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party).

"Potential Adjustment Event" means any of the following:

- (i) a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;
- (ii) a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to a Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer (**provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights);
- (vii) the effective date of a consolidation of an Underlying with another company or merger of an Underlying with another company; or

- (viii) any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket.

Following the declaration by a Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will make the corresponding adjustment, if any, using its sole and absolute discretion.

“Price” means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if “Constant Monitoring” is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if “Valuation Time Only” is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

“Related Exchange” means, in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or such other options or futures exchange(s) as the relevant Issuer may select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Scheduled Closing Time” means, in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means, in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions.

“Settlement Disruption Event” means, if “Share Delivery” is specified as being applicable in the Final Terms, in respect of a Share, an event determined by the Calculation Agent to be beyond the control of the relevant Issuer as a result of which the relevant Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the relevant Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

“Share Amount” has the meaning ascribed to it in the Final Terms.

“Share Currency” has the meaning ascribed to it in the Final Terms.

“Share Delivery Date” has the meaning ascribed to it in the Final Terms.

“Share Issuer” has the meaning ascribed to it in the Final Terms.

“Shares” has the meaning ascribed to it in the Final Terms.

“Strike Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 6(l).

“Strike Price” means the price (if any) specified as such in the Final Terms.

“Tender Offer” means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the relevant Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“Trading Disruption” means, in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange.

“Valuation Time” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to that Share. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 6(l)) the Valuation Time shall be such actual closing time.

3. **Disrupted Days**

For the purposes of the Notes, Condition 6 shall be amended by the addition of a new Condition 7(l) as follows:

“(l) Disrupted Days

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, is a Disrupted Day in respect of a Share, then the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, in respect of that Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the relevant Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date for such Share, as the case may be, is a Disrupted Day. In that case: (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and (b) the Calculation Agent shall determine the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on the Expiration Date and/or on any Observation Date or Averaging Date, payment of the Final Redemption Amount and/or any amount of interest (if the payment of interest is share-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period as specified in the Final Terms) following the postponed Expiration Date, Observation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 6(l).

The relevant Issuer shall give notice to the holders of the Notes, in accordance with Condition 14, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.”.

4. **Adjustments**

For the purposes of the Notes, Condition 6 shall be amended by the addition of a new Condition 6(m) as follows:

“(m) Adjustments, Consequences of Certain Events and Currency

(i) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

(ii) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the relevant Issuer may: (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the relevant Issuer may notify to Noteholders in accordance with Condition 14; and/or (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines

appropriate to account for the economic effect on the Notes of such Merger Event (**provided that** no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "Shares" and the relevant "Share Issuer", respectively, and if the Calculation Agent determines to be appropriate, the relevant Issuer will adjust any relevant terms of the Notes as it may determine. The relevant Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 14.

(iii) Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the relevant Issuer may: (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the relevant Issuer may notify to Noteholders in accordance with Condition 14; and/or (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (**provided that** no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment. The relevant Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 14.

(iv) Nationalisation, Insolvency or De-listing

If in respect of one or more of the Shares in the Basket or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the relevant Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or De-listing, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or Delisting, less the costs to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.

(v) Change of Exchange

If an Exchange is changed, the relevant Issuer may make such consequential modifications to the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

(vi) Price Correction

In the event that any price or level published on an Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the relevant Issuer will adjust the terms and conditions of the Notes to account for such correction.

(vii) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the relevant Issuer), the relevant Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.

(viii) Additional Disruption Events

If the Calculation Agent determines that an Additional Disruption Event has occurred in respect of one or more of the Shares in the Basket, the relevant Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the relevant Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.

(ix) Change in currencies

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the relevant Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

5. **Delivery of Share Amount**

For the purposes of the Notes, if “Share Delivery” is specified as being applicable in the Final Terms, Condition 6 shall be amended by the addition of a new Condition 6(n) as follows:

“(n) *Delivery of Share Amounts*

(i) Delivery of Share Amounts

If the Notes are to be redeemed by the delivery of the Share Amounts, the relevant Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the relevant Issuer with sufficient instructions in a timely manner to enable the relevant Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The relevant Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, “**delivery**” in relation to any Share Amount means the carrying out of the steps required of the relevant Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and “**deliver**” shall be construed accordingly. The relevant Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the relevant Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the relevant Share Issuer.

Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The relevant Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 6(m).

Neither the relevant Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) Settlement Disruption

If the relevant Issuer determines that delivery of any Share Amount (or part thereof) in respect of any Note by the relevant Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount (or part thereof) shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 13, **provided that** the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount (or part thereof) using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the relevant Issuer deems appropriate in connection with delivery of such Share Amount (or part thereof) in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the relevant Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount (or part thereof) in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 14. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14.

The relevant Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 if a Settlement Disruption Event has occurred.

(iii) Aggregate Share Amount

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The relevant Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.

(iv) Entitlement to Dividends and Rights under the Shares

The Issuer is entitled to any rights under the Shares existing before or on the Maturity Date, if the day on which the Shares are first traded on the Exchange “ex” such right is prior to or on the Maturity Date of the Notes. If the delivery of the Shares, for whatever reason, is effected after the Maturity Date of the Notes, the Noteholders are, with respect to such rights, to be treated as if they had already become owners of the Shares on the Maturity Date of the Notes.

(v) Notes redeemed by the Shares - Obligations of Issuer and Fiscal Agent

If the Notes are to be redeemed by the Shares, the Issuer or the Fiscal Agent is under no obligation to pass on to the Noteholders any notices, circulars or other documents received by the Issuer prior to delivery of the Shares, even if such notices, circulars or other documents relate to events occurring after delivery of the Shares. If the delivery of the Shares, for whatever reason, is only effected after the Maturity Date of the Notes, the Issuer is not obliged to exercise any rights under the Shares during the intervening period.

(vi) Delivery of the Shares

The delivery, if any, of the Shares will be made to the relevant account of the Noteholder's bank or in such other commercial reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery. All expenses including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery of the Shares shall be for the account of the relevant Noteholder. In case of delivery, the Shares will be deliverable at the risk of the relevant Noteholder on the Maturity Date.

(vii) Publication of the Final Redemption Amount

The Final Redemption Amount will be published as soon as possible after its determination on the following website: www.fortisbanking.be (select “Save and Invest” then “Bonds”) or through the clearing systems (in this

case, for any offer to the public which does not require the publication of a prospectus in accordance with the Prospectus Directive).”

6. **Prescription**

For the avoidance of doubt, Condition 9 shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

For the purposes of the Notes, if “Share Delivery” is specified as being applicable in the Final Terms, then, on the date that is 6 months after the Maturity Date, the Fiscal Agent on behalf of the relevant Issuer shall be entitled (i) to sell the Shares with respect to Notes not presented for reimbursement and (ii) to determine the cash amount at which the Notes will be redeemed as from such date.

PART 4: CREDIT LINKED NOTES

PART 4A: FIRST-TO-DEFAULT CREDIT LINKED NOTES WITH PHYSICAL SETTLEMENT

The terms and conditions applicable to First-to-Default Credit Linked Notes with physical settlement shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**FTD Physical Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the FTD Physical Conditions set out below, the FTD Physical Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the FTD Physical Conditions and (ii) the Final Terms, the Final Terms shall prevail.

If Credit Linked Notes type 1 is shown as being applicable in the relevant Final Terms, then the FTD Physical Conditions will incorporate the notional credit default swap confirmation 1 mentioned below (“**CDS Confirmation 1**”). The relevant amounts, dates, terms and information of the CDS Confirmation 1 will be completed in the relevant Final Terms.

CDS CONFIRMATION 1

The purpose of this confirmation and any schedules hereto (this “**Confirmation**”) is to confirm the terms and conditions of the notional credit default swap deemed to be entered into between two notional counterparties (“**Seller**” and “**Buyer**”) on the Trade Date specified below and is not an actual transaction (the “**Notional Credit Default Swap**”) for the purposes of which the Issuer shall be deemed to be the buyer. One or more new notional credit default swaps (each a “**Notional Credit Default Swap**”) will be deemed entered on the occurrence of a Succession Event or a Partial Exercise Event, as defined in this Confirmation. Each such Notional Credit Default Swap shall be governed by a separate Confirmation, and the terms of this Confirmation shall apply to each such Notional Credit Default Swap separately as set out herein.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions and as further supplemented, should at any time the Calculation Agent consider such to be applicable, by the Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity, published on 21 January 2005 (the Monoline Supplement), (together, the “**Credit Derivatives Definitions**”), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

The purpose of this Confirmation is to set out the mechanics under which:

- (i) it is determined that the Conditions to Settlement are satisfied with respect to any Notional Credit Default Swap and, if satisfied, whether such satisfaction of the Conditions to Settlement could lead to a Partial Exercise Event and the consequences thereof;
- (ii) the date on which the Conditions to Settlement are satisfied and the Event Determination Date with respect to any Notional Credit Default Swap are determined;
- (iii) the Deliverable Obligation(s) with respect to each Notional Credit Default Swap in respect of which the Conditions to Settlement are satisfied, are determined, and
- (iv) the occurrence of a Succession Event or Partial Exercise Event with respect to any Notional Credit Default Swap shall be determined, whereby:
 - (a) in the case of a Succession Event:
 - (i) the aggregate of the Notional Amounts of all Notional Credit Default Swap(s) shall be equal to the Notional Amount of the relevant Notional Credit Default Swap to which such Succession Event relates,
 - (ii) the Reference Entities with respect to each Notional Credit Default Swap shall be determined in accordance with the provisions described in section 5 hereunder; and
 - (iii) the Notional Credit Default Swap to which the Succession Event relates shall cease to be in force; and,
 - (b) in the case of a Partial Exercise Event, the Notional Amount of the new Notional Credit Default Swap shall be equal to the Notional Amount of the relevant Notional Credit Default Swap to which such Partial Exercise Event relates less the Exercise Amount, and the original Notional Credit Default Swap shall remain in force.

Notional Credit Default Swap

For the avoidance of doubt, each Notional Credit Default Swap which is deemed to be entered into in accordance with the terms of a Confirmation shall at all times be deemed to be a Notional Credit Default Swap in relation to the Notes.

The Settlement Terms shall apply solely to one Reference Entity, which shall be the first Reference Entity with respect to which an Event Determination Date occurs or, if an Event Determination Date occurs in respect of more than one Reference Entity on the same day, the Reference Entity in respect of which the Credit Event Notice and the Notice of Publicly Available Information was first delivered on such day (such entity, the “**Affected Reference Entity**”). This limitation shall apply to each Notional Credit Default Swap separately if more than one Notional Credit Default Swap arises pursuant to Sections 2.2 or 3.9 of the Credit Derivatives Definitions, as defined in this Confirmation.

Fortis Bank nv-sa, as calculation agent in respect of the Notes, will act as Calculation Agent in respect of the Notional Credit Default Swap and will make any calculations or determinations, exercise any discretion or take any other action that would be required or permitted to be made or taken by the Calculation Agent pursuant to the relevant Notional Credit Default Swap, as if that Notional Credit Default Swap were actually in existence and any such determination or calculation that it makes, and any other action that it takes, each in accordance with the terms set out therein, shall be deemed to have been duly made or taken pursuant to the Notional Credit Default Swap.

For the avoidance of doubt, any calculations or determinations made, or any other action taken by the Calculation Agent in respect of the Notional Credit Default Swap shall be subject to Section 1.14 of the Credit Derivatives Definitions. Any requirement for the Calculation Agent to consult with any of the parties shall be deemed not to apply.

The terms of the original Notional Credit Default Swap are as follows:

1. General Terms:

Trade Date:	[•].
Effective Date:	[•].
Maturity Date:	<p>(a) if the Conditions to Settlement have not been satisfied with respect to any Notional Credit Default Swap, and subject to adjustment in accordance with the Business Day Convention, the Scheduled Maturity Date;</p> <p>(b) If there is deemed to be more than one Notional Credit Default Swap and the Conditions to Settlement have been satisfied with respect to any, but not all, of such Notional Credit Default Swaps, the later of (i) the Scheduled Maturity Date and (ii) the latest Cash Settlement Date; or</p> <p>(c) if the Conditions to Settlement have been satisfied with respect to all Notional Credit Default Swaps deemed to have been entered into, the last possible Cash Settlement Date relating thereto.</p>
Scheduled Termination Date:	Scheduled Maturity Date under the Notes.
Calculation Agent:	Fortis Bank nv-sa.
Calculation Agent City:	Brussels.
Business Days for all purposes other than the calculation and payment of the Interest Amounts and Calculation Agent City Business Day:	In respect of a Reference Entity, the Business Days specified in the applicable Standard Terms (each such day being a “Transaction Day”). In the event that due to the application of the relevant Transaction Days, settlement would otherwise occur on a day that is not a Currency Day, such settlement shall occur in accordance with the terms of this Transaction on the first Currency Day to occur after such day.

Business Day Convention:

Following (which, subject to Sections 1.4 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entity:

The Reference Entities are composed of:

- (a) the following Reference Entities (which will be considered to be European Reference Entities):

[]

- (b) the following Reference Entities (which will be considered to be US Reference Entities):

[]

- (c) the following Reference Entities (which will be considered to be Asian Entities):

[]

- (d) the following Reference Entities (which will be considered to be Japanese Entities):

[]

- (e) the following Reference Entities (which will be considered to be Australian Entities):

[]

- (f) the following Reference Entities (which will be considered to be New Zealand Entities):

[]

- (g) the following Reference Entities (which will be considered to be Singapore Entities):

[]

- (h) the following Reference Entities (which will be considered to be Subordinated European Insurance Entities):

[]

- (i) the following Reference Entities (which will be considered to be Latin American Entities):

[]

- (j) the following Reference Entities (which will be considered to be Asian Sovereigns Entities):

[]

- (k) the following Reference Entities (which will be considered to be European Emerging Markets and Middle Eastern Sovereigns Entities):

[]

- (l) the following Reference Entities (which will be considered to be Japanese Sovereigns Entities):

[]

(m) the following Reference Entities (which will be considered to be Australian Sovereigns Entities):

[]

(n) the following Reference Entities (which will be considered to be New Zealand Sovereigns Entities):

[]

(o) the following Reference Entities (which will be considered to be Singapore Sovereigns Entities):

[]

(p) the following Reference Entities (which will be considered to be Latin American Sovereigns Entities):

[]

(q) the following Reference Entities (which will be considered to be Western European Sovereigns Entities):

[]

Each such European Reference Entity, US Reference Entity, Asian Reference Entity, Japanese Reference Entity, Australian Reference Entity, New Zealand Reference Entities, Singapore Reference Entity, Subordinated European Insurance Entity, Latin American Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular "Entity Type" in Schedule A. References in this Confirmation to "Standard Terms" means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.

Reference Price:

[•] per cent.

Reference Obligation(s):

The obligation(s) (if any) identified as such in respect of a Reference Entity in Schedule A. The parties agree that such obligation may be used as, *inter alia*, an Obligation or Deliverable Obligation in respect of the relevant Reference Entity notwithstanding that the Primary Obligor of such obligation may not be the same entity as the applicable Reference Entity.

Substitution

[Applicable] / [Not applicable].

All Guarantees:

In respect of a Reference Entity, "Applicable" or "Not Applicable" shall apply as specified in the applicable Standard Terms.

Final Redemption Amount:

- (a) if the Conditions to Settlement have not been satisfied with respect to any Notional Credit Default Swap, then the Final Redemption Amount for each Note will be equal to the Final Redemption Amount specified in the Final Terms divided by the number of Notes and rounding down the resultant figure to the nearest cent;
- (b) if there is more than one Notional Credit Default Swap and if the Conditions to Settlement have been satisfied with respect to one or more of such Notional Credit Default Swaps but not all of them, then the Final Redemption Amount for each Note will be equal to (i) the sum of the

Remaining Amount and the aggregate Credit Event Redemption Amount for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied (ii) divided by the number of Notes, rounded down to the nearest cent; or

- (c) if the Conditions to Settlement have been satisfied with respect to each Notional Credit Default Swap, then the Final Redemption Amount for each Note will be equal to the aggregate Credit Event Redemption Amount for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Notes rounded down to the nearest cent.

“Credit Event Redemption Amount” means an amount calculated by the Calculation Agent on the Maturity Date in respect of each Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied in accordance with the following formula:

$$A = B - C + D$$

Where:

A means the Credit Event Redemption Amount;

B means the Notional Amount of the relevant Notional Credit Default Swap. The Principal Amount Outstanding will be calculated by the Calculation Agent based on the number of Notional Credit Default Swaps and the occurrence of any Event Determination Date;

C means the Cash Settlement Amount calculated in respect of the relevant Notional Credit Default Swap; and

D means the Accruals calculated in respect of the relevant Notional Credit Default Swap.

“Cash Settlement Amount” means an amount calculated on the Calculation Date by the Calculation Agent equal to the sum of (i) the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio, and (ii) the Unwind Amount (as defined below).

Although a Cash Settlement Amount will be calculated, no party shall be obliged to make any payment or delivery in respect thereof. For the avoidance of doubt, the Cash Settlement Amount will be used for the purpose of calculating the amounts payable under the Notes. The Unwind Amount is equal to an amount as reasonably determined by the Calculation Agent in its sole discretion, on the Event Determination Date, to unwind a notional interest rate swap entered into between Fortis Bank nv-sa and the Issuer on the Issue Date swapping a fixed rate of [4.10 per cent. per annum (30/360) against a EURIBOR 3-month (Act/360)].

“Accruals” means an amount of interest determined on the Maturity Date by the Calculation Agent in respect of the relevant Notional Credit Default Swap by multiplying the product of the Notional Amount of such Notional Credit Default Swap less the Cash Settlement Amount determined thereunder and the Accrual Interest Rate by the number of days in the period from, and excluding the Event Determination Date to, but including, the Maturity Date divided by 360.

The “Accrual Interest Rate” shall be calculated by the Calculation Agent as if ISDA Determination had been elected for the purposes of paragraph 18 above, where the Floating Rate Option was EUR-EONIA-OIS-COMPOUND, the Designated Maturity, the

Calculation Period was the period from, and excluding, the relevant Event Determination Date to, but including, the Maturity Date and the Reset Date was the relevant Event Determination Date.

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same:

Early redemption for taxation reasons does not apply.

The Issuer will not pay any additional amount in case of tax changes. In case of redemption on event of default, the Early Redemption Amount will be determined by the Calculation Agent. An amount shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) to have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer under the Notes (including, but not limited to, taking into consideration the obligation of the Issuer to make payments of interest under the Notes and the cost to the Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the Early Redemption Date). This amount may be less than EUR 1,000,000 per Specified Denomination.

For the purpose of this clause, the Calculation Agent shall act as an independent expert and not as an agent for the Issuer or the Noteholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis.

All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the Noteholders. The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.

2. Fixed Payments

Not Applicable.

3. Floating Payments:

Interest Period Dates/Interest Dates:	Payment	(a)
		if the Conditions to Settlement have not been satisfied with respect to the Notional Credit Default Swap (or have been satisfied with respect to none of the Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event); or
		(b) if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event, and if the Conditions to Settlement have been satisfied with respect to some of those Notional Credit Default Swaps only but not all of them, then the [Interest Period Dates or Interest Payment Dates] specified in the Final Terms and up to and including the Scheduled Termination Date, provided that , where the Conditions to Settlement have been satisfied with respect to any Notional Credit Default Swap deemed to have been entered into pursuant to the terms of the [Part 4A] of the Conditions and the terms of the item 35(ii) of the relevant Final Terms, the Event Determination Date under any such Notional Credit Default Swap will be an Interest Payment Date and there shall be no further Interest Payment Dates with respect to each such Notional Credit Default Swap; or

- (c) if the Conditions to Settlement have been satisfied with respect to the Notional Credit Default Swap (or all Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event), [the Interest Period Dates or Interest Payment Dates] specified in the Final Terms and up to and including the Event Determination Date (or the latest Event Determination Date, if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event).

“Interest Calculation Amount” means, with respect to any Interest Period, the Remaining Amount as at the close of business on the second Business Day prior to the Interest Payment Date being the end of such Interest Period.

“Remaining Amount” means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have not been satisfied on or prior to such date.

Floating Rate Payer Calculation Amount: With respect to any day, the Notional Amount (as adjusted from time to time in accordance with Section 2.2 and Section 3.9 of Credit Derivatives Definitions)

Notional Amount: [] or any other amount pursuant to the application of the Successor Provisions or Partial Exercise Provisions defined in paragraph 5 and 6 of this Confirmation.

Exercise Amount: Where an Event Determination Date occurs and Restructuring is the only Credit Event specified in the Credit Event Notice, the Exercise Amount shall mean the amount specified by the Notifying Party in accordance with Section 3.9 of the Credit Derivatives Definitions and the provisions contained in this Confirmation (the “**Partial Exercise Amount**”, as further defined in section 5 of this Confirmation).

With respect to (a) any Credit Event other than Restructuring or (b) any Credit Event in respect of any Reference Entity to which Section 3.9 of the Credit Derivatives Definitions shall not apply as stated in the applicable Standard Terms, the Exercise Amount shall be equal to the Floating Rate Payer Calculation Amount (and not a portion thereof).

Conditions to Settlement: Credit Event Notice

Notifying Party: The Buyer.

Notice of Physical Settlement

Notice of Publicly Available Information Applicable.

The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the “**Affected Reference Entity**” as defined in the Preamble).

Credit Events: In respect of a Reference Entity, the Credit Events specified in the applicable Standard Terms.

Obligation(s): In respect of an Affected Reference Entity, the applicable Obligations thereof shall be determined in accordance with Section 2.14 of the Credit Derivatives Definitions on the basis of the Obligation Category and the Obligation Characteristic(s) specified in the applicable Standard Terms.

Excluded Obligation(s): None

4. **Settlement
Terms:**

Settlement Method: Physical Settlement.

Settlement Currency: [].

**Terms relating to
Physical
Settlement:**

Physical Settlement Amount: The Floating Rate Payer Calculation Amount (after taking into account paragraph 6 of this Confirmation).

Physical Settlement Period: The Physical Settlement Period identified in the applicable Standard Terms for the Affected Reference Entity.

Deliverable Obligations: "Exclude Accrued Interest" or "Include Accrued Interest" shall apply as specified in the applicable Standard Terms for the Affected Reference Entity.

Deliverable Obligations: In respect of an Affected Reference Entity, in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Deliverable Obligation Category and Deliverable Obligation Characteristic(s) specified in the applicable Standard Terms.

Excluded Deliverable Obligations: Any obligations of a Reference Entity other than the Affected Reference Entity.

Partial Settlement of Consent Required Loans: Cash Not Applicable.

Partial Settlement of Assignable Loans: Cash Not Applicable.

Partial Settlement of Participations: Cash Not Applicable.

Escrow: Not Applicable.

Delivery Limitation: The following provision shall apply to the Affected Reference Entity if Delivery Limitation is specified as "Applicable" in the applicable Standard Terms:

"With respect to a Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied, notwithstanding Section 1.7 or any provisions of Section 9.9 or Section 9.10 to the contrary, but without prejudice to Section 9.3 and (where applicable) Sections 9.4, 9.5 and 9.6 if the Termination Date has not occurred on or prior to the date that is 60 Business Days following the Physical Settlement Date, such 60th Business Day shall be deemed to be the Termination Date with respect to this Notional Credit Default Swap except in relation to any portion of the Notional Credit Default Swap (an "**Affected Portion**") in respect of which:

- (1) a valid notice of Buy-in Price has been delivered that is effective fewer than three Business Days prior to such 60th Business Day, in which case the Termination Date for that Affected Portion shall be the third Business Day following the date on which such notice is effective; or
- (2) Buyer has purchased but not Delivered Deliverable Obligations validly specified by Seller pursuant to Section 9.10(b), in which case the Termination Date for that Affected Portion shall be the tenth Business Day following the date on which Seller validly specified such Deliverable Obligations to Buyer."

5. **Successor Provisions:**

Succession Event	(1)	Section 2.2(a) of the Credit Derivatives Definitions is amended as follows:
Amendments to Section 2.2 of the Credit Derivatives Definitions:	(a)	the words "for the entire Credit Derivative Transaction" shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words "of the Reference Entity";
	(b)	the words "New Credit Derivative Transaction " shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words " new Notional Credit Default Swap ";
	(c)	the words "Credit Derivative Transaction " shall be deleted from Section 2.2(a)(v); and replaced with the words "Notional Credit Default Swap"
	(2)	Section 2.2(e)(i) of the Credit Derivatives Definitions is replaced in its entirety with the following:: "each Successor will be a Reference Entity for the purposes of one of the Notional Credit Default Swap each, and each of the Reference Entities that is not a subject of the applicable Succession Event shall be a Reference Entity for the purposes of each and every one of the Notional Credit Default Swaps;"
	(3)	Section 2.2(d) of the Credit Derivatives Definitions is replaced in its entirety with the following:" "(d) Where: (i) a Reference Obligation has been specified with respect to a Reference Entity; (ii) one or more Successors to the Reference Entity have been identified; and (iii) any one or more Successors have not assumed the Reference Obligation, a Substitute Reference Obligation will be determined in accordance with the provisions of Section 2.30 with respect to each such Successor."
	(4)	Section 2.2(e) shall be replaced in its entirety by the following: "Where, pursuant to Section 2.2(a) above, one or more Successors have been identified in relation to a particular Reference Entity, the Notional Credit Default Swap to which such Succession Event relates shall be divided into the same number of Notional Credit Default Swaps as the number of Successors (each a new " Notional Credit Default Swap "). Each such Notional Credit Default Swap will include one of the Successors together with the other Reference Entities that were not subject to the Succession Event. The Notional Amount in respect thereof shall be equal to the Notional Amount of the Original Notional Credit Default Swap divided by the number of Successors. The Reference Entity Type of each Successor with respect to each new Notional Credit Default Swap shall be the same as the Reference Entity Type of the Reference Entity to which such Succession Event relates." All other terms and conditions of the original Notional Credit Default Swap will be replicated in each new Notional Credit Default Swap except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original Notional Credit Default Swap in the new Notional Credit Default Swap (considered in aggregate).
Treatment of certain Succession Events		Where any Reference Entity (the " Surviving Reference Entity ") (other than the Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the " Legacy Reference Entity ") pursuant to a Succession Event through the application of Section 2.2(a) of the Credit Derivatives Definitions, and Substitution is not applicable pursuant to this Confirmation, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

No duplication: Where the effect of the Successor Provisions would be to specify a Reference Entity more than once with respect to a single Notional Credit Default Swap, that Reference Entity shall be deemed to be specified once only for the purposes of that Notional Credit Default Swap.

6. **Partial Exercise Event provisions:**

Partial Event	Exercise	Section 3.9 of the Credit Derivatives Definitions shall not apply
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7. **Calculation Agent Merger:**

Calculation Merger:	Agent	Section 2.31 of the Credit Derivatives Definitions shall apply to this Transaction, provided that each reference to 'Seller' in this Section shall be deemed to be a reference to the 'Calculation Agent'.
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8. **Additional Provisions:**

- (a) "The reference in the third line of Section 3.3 to the "Effective Date" shall be deemed to be a reference to the Trade Date."
- (b) Section 1.12(a) (iii) of the Credit Derivatives Definitions is amended by replacing each reference to "the Scheduled Termination Date" by a reference to "the close of business on the third Business Day prior to the Scheduled Termination Date".

SCHEDULE A

Reference Entity:	Reference Obligation:	Entity Type:
[Name]	Primary Obligor: [] Guarantor: [] Maturity: [] Coupon: [] CUSIP/ISIN: []	[European Corporate North American Corporate Asian Corporate Japanese Corporate Australian Corporate New Zealand Corporate Singapore Corporate Asian Sovereigns European Emerging Markets and Middle Eastern Sovereigns Japanese Sovereigns Australian Sovereigns New Zealand Sovereigns Singapore Sovereigns Latin American Sovereigns Western European Sovereigns]

SCHEDULE B

STANDARD TERMS

The standard terms relating to each Entity Type are set out in Part 4D.

PART 4B: FIRST-TO-DEFAULT CREDIT LINKED NOTES WITH CASH SETTLEMENT

The terms and conditions applicable to First-to-Default Credit Linked Notes with cash settlement shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**FTD Cash Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the FTD Cash Conditions set out below, the FTD Cash Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the FTD Cash Conditions and (ii) the Final Terms, the Final Terms shall prevail.

If Credit Linked Notes type 2 is shown as being applicable in the relevant Final Terms, then the FTD Cash Conditions will incorporate of the notional credit default swap confirmation 2 mentioned below (“**CDS Confirmation 2**”). The relevant amounts, dates, terms and information of the CDS Confirmation 2 will be completed in the relevant Final Terms.

CDS CONFIRMATION 2

The purpose of this confirmation and any schedules hereto (this “**Confirmation**”) is to confirm the terms and conditions of a notional credit default swap deemed to be entered into between two notional counterparties (“**Seller**” and “**Buyer**”) on the Trade Date specified below and is not an actual transaction (the “**Notional Credit Default Swap**”) for the purposes of which the Issuer shall be deemed to be the Buyer. One or more new notional credit default swaps (each a “**Notional Credit Default Swap**”) will be deemed entered on the occurrence of a Succession Event or a Partial Exercise Event, as defined in this Confirmation. Each such Notional Credit Default Swap shall be governed by a separate Confirmation, and the terms of this Confirmation shall apply to each such Notional Credit Default Swap separately as set out herein.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions and as further supplemented, should at any time the Calculation Agent consider such to be applicable, by the Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity, published on 21 January 2005 (the “**Monoline Supplement**”), (together, the “**Credit Derivatives Definitions**”), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

The purpose of this Confirmation is to set out the mechanics under which:

- (i) it is determined that the Conditions to Settlement are satisfied with respect to any Notional Credit Default Swap and, if satisfied, whether such satisfaction of the Conditions to Settlement could lead to a Partial Exercise Event and the consequences thereof;;
- (ii) the date on which the Conditions to Settlement are satisfied and the Event Determination Date with respect to any Notional Credit Default Swap are determined;
- (iii) the Redemption Amount upon Default with respect to each Notional Credit Default Swap in respect of which the Conditions to Settlement are satisfied, is determined; and
- (iv) the occurrence of a Succession Event or Partial Exercise Event with respect to any Notional Credit Default Swap shall be determined, whereby:
 - (I) in the case of a Succession Event:
 - a. the aggregate of the Notional Amounts of all Notional Credit Default Swap(s) shall be equal to the Notional Amount of the relevant Notional Credit Default Swap to which such Succession Event relates,
 - b. the Reference Entities with respect to each Notional Credit Default Swap shall be determined in accordance with the provisions described in section 5 hereunder; and
 - c. the Notional Credit Default Swap to which the Succession Event relates shall cease to be in force; and,
 - (II) in the case of a Partial Exercise Event, the Notional Amount of the new Notional Credit Default Swap shall be equal to the Notional Amount of the relevant Notional Credit Default Swap to which such Partial Exercise Event relates less the Exercise Amount, and the original Notional Credit Default Swap shall remain in force.

Notional Credit Default Swap

For the avoidance of doubt, each Notional Credit Default Swap which is deemed to be entered into in accordance with the terms of a Confirmation shall at all times be deemed to be a Notional Credit Default Swap in relation to the Notes.

The Settlement Terms shall apply solely to one Reference Entity, which shall be the first Reference Entity with respect to which an Event Determination Date occurs or, if an Event Determination Date occurs in respect of more than one Reference Entity on the same day, the Reference Entity in respect of which the Credit Event Notice and the Notice of Publicly Available Information was first delivered on such day (such entity, the “**Affected Reference Entity**”). This limitation shall apply to each Notional Credit Default Swap separately if more than one Notional Credit Default Swap arises pursuant to Sections 2.2 or 3.9 of the Credit Derivatives Definitions, as defined in this Confirmation.

Fortis Bank nv-sa, as calculation agent in respect of the Notes, will act as Calculation Agent in respect of the Notional Credit Default Swap and will make any calculations or determinations, exercise any discretion or take any other action that would be required or permitted to be made or taken by the Calculation Agent pursuant to the relevant Notional Credit Default Swap (including, without limitation to the generality of the foregoing, the selection of Valuation Obligations and the notification of such Valuation Obligations, each in accordance with the terms thereof) as if that Notional Credit Default Swap were actually in existence and any such determination or calculation that it makes, and any other action that it takes, each in accordance with the terms set out therein, shall be deemed to have been duly made or taken pursuant to the Notional Credit Default Swap.

For the avoidance of doubt, any calculations or determinations made, or any other action taken by the Calculation Agent in respect of the Notional Credit Default Swap shall be subject to Section 1.14 of the Credit Derivatives Definitions. Any requirement for the Calculation Agent to consult with any of the parties shall be deemed not to apply.

The terms of the original Notional Credit Default Swap are as follows:

1. General Terms:

Trade Date: [].

Effective Date: [].

Maturity Date: (a) if the Conditions to Settlement have not been satisfied with respect to any Notional Credit Default Swap, and subject to adjustment in accordance with the Business Day Convention, the Scheduled Maturity Date;

(b) If there is deemed to be more than one Notional Credit Default Swap and the Conditions to Settlement have been satisfied with respect to any, but not all, of such Notional Credit Default Swaps, the later of (i) the Scheduled Maturity Date and (ii) the latest Cash Settlement Date; or

(c) if the Conditions to Settlement have been satisfied with respect to all Notional Credit Default Swaps deemed to have been entered into, the last possible Cash Settlement Date relating thereto.

Scheduled Termination Date: Scheduled Maturity Date under the Notes.

Calculation Agent: Fortis Bank nv-sa.

Calculation Agent City: Brussels.

Business Days for all purposes other than the calculation and payment of the Interest

Amounts and Calculation Agent City Business Day: In respect of a Reference Entity, the Business Days specified in the Applicable Standard Terms (each such day being a “Transaction Day”).

For all other purposes and unless otherwise provided for herein, [] Settlement Day.”

Business Day Convention: Following (which, subject to Sections 1.4 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entity:

The Reference Entities are composed of:

(a) the following Reference Entities (which will be considered to be European Reference Entities):

[]

(b) the following Reference Entities (which will be considered to be US Reference Entities):

[]

(c) the following Reference Entities (which will be considered to be Asian Entities):

[]

(d) the following Reference Entities (which will be considered to be Japanese Entities):

[]

(e) the following Reference Entities (which will be considered to be Australian Entities):

[]

(f) the following Reference Entities (which will be considered to be New Zealand Entities):

[]

(g) the following Reference Entities (which will be considered to be Singapore Entities):

[]

(h) the following Reference Entities (which will be considered to be Subordinated European Insurance Entities)

[•]

(i) the following Reference Entities (which will be considered to be Latin American Entities):

[]

(j) the following Reference Entities (which will be considered to be Asian Sovereigns Entities):

[]

(k) the following Reference Entities (which will be considered to be European Emerging Markets and Middle Eastern Sovereigns Entities):

[]

(l) the following Reference Entities (which will be considered to be Japanese Sovereigns Entities):

[]

(m) the following Reference Entities (which will be considered to be Australian Sovereigns Entities):

[]

(n) the following Reference Entities (which will be considered to be New Zealand Sovereigns Entities):

[]

(o) the following Reference Entities (which will be considered to be Singapore Sovereigns Entities):

[]

(p) the following Reference Entities (which will be considered to be Latin American Sovereigns Entities):

[]

(q) the following Reference Entities (which will be considered to be Western European Sovereigns Entities):

[]

Each such European Reference Entity, US Reference Entity, Asian Reference Entity, Japanese Reference Entity, Australian Reference Entity, New Zealand Reference Entities, Singapore Reference Entity, Subordinated European Insurance Entity, Latin American Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular "Entity Type" in Schedule A. References in this Confirmation to "Standard Terms" means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.

Reference Price: [] per cent.

Reference Obligation(s): The obligation(s) if any identified as such in respect of a Reference Entity in Schedule A. The parties agree that such obligation may be used as, *inter alia*, an Obligation or Valuation Obligation in respect of the relevant Reference Entity notwithstanding that the Primary Obligor of such obligation may not be the same entity as the applicable Reference Entity.

Substitution: [Applicable] / [Not applicable].

All Guarantees: In respect of a Reference Entity, "Applicable" or "Not Applicable" shall apply as specified in the applicable Standard Terms.

Final Redemption Amount:

- (a) if the Conditions to Settlement have not been satisfied with respect to any Notional Credit Default Swap, then the Final Redemption Amount for each Note will be equal to the Final Redemption Amount specified in the Final Terms divided by the number of Notes and rounding down the resultant figure to the nearest cent;
- (b) if there is more than one Notional Credit Default Swap and if the Conditions to Settlement have been satisfied with respect to one or more of such Notional Credit Default Swaps but not all of them, then the Final Redemption Amount for each Note will be equal to (i) the sum of the Remaining Amount and the aggregate Credit Event Redemption Amount for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied (ii) divided by the number of Notes, rounded down to the nearest cent; or

- (c) if the Conditions to Settlement have been satisfied with respect to each Notional Credit Default Swap, then the Final Redemption Amount for each Note will be equal to the aggregate Credit Event Redemption Amount for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Notes rounded down to the nearest cent

“Credit Event Redemption Amount” means an amount calculated by the Calculation Agent on the Maturity Date in respect of each Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied in accordance with the following formula:

$$A = B - C + D$$

where:

A means the Credit Event Redemption Amount;

B means the Notional Amount of the relevant Notional Credit Default Swap. The Principal Amount Outstanding will be calculated by the Calculation Agent based on the number of Notional Credit Default Swaps and the occurrence of any Event Determination Date;

C means the Cash Settlement Amount calculated in respect of the relevant Notional Credit Default Swap; and

D means the Accruals calculated in respect of the relevant Notional Credit Default Swap

“Cash Settlement Amount” means an amount calculated on the Calculation Date by the Calculation Agent equal to the sum of (i) the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio, and (ii) the Unwind Amount (as defined below)

Although a Cash Settlement Amount will be calculated, no party shall be obliged to make any payment or delivery in respect thereof. For the avoidance of doubt, the Cash Settlement Amount will be used for the purpose of calculating the amounts payable under the Notes. The Unwind Amount is equal to an amount as reasonably determined by the Calculation Agent in its sole discretion, on the Event Determination Date, to unwind a notional interest rate swap entered into between Fortis Bank nv-sa and the Issuer on the Issue Date swapping a fixed rate of [4.10% per annum (30/360) against a EURIBOR 3-month (Act/360)]

“Accruals” means an amount of interest determined on the Maturity Date by the Calculation Agent in respect of the relevant Notional Credit Default Swap by multiplying the product of the Notional Amount of such Notional Credit Default Swap less the Cash Settlement Amount determined thereunder and the Accrual Interest Rate by the number of days in the period from, and excluding the Event Determination Date to, but including, the Maturity Date divided by 360.

The “Accrual Interest Rate” shall be calculated by the Calculation Agent as if ISDA Determination had been elected for the purposes of paragraph 18 above, where the Floating Rate Option was EUR-EONIA-OIS-COMPOUND, the Designated Maturity, the Calculation Period was the period from, and excluding, the relevant Event Determination Date to, but including, the Maturity Date and the Reset Date was the relevant Event Determination Date.

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same:

Early redemption for taxation reasons does not apply.

The Issuer will not pay any additional amount in case of tax changes. In case of redemption on event of default, the Early Redemption Amount will be determined by the Calculation Agent. An amount shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) to have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer under the Notes (including, but not limited to, taking into consideration the obligation of the Issuer to make payments of interest under the Notes and the cost to the Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the Early Redemption Date). This amount may be less than €1,000,000 per Specified Denomination.

For the purpose of this clause, the Calculation Agent shall act as an independent expert and not as an agent for the Issuer or the Noteholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis.

All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the Noteholders. The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.

2. **Fixed Payments:**

Not Applicable.

3. **Floating Payments:**

Interest Period Dates/Interest Payment Dates:

(a) if the Conditions to Settlement have not been satisfied with respect to the Notional Credit Default Swap (or have been satisfied with respect to none of the Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event); or

(b) if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event, and if the Conditions to Settlement have been satisfied with respect to some of those Notional Credit Default Swaps only but not all of them, then the [Interest Period Dates or Interest Payment Dates] specified in the Final Terms and up to and including the Scheduled Termination Date, provided that, where the Conditions to Settlement have been satisfied with respect to any Notional Credit Default Swap deemed to have been entered into pursuant to the terms of the [Part 4A] of the Conditions and the terms of the item 35(ii) of the relevant Final Terms, the Event Determination Date under any such Notional Credit Default Swap will be an Interest Payment Date and there shall be no further Interest Payment Dates with respect to each such Notional Credit Default Swap; or

(c) if the Conditions to Settlement have been satisfied with respect to the Notional Credit Default Swap (or all Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event), [the Interest Period Dates or Interest Payment Dates] specified in the Final Terms and up to and including the Event Determination Date (or the latest Event Determination Date, if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event). "Interest Calculation Amount" means, with respect to any Interest Period, the Remaining Amount as at the close of business on the second Business

Floating Rate Payer Calculation Amount:	With respect to any day, the Notional Amount (as adjusted from time to time in accordance with Section 2.2 and Section 3.9 of Credit Derivatives Definitions).
Notional Amount:	[] or any other amount pursuant to the application of the Successor Provisions or Partial Exercise Provisions defined in paragraph 5 and 6 of this Confirmation.
Exercise Amount	Where an Event Determination Date occurs and Restructuring is the only Credit Event specified in the Credit Event Notice, the Exercise Amount shall mean the amount specified by the Notifying Party in accordance with Section 3.9 of the Credit Derivatives Definitions and the provisions contained in this Confirmation (the " Partial Exercise Amount ", as further defined in section 6 of this Confirmation). With respect to (a) any Credit Event other than Restructuring or (b) any Credit Event in respect of any Reference Entity to which Section 3.9 of the Credit Derivatives Definitions shall not apply as stated in the applicable Standard Terms, the Exercise Amount shall be equal to the Floating Rate Payer Calculation Amount (and not a portion thereof). Conditions to Settlement:
Condition to Settlement	Credit Event Notice Notifying Party The Buyer. Notice of Publicly Available Information: Applicable. The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the " Affected Reference Entity " as defined in the Preamble).
Credit Events:	In respect of a Reference Entity, the Credit Events specified in the applicable Standard Terms.
Obligation(s):	In respect of an Affected Reference Entity, the applicable obligations thereof shall be determined in accordance with Section 2.14 of the Credit Derivatives Definitions on the basis of the Obligation Category and the Obligation Characteristic(s) specified in the applicable Standard Terms.
Excluded Obligation(s):	None.

Settlement Method: Cash Settlement.

Settlement Currency: [].

“Notice Delivery Period” means the period from and including the Effective Date to and including the Scheduled Termination Date.”

Valuation Business Day:	A day on which commercial banks and foreign exchange markets are generally open to settle payments in [] is open for business.
Cash Settlement Amount:	Means an amount calculated on the Calculation Date by the Calculation Agent equal to the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio. Although a Cash Settlement Amount will be calculated, no party shall be obliged to make any payment or delivery in respect thereof. For the avoidance of doubt, the Cash Settlement Amount will be used for the purpose of calculating the amounts payable under the Notes.
Cash Settlement Date:	3 Business Days after the Calculation Date.
Valuation Date:	<p>Multiple Valuation Dates: the First Valuation Date shall be the 60th Valuation Business Day following the Event Determination Date. Thereafter, there shall be two further Valuation Dates, each commencing on the 5th Valuation Business Day immediately following a quotation being obtained or be deemed to be obtained in respect of the immediately preceding Valuation Date.</p> <p>In respect of any Valuation Date, on or about 11.00 a.m. in the Quotation City applicable to the relevant Valuation Obligation, except that, if such Valuation Time is earlier than 9 am (Brussels time), it shall be postponed to 9 am Brussels time and if such Valuation Time is later than 4 pm (Brussels time), it shall be advanced to 4 pm (Brussels time).</p>
Quotation City:	Means the city as reasonably determined by the Calculation Agent as being the city where the principal trading market is located for the relevant Valuation Obligations which form part of the Valuation Portfolio. For the avoidance of doubt, the Quotation City need not be the city located in the country of incorporation of the Reference Entity. The Calculation Agent will notify the Buyer and the Seller of the Quotation City five Valuation Business Days prior to the first Valuation Date.
Quotation Method:	Bid
Determination of Quotations:	<p>Section 7.7 (a) and (b) of the Credit Derivatives Definitions shall be deleted and replaced with the following:</p> <p>“(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day within three Valuation Business Days of a Valuation Date, the Calculation Agent shall attempt to obtain Full Quotations from five Dealers up to, and including, the earlier of the tenth Valuation Business Day following the relevant Valuation Date and the Valuation Business Day on which a Full Quotation and a Weighted Average Quotation or two Full Quotations were obtained on such Valuation Business Day</p> <p>(b) If the Calculation Agent is unable to obtain (i) at least two Full Quotations or (ii) one or more Full Quotation and a Weighted Average Quotations on the same Valuation Business Day on or prior to the tenth Valuation Business Day following the applicable Valuation Date, then the Calculation Agent shall attempt to obtain at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation from the eleventh Valuation Business Day following the relevant Valuation Date to, and including, the earlier of the fifteenth Valuation Business Day following the relevant Valuation Date and Valuation Business Day on which it obtains such a Full Quotation, Weighted Average Quotation or Partial Weighted Average Quotation</p> <p>If the Calculation Agent is unable to obtain on the same Valuation Business Day at least one Full Quotation, a Weighted Average</p>

Quotation or a Partial Weighted Average Quotation by the fifteenth Valuation Business Day following the relevant Valuation Date, the Calculation Agent will exercise its reasonable discretion into determining a Quotation which shall apply to such Valuation Date, acting in good faith and in a commercially reasonable manner.

If, on or prior to the tenth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains on the same Valuation Business Day, at least two Full Quotations, or one or more Full Quotation and a Weighted Average Quotations, such Full Quotations or such Full Quotations and such Weighted Average Quotation shall be considered as Quotations.

If, after the tenth Valuation Business Day following the applicable Valuation Date, but on or prior to the fifteenth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least one Full Quotation or a Weighted Average Quotation or a Partial Weighted Average Quotation, such Full Quotations or such Weighted Average Quotation or such Partial Weighted Average Quotation shall be considered as a Quotation."

Quotations:

Exclude Accrued Interest

Dealers:

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, each Dealer shall be a dealer, or a principal affiliate thereof, in obligations of the type of the Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, or in single name credit derivative transactions referencing the relevant Reference Entity, as identified by its Identification Number and its legal name, selected by the Calculation Agent from the following list, together with any additional dealers or principal affiliates thereof that the parties may from time to time agree in relation to a particular Valuation Obligation:

ABN AMRO Bank N.V., London Branch

Bank of America Derivatives Bank of Montreal, London Branch

Barclays Bank PLC

Bayerische Hypo- und Vereinsbank AG

Bear Stearns International Limited

BNP Paribas, London Branch

CALYON

CIBC World Markets plc

Citibank International plc

Commerzbank AG

Credit Suisse International

Deutsche Bank AG, London Branch

Dresdner Bank AG, London Branch

Goldman Sachs International

HSBC Bank plc (*where the reference entity is not a U.S. company*)

HSBC Bank USA N.A., New York Branch (*where the reference entity is a U.S. company*)

IXIS Corporate and Investment Bank

J.P. Morgan Chase Bank N.A. (where the reference entity is a U.S. company)

J.P. Morgan Chase Bank N.A., London Branch (where the reference entity is not a U.S. company)

Lehman Brothers Specialised Finance

Merrill Lynch International

Morgan Stanley Credit Products

Nordea Bank Danmark AS

Société Générale

The Royal Bank of Scotland plc

UBS Limited

WestLB AG

provided that if one of the Dealers from the above list ceases or has ceased to exist or ceases to be an active Dealer in obligations of the type for which Quotations are to be obtained or a bankruptcy occurs with respect to any Dealer then the Calculation Agent shall select a substitute Dealer (who is a dealer in obligations of the type for which Quotations are to be obtained) and notify the Buyer and the Seller of such selection. A substitute Dealer must meet the requirements set out in the first sentence of the definition of "Dealer" set out in Section 7.15 of the Credit Derivatives Definitions and shall not be an Affiliate of the Buyer. A Dealer selected by the Calculation Agent from the list above shall not be affiliated with any other Dealer selected by the Calculation Agent from the list above. The above list is not exhaustive and may be amended in the relevant Final Terms

Quotation Amount:

With respect to any Valuation Obligation, one third of the related Valuation Obligation Balance, rounded up to the nearest denomination of the relevant Valuation Obligation.

Calculation Date:

Means, the Valuation Business Day on which the last Final Price is determined in respect of all Valuation Obligation(s) in the Valuation Portfolio.

Valuation Obligation Loss Amount:

means, with respect to a Valuation Obligation in respect of which a Final Price has been calculated, the greater of :

1 (100 per cent. - Final Price) multiplied by the relevant Valuation Obligation Balance (converted if necessary to euros using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner); and

2 zero

Final Price:

With respect to each Valuation Obligation in the Valuation Portfolio, the price of such Valuation Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method (treating such Valuation Obligation as the Reference Obligation for such purpose and for purposes of other relevant provisions of Article VII of the Credit Derivatives Definitions), provided that, if such Final Price is higher than 100 per cent., it shall be deemed to be equal to 100 per cent.

Valuation Portfolio:

means a portfolio of one or more Valuation Obligations in respect of which the sum of the related Valuation Obligation Balances (converted if necessary from EUR to the relevant currency using the exchange rate

determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner) is equal to the Floating Rate Payer Calculation and selected by the Buyer on or before the day that falls 5 Valuation Business Days prior to the first Valuation Date (the date on which such notification occurs, the “**Notification Date**”). The Buyer may amend the Valuation Portfolio at any point up to, and including, the fifth Valuation Business Day prior to the first Valuation Date. The date on which such notice is effective should also be a Notification Date.

Valuation Obligation Balance: means, with respect to a Valuation Obligation, an amount in the currency of denomination of that Valuation Obligation (the “**Valuation Obligation Currency**”) specified as such by the Calculation Agent to the Noteholders on the Notification Date (determined by the Calculation Agent on the Notification Date acting in good faith and in a commercially reasonable manner).

Valuation Method: Average Highest

Weighted Average Quotation: Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an outstanding balance of as large a size as available but less than the Quotation Amount that in the aggregate are equal to or greater than the Quotation Amount.

Partial Weighted Average Quotation: Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation of as large a size as available but with an outstanding principal balance less than the Quotation Amount. If the sum of outstanding principal balance (as the case may be) with respect to which such quotations are obtained is less than the Quotation Amount, then the quotations with respect to such shortfall shall be deemed to be a firm quotation of zero.

Valuation Obligations: In respect of an Affected Reference Entity, the valuation obligation determined in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Valuation Obligation Category and Valuation Obligation Characteristics specified in the applicable Standard Terms.

5. **Successor Provisions:**

Succession Event (1) Section 2.2(a) of the Credit Derivatives Definitions is amended as follows

Amendments to Section 2.2 of the Credit Derivatives Definitions: (a) the words “for the entire Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words “of the Reference Entity”;

(b) the words “New Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words “ new Notional Credit Default Swap “;

(c) the words “Credit Derivative Transaction” shall be deleted from Section 2.2(a)(v); and replaced with the words “Notional Credit Default Swap”;

(2) Section 2.2(d) of the Credit Derivatives Definitions is replaced in its entirety with the following:

“(d) Where:

- (i) a Reference Obligation has been specified with respect to a Reference Entity;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the provisions of Section 2.30 with respect to each such Successor.”

- (3) Section 2.2(e) shall be replaced in its entirety by the following:

“Where, pursuant to Section 2.2(a) above, more than one Successor has been identified in relation to a particular Reference Entity, the Notional Credit Default Swap to which such Succession Event relates shall be divided into the same number of Notional Credit Default Swaps as the number of Successors (each a “**new Notional Credit Default Swap**”). Each such new Notional Credit Default Swap will include one of the Successors together with all the other Reference Entities that were not subject to the Succession Event. The Notional Amount in respect thereof shall be equal to the Notional Amount of the Original Notional Credit Default Swap divided by the number of Successors. The Reference Entity Type of each Successor with respect to each new Notional Credit Default Swap shall be the same as the Reference Entity Type of the Reference Entity to which such Succession Event relates.” All other terms and conditions of the original Notional Credit Default Swap will be replicated in each new Notional Credit Default Swap except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original Notional Credit Default Swap in the new Notional Credit Default Swap (considered in aggregate).

Treatment of certain Succession Events

Where any Reference Entity (the “**Surviving Reference Entity**”) (other than the Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the “**Legacy Reference Entity**”) pursuant to a Succession Event through the application of Section 2.2(a) of the Credit Derivatives Definitions, and Substitution is not applicable pursuant to this Confirmation, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

No duplication:

Where the effect of the Successor Provisions would be to specify a Reference Entity more than once with respect to a single Notional Credit Default Swap, that Reference Entity shall be deemed to be specified once only for the purposes of that Notional Credit Default Swap.

6. **Partial Exercise Event:**

Partial Exercise Event: Section 3.9 of the Credit Derivative Definitions shall not apply.

7. **Calculation Agent Merger:**

Calculation Agent Merger: Section 2.31 of the Credit Derivatives Definitions shall apply to this Transaction, provided that each reference to ‘Seller’ in this Section shall be deemed to be a reference to the ‘Calculation Agent’.

8. **Additional Provisions**

The following amendments shall be made to the Credit Derivatives Definitions:

- (a) The terms Valuation Obligations, Valuation Obligation Characteristics and Valuation Obligation Category shall have the same meaning given to “Deliverable Obligations”, “Deliverable Obligation Characteristics”

and “Deliverable Obligation Category” in the Credit Derivatives Definitions (including, without limitation, Sections 2.19, 2.20 and 2.21).

- (b) Where applicable:
 - (I) any references to a “Delivery” shall be disregarded for the purposes of the Credit Default Swap Agreement;
 - (II) each reference in the Credit Derivatives Definitions to a “Delivery Date” shall be deemed to be a reference to the date of selection of the relevant Valuation Obligation, except that the words “the Delivery Date or applicable Valuation Date, as the case may be” shall be replaced in the two places where they appear in Section 8.7(b)(i) with the words “ the applicable Valuation Date”; and
 - (III) each reference in the Credit Derivatives Definitions to “Physical Settlement Date” shall be deemed to be a reference to the date of selection of the relevant Valuation Obligation.
- (c) Section 2.32 of the Credit Derivatives Definitions shall be amended by:
 - (I) deleting Section 2.32(a) in its entirety and replacing it by the following:

“If “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” are specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Buyer, then a Valuation Obligation may only be specified if it (1) is a Fully Transferable Obligation and (2) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.”;
 - (II) deleting the second paragraph of Section 2.32(b) and adding the following:

“For the purposes of the determining whether a Valuation Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the first Valuation Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer.”
- (d) Section 2.33 of the Credit Derivatives Definitions shall be amended as follows:
 - (I) Section 2.33(a) shall be deleted in its entirety and replaced by the following:

“If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” are specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Credit Default Swap Counterparty, then a Valuation Obligation may only be specified if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.”;
 - (II) Section 2.33(b)(i) shall be deleted; and
 - (III) the reference to the “Delivery Date” in Section 2.33(b)(ii) shall be deemed to be a reference to the first Valuation Date.
- (e) “The reference in the third line of Section 3.3 to the “Effective Date” shall be deemed to be a reference to the Trade Date.”
- (f) Section 1.12(a) (iii) of the Credit Derivatives Definitions is amended by replacing each reference to “the Scheduled Termination Date” by a reference to “the close of business on the third Business Day prior to the Scheduled Termination Date”.

9. **The standard terms relating to each Entity Type are set out in Part 4D.**

PART 4C: CREDIT LINKED NOTES WITH A STATIC PORTFOLIO OF REFERENCE ENTITIES AS UNDERLYING

The terms and conditions applicable to Credit Linked Notes with a static portfolio of reference entities as underlying shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**CLN Tranche Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the CLN Tranche Conditions set out below, the CLN Tranche Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the CLN Tranche Conditions and (ii) the Final Terms, the Final Terms shall prevail.

If Credit Linked Notes type 3 is shown as being applicable in the relevant Final Terms, then the CLN Tranche Conditions will incorporate the notional credit default swap confirmation 3 mentioned below (“**CDS Confirmation 3**”). The relevant amounts, dates, terms and information of the CDS Confirmation 3 will be completed in the relevant Final Terms.

CDS CONFIRMATION 3

The purpose of this confirmation and any schedules hereto (this “**Confirmation**”) is to confirm the terms and conditions of the notional credit default swap deemed to be entered into between two notional counterparties (“**Seller**” and “**Buyer**”) on the Trade Date specified below and is not an actual transaction (the “**Notional Credit Default Swap**”) for the purposes of which the Issuer shall be deemed to be the Buyer.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions, and as further supplemented by the Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity, published on 21 January 2005 (the “**Monoline Supplement**”) (together, the “**Credit Derivatives Definitions**”), each as published by the International Swaps and Derivatives Association, Inc., (“**ISDA**”), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

This Confirmation relates to the portfolio (the “**Reference Portfolio**”) comprising of a basket of Reference Entities. This Transaction contemplates that there may be more than one Credit Event and therefore the Conditions to Settlement may be satisfied with respect to more than one Reference Entity and accordingly there may be multiple Event Determination Dates, Cash Settlement Amounts and Cash Settlement Dates and the Credit Derivatives Definitions (and in particular the definition of “Termination Date”) should, for the purposes of this Confirmation, be interpreted accordingly.

Any capitalised terms not defined in this Confirmation shall have the respective meanings ascribed to them in the relevant Final Terms and in the Agency Agreement relating to the Programme, as the case may be. In the event of any inconsistency between those terms defined in the Final Terms or in the Agency Agreement, and those defined in this Confirmation, this Confirmation will govern.

This Confirmation relates to a notional credit default swap transaction deemed to have been entered into between the Buyer and the Seller and is not an actual transaction (“**Notional Credit Default Swap**”).

The terms of the Notional Credit Default Swap are as follows:

1. **General Terms:**

Trade Date:	[]
Effective Date:	[]
Scheduled Termination Date:	Scheduled Maturity Date under the Notes
Termination Date:	The later of: <ul style="list-style-type: none">(i) Scheduled Termination Date; and(ii) the final Cash Settlement Date in respect of this Transaction, such date being expected to occur no later than []
Floating Rate Payer:	The Noteholders (the “ Seller ”).
Fixed Rate Payer:	The Issuer (the “ Buyer ”).

Calculation Agent:	Fortis Bank nv-sa.
Calculation Agent City:	Brussels
Business Days for all purposes other than the calculation and payment of the Interest Amounts and Calculation Agent City Business Day:	<p>In respect of a Reference Entity, the Business Days specified in the Applicable Standard Terms (each such day being a "Transaction Day").</p> <p>For all other purposes and unless otherwise provided for herein, [] Settlement Day."</p>
Reference Portfolio:	The portfolio comprising each of the Reference Entities. The Calculation Agent will from time to time and in accordance with the Successor Provisions amend Appendix 1 to reflect all required changes in the Reference Portfolio.
Reference Entity:	<p>The Reference Entities are composed of:</p> <p>(a) the following Reference Entities (which will be considered to be European Reference Entities):</p> <p>[]</p> <p>(b) the following Reference Entities (which will be considered to be US Reference Entities):</p> <p>[]</p> <p>(c) the following Reference Entities (which will be considered to be Asian Entities):</p> <p>[]</p> <p>(d) the following Reference Entities (which will be considered to be Japanese Entities):</p> <p>[]</p> <p>(e) the following Reference Entities (which will be considered to be Australian Entities):</p> <p>[]</p> <p>(f) the following Reference Entities (which will be considered to be New Zealand Entities):</p> <p>[]</p> <p>(g) the following Reference Entities (which will be considered to be Singapore Entities):</p> <p>[]</p> <p>(h) the following Reference Entities (which will be considered to be Subordinated European Insurance Entities):</p> <p>[]</p> <p>(i) the following Reference Entities (which will be considered to be Latin American Entities):</p> <p>[]</p> <p>(j) the following Reference Entities (which will be considered to be Asian Sovereigns Entities):</p> <p>[]</p>

(k) the following Reference Entities (which will be considered to be European Emerging Markets and Middle Eastern Sovereigns Entities):

[]

(l) the following Reference Entities (which will be considered to be Japanese Sovereigns Entities):

[]

(m) the following Reference Entities (which will be considered to be Australian Sovereigns Entities):

[]

(n) the following Reference Entities (which will be considered to be New Zealand Sovereigns Entities):

[]

(o) the following Reference Entities (which will be considered to be Singapore Sovereigns Entities):

[]

(p) the following Reference Entities (which will be considered to be Latin American Sovereigns Entities):

[]

(q) the following Reference Entities (which will be considered to be Western European Sovereigns Entities):

[]

Each such European Reference Entity, US Reference Entity, Asian Reference Entity, Japanese Reference Entity, Australian Reference Entity, New Zealand Reference Entities, Singapore Reference Entity, Subordinated European Insurance Entity, Latin American Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular "Entity Type" in Schedule A. References in this Confirmation to "Standard Terms" means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.

As of any date, if a Cash Settlement Date has occurred in respect of a Reference Entity, as identified by its Identification Number and its legal name, and the aggregate of the amounts in respect of which one or more Credit Event Notices have been sent has the effect of reducing the relevant Reference Entity Notional Amount to zero, then the relevant Reference Entity as identified by its Identification Number and its legal name (and the Reference Obligation which relates to that Reference Entity) shall, on the Cash Settlement Date, be removed from the Reference Portfolio and it shall cease to be a Reference Entity (and, in the case of a Reference Obligation, cease to be a Reference Obligation), and the Reference Portfolio shall be deemed amended accordingly.

Reference Entity Notional Amount: With respect to a Reference Entity, as identified by its Identification Number and its legal name, the euro amount specified as such as

relating to that Reference Entity and as set out against the name of such Reference Entity in Appendix 1 under the heading "Reference Entity Notional Amount" subject to adjustment as provided in Section 2.2 of the Credit Derivatives Definitions (as amended herein). Such amount shall be reduced by any Exercise Amount, as provided by Section 3.9 of the Credit Derivatives Definitions, as amended herein.

Reference Obligation(s):

With respect to a Reference Entity, as identified by its Identification Number and its legal name, the obligation, if any, specified as such as relating to that Reference Entity as set out against the name of such Reference Entity in Appendix 1 under the heading "Reference Obligation", and any Substitute Reference Obligation, provided that any Reference Obligation or Substitute Reference Obligation shall not be a Reference Obligation unless:

- (a) it falls within the Valuation Obligation Category and satisfies the Valuation Obligation Characteristics applicable to that Reference Entity as at the Effective Date; and
- (b) it ranks at least **pari passu** with obligations of such Reference Entity having the relevant Seniority Status with respect to such Reference Entity.

Credit Event Observation Start Date:

the Effective Date.

Credit Event Observation End Date:

The earlier to occur of:

- (a) the second Business Day prior to the Scheduled Maturity Date; and
- (b) the day on which the sum of all prior Cash Settlement Amounts (if any), is greater than or equal to the Original Tranche Notional Amount.

Notice Delivery Period End Date:

The earlier to occur of:

- (a) the second Business Day prior to the Scheduled Maturity Date; and
- (b) the day on which the sum of all prior Cash Settlement Amounts (if any), is greater than or equal to the Original Tranche Notional Amount.

Reference Entity Type:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, the type of such Reference Entity, being either corporate ("**corporate**") or sovereign ("**sovereign**") as set out against the name of such Reference Entity in Appendix 1 under the heading "Reference Entity Type".

Merger of Reference Entity and Seller:

In the event that (i) the Seller consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or (ii) a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to the Seller, or (iii) the Seller and a Reference Entity become Affiliates, then, such Reference Entity shall be deemed to be removed from the Reference Portfolio.

Swap Currency:

[]

2. **Fixed Payments**

Not applicable.

3. **Floating Amounts**

Conditions to Settlement:	<p>Credit Event Notice</p> <p>Notifying Party: Buyer</p> <p>Notice of Publicly Available Information: Applicable.</p> <p>Specified Number: Two.</p> <p>Subject to Section 3.9 of the Credit Derivatives Definitions, the Conditions to Settlement may be satisfied more than once in relation to the Reference Portfolio but only once in relation to each Reference Entity, as identified by its Identification Number and its legal name.</p>
Event Determination Date:	Means, with respect to a Reference Entity, as identified by its Identification Number and its legal name, and a Credit Event, the first date on which both the Credit Event Notice and the Notice of Publicly Available Information are effective.
Credit Events:	Subject to extension for any Potential Failure to Pay or Potential Repudiation/Moratorium, as applicable, a Credit Event may occur with respect to each Reference Entity, as identified by its Identification Number and its legal name, on any date during the Credit Event Observation Period determined with respect to such Reference Entity.
Credit Event Observation Period:	With respect to each Reference Entity, as identified by its Identification Number and its legal name, the period from and including the relevant Credit Event Observation Start Date, to, and including the relevant Credit Event Observation End Date.

4. Settlement Terms

Valuation Business Day:	<p>(i) Any day on which commercial banks and foreign exchange markets are generally open to settle payments in Luxembourg, Brussels, London, New York and (ii) with respect to each Reference Entity as identified by its Identification Number and its legal name, any day on which commercial banks and foreign exchange markets are generally open to settle payments in any other cities specified as relating to such Reference Entity and as set out against the name of such Reference Entity in Appendix 1 to this Confirmation, under the heading "Valuation Business Day" and on which TARGET System is operating (such day, a "Supplementary Valuation Business Day"). For the purposes of this Confirmation, references to "Business Day" or "Business Days" in Article VII of the Credit Derivatives Definitions will be deemed to be references to "Valuation Business Day" or "Valuation Business Days".</p>
Settlement Method:	Cash Settlement. Notwithstanding anything to the contrary in the Credit Derivatives Definitions, in respect of each Reference Entity, as identified by its Identification Number and its legal name, if the Conditions to Settlement are satisfied with respect to such Reference Entity, the Long Settlement Method shall apply.
Cash Settlement Date:	With respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, the Incurred Tranche Loss Impact Date.
Delta Amount:	With respect to any Reference Entity, as identified by its Identification Number and its legal name, the amount provided in the relevant Credit Event Notice. The Delta Amount shall not be higher than either the relevant Reference Entity Notional Amount or the Exercise Amount, as the case may be.
Delta:	With respect to any Reference Entity, as identified by its Identification Number and its legal name, the Delta Amount divided

by the Reference Entity Notional Amount or by the Exercise Amount, as the case may be, and as specified in the Credit Event Notice.

Valuation Portfolio:

With respect to a Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, a portfolio of one or more Valuation Obligations in respect of which the sum of the related Valuation Obligation Balances (converted if necessary to Euro using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner) is equal to the Delta Amount, such Valuation Portfolio as selected by the Buyer, and notified (in writing or by telephone) to the Seller on or before the day that falls 5 Business Days prior to the first Valuation Date (the date on which such notification occurs, the "**Notification Date**")

The Buyer may notify the Seller that the Buyer is changing one or more Valuation Obligations to be valued or the detailed description thereof or one or more Valuation Obligation Balances, but each such notice must be effective on or prior to the fifth Business Day prior to the first Valuation Date. The date on which such new notice is effective shall be deemed to replace the previously determined Notification Date.

Valuation Obligation Balance:

With respect to a Valuation Obligation in a Valuation Portfolio, an amount in the currency of denomination of that Valuation Obligation specified as such by the Buyer to the Seller on the last Notification Date (determined by the Buyer on such last Notification Date acting in good faith and in a commercially reasonable manner).

Valuation Obligations:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, any obligation selected by Buyer provided that such obligation must be:

- (a) an obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if the relevant Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) or, if All Guarantees is specified as applicable to the relevant Reference Entity in Appendix 1, as provider of any Qualifying Guarantee):
 - (i) described by the Valuation Obligation Category applicable to such Reference Entity and, subject to Section 2.21(c) of the Credit Derivatives Definitions, having each of the Valuation Obligation Characteristics applicable to such Reference Entity, in each case as of the day that falls 5 Business Days prior to the first Valuation Date; and
 - (ii) that satisfies the criteria set out in Section 2.15(a)(i) to (iii) of the Credit Derivatives Definitions and, if applicable, Section 2.32 or Section 2.33 of the Credit Derivatives Definitions;
- (b) subject to the second paragraph of Section 2.20(b)(i) of the Credit Derivatives Definitions, a Reference Obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, unless specified in Appendix 1 as an Excluded Valuation Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Valuation Obligation (but excluding any

Excluded Valuation Obligation) that satisfies the criteria set out in Section 2.15(c)(i) to (iii) of the Credit Derivatives Definitions; and

- (d) any other obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, specified as such in Appendix 1 with respect to such Reference Entity.

For the avoidance of doubt, Section 2.21 of the Credit Derivatives Definitions shall apply for the purposes of determining whether an obligation is described by the relevant Valuation Obligation Category and has each of the relevant Valuation Obligation Characteristics.

For the purposes of Article VII of the Credit Derivatives Definitions, references to "Reference Obligation" shall be deemed to be references to the relevant Valuation Obligations.

Valuation Obligation Loss Amount: With respect to a Valuation Obligation in the Valuation Portfolio in respect of which a Final Price has been calculated, the greater of:

- (a) (100 per cent. - Final Price) multiplied by the relevant Valuation Obligation Balance, (such resulting amount converted if necessary to Euro using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner); and

- (b) zero

Final Price: With respect to each Valuation Obligation in the Valuation Portfolio, the price of such Valuation Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method.

Valuation Time: Means, on or about 11.00 a.m. in the Quotation City applicable to the relevant Valuation Obligation, except that, if such time is earlier than 9.00 a.m. Brussels time, it shall be postponed to 9.00 a.m. Brussels time, and if such time is later than 4.00 p.m. Brussels time, it shall be advanced to 4.00 p.m. Brussels time.

Quotation City: Means the city as reasonably determined by the Calculation Agent as being the city where the principal trading market is located for the relevant Valuation Obligation. The Quotation City need not be a city located in the country of incorporation of the relevant Reference Entity, as identified by its Identification Number and its legal name. The Calculation Agent will notify the Seller of the Quotation City on the Notification Date.

Full Quotation: Means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) equal to or greater than the Quotation Amount.

Weighted Average Quotation: Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are equal to or greater than the

Quotation Amount.

Partial Weighted Average
Quotation:

Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) of as large a size as available but equal to or less than the Quotation Amount (but of a size at least equal to the Minimum Quotation Amount or, if quotations of a size at least equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount). If the sum of the outstanding principal balance or Due and Payable Amount (as the case may be) with respect to which such quotations are obtained is less than the Quotation Amount, then the quotation with respect to such shortfall shall be deemed to be a firm quotation of zero.

Dealer:

The Calculation Agent will select five (5) dealers (each, a “**Dealer**”) for the purposes of determining each Quotation.

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, each Dealer shall be a dealer, or a principal affiliate thereof, in obligations of the type of the Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, or in single name credit derivative transactions referencing the relevant Reference Entity, as identified by its Identification Number and its legal name, selected by the Calculation Agent from the following list, together with any additional dealers or principal affiliates thereof that the parties may from time to time agree in relation to a particular Valuation Obligation:

Bank of Montreal, London Branch

Barclays Bank PLC

Citibank International plc

Merrill Lynch International

HSBC Bank USA N.A., New York Branch (*where the reference entity is a U.S. company*)

HSBC Bank plc (*where the reference entity is not a U.S. company*)

Bank of America Derivatives

Goldman Sachs International

Deutsche Bank AG, London Branch

Morgan Stanley Credit Products

Credit Suisse International

UBS Limited

Lehman Brothers Specialised Finance

The Royal Bank of Scotland plc

Nordea Bank Danmark AS

IXIS Corporate and Investment Bank

CALYON

[WestLB AG, London Branch

Dresdner Bank AG, London Branch

J.P. Morgan Chase Bank N.A. (*where the reference entity is a U.S. company*)

J.P. Morgan Chase Bank N.A., London Branch (*where the reference entity is not a U.S. company*)

Société Générale

Bear Stearns International Limited

BNP Paribas, London Branch

Commerzbank AG

ABN AMRO Bank N.V., London Branch

Bayerische Hypo- und Vereinsbank AG

CIBC World Markets plc

provided that if one of the Dealers from the above list ceases or has ceased to exist or ceases to be an active Dealer in obligations of the type for which Quotations are to be obtained or a bankruptcy occurs with respect to any Dealer then the Calculation Agent shall select a substitute Dealer (who is a dealer in obligations of the type for which Quotations are to be obtained) and notify the Buyer and the Seller of such selection. A substitute Dealer must meet the requirements set out in the first sentence of the definition of "Dealer" set out in Section 7.15 of the Credit Derivatives Definitions and shall not be an Affiliate of the Buyer. A Dealer selected by the Calculation Agent from the list above shall not be affiliated with any other Dealer selected by the Calculation Agent from the list above. The above list is not exhaustive and may be amended in the relevant Final Terms

Original Tranche Notional Amount: Means EUR []

Outstanding Tranche Notional Amount: Means, at any time on any date, the greater of:

- (a) the Original Tranche Notional Amount less the sum of all Cash Settlement Amounts determined under this Confirmation at such time and in respect of which the Incurred Tranche Loss Impact Date has occurred on or prior to such date (if any); and
- (b) zero.

Temporary Outstanding Tranche Notional Amount: Means, at any time on any date, the greater of:

- (a) the Original Tranche Notional Amount less the sum of:
 - (i) all Cash Settlement Amounts determined under this Confirmation at such time and in respect of which the Incurred Tranche Loss Impact Date has occurred on or prior to such date (if any); and
 - (ii) all Temporary Tranche Loss Amounts determined under this Confirmation at such time on or prior to such date (if any); and
- (b) zero

Incurred Tranche Loss Impact Date: With respect to a Reference Entity as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied, the third Business Day following the

relevant Calculation Date

If any day is an Incurred Tranche Loss Impact Date with respect to more than one Reference Entity, as identified by its Identification Number and its legal name, and for the purpose of determining the Cash Settlement Amount only, the Aggregate Realised Loss Amount and the Outstanding Tranche Notional Amount (and any other relevant terms) with respect to each Reference Entity shall be calculated in the order of delivery of the relevant Credit Event Notices or if any of the relevant Credit Event Notices are delivered at the same time, in a sequential order determined by the Calculation Agent

For the purpose of making certain determinations under this Confirmation, and for the avoidance of doubt, an Incurred Tranche Loss Impact Date will be deemed to occur notwithstanding the fact that the relevant Cash Settlement Amount may be zero.

Cash Settlement Amount:

Means, in respect of any Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount equal to the Realised Incurred Tranche Loss Amount.

Realised Incurred Tranche Loss Amount:

Means, on any date from, and including, the relevant Incurred Tranche Loss Impact Date, with respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount in the Swap Currency, calculated by the Calculation Agent and equal to the lowest of:

- (a) the Realised Loss Amount with respect to such Reference Entity;
- (b) the greater of:
 - (i) the Aggregate Realised Loss Amount (including the Realised Loss Amount with respect to such Reference Entity) less the Subordination Amount; and
 - (ii) zero; and
- (c) the then Outstanding Tranche Notional Amount (determined without regard to the Realised Loss Amount with respect to such Reference Entity).

Realised Loss Amount:

Means, on any date, with respect to a Reference Entity as identified by its as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied, an amount calculated by the Calculation Agent on the Calculation Date equal to the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio with respect to such Reference Entity and divided by the Delta.

Aggregate Realised Loss Amount:

Means, on any date, the sum of the Realised Loss Amounts for each Reference Entity as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied and the Incurred Tranche Loss Impact Date has occurred.

Temporary Tranche Loss Amount:	<p>Means, on any date, with respect to a Reference Entity as identified by its Identification Number and its legal name, and in respect of which the Conditions to Settlement have been satisfied, an amount, in the Swap Currency, calculated by the Calculation Agent and equal to the lowest of:</p> <ul style="list-style-type: none"> (a) the Temporary Loss Amount with respect to such Reference Entity (including the Temporary Loss Amount and the Realised Loss Amount with respect to such Reference Entity); (b) the greater of: <ul style="list-style-type: none"> (i) the Aggregate Loss Amount less the Subordination Amount; and (ii) zero; and (c) the then Temporary Outstanding Tranche Notional Amount (determined without regard to the Temporary Loss Amount with respect to such Reference Entity) <p>The Temporary Tranche Loss Amount with respect to a Reference Entity, as identified by its Identification Number and its legal name, and in respect of which the Conditions to Settlement have been satisfied, is reduced to zero as of the Incurred Tranche Loss Impact Date in respect of such Reference Entity.</p>
Aggregate Loss Amount:	<p>Means, on any date, the sum of:</p> <ul style="list-style-type: none"> (a) the Aggregate Realised Loss Amount; and (b) the Aggregate Temporary Loss Amount.
Aggregate Temporary Loss Amount:	<p>Means, on any date, the sum of the Temporary Loss Amounts for each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied.</p>
Temporary Loss Amount:	<p>Means, on any date, with respect to each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount, in the Swap Currency, calculated by the Calculation Agent and equal to:</p> <ul style="list-style-type: none"> (a) if a Cash Settlement Amount has not been determined and the relevant Incurred Tranche Loss Impact Date has not occurred, the Reference Entity Notional Amount or the Exercise Amount, as the case may be; and (b) if a Cash Settlement Amount has been determined and the relevant Incurred Tranche Loss Impact Date has occurred, zero.
Subordination Amount:	<p>Means EUR []</p>
Final Valuation Date:	<p>Means, in respect of each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, the date on which the last Final Price is determined in respect of all Valuation Obligations in the Valuation Portfolio. There can only be one Final Valuation Date in respect of each Valuation Portfolio.</p>
Calculation Date:	<p>Means, with respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied: (a) if a Final Valuation Date exists for all the other Reference Entities in respect of which</p>

an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity, the Final Valuation Date of that Reference Entity; or (b) if a Final Valuation Date does not exist for all the other Reference Entities in respect of which an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity, the first date on which there exists a Final Valuation Date in respect of each other Reference Entity with respect to which an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity.

Valuation Date:	Multiple Valuation Dates: 60 Valuation Business Days and each 2 Valuation Business Days thereafter for a total number of Valuation Dates equal to the Valuation Date Number determined with respect to such Valuation Obligation in the Valuation Portfolio.
Weighted Average Highest:	Means the weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.
Quotation Method:	Bid.
Quotation Amount:	With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation, an amount equal to the related Valuation Obligation Balance divided by the relevant Valuation Date Number, the result then rounded up to the nearest denomination of the relevant Valuation Obligation. The Quotation Amount in respect of any Valuation Obligation shall not be more than EUR 25,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation) and shall not be less than EUR 1,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation).
Minimum Quotation Amount:	With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation, an amount equal to the related Valuation Obligation Balance divided by the relevant Valuation Date Number, the result then rounded up to the nearest denomination of the relevant Valuation Obligation. The Minimum Quotation Amount in respect of any Valuation Obligation shall not be more than EUR 25,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation) and shall not be less than EUR 1,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation).
Valuation Date Number:	<p>With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation:</p> <ul style="list-style-type: none"> (a) if the relevant Valuation Obligation Balance is less than or equal to an amount equal to EUR 75,000,000, the Valuation Date Number is three; or (b) if the relevant Valuation Obligation Balance is greater than EUR 75,000,000, the Valuation Date Number is the number equal to the relevant Valuation Obligation Balance divided by EUR 25,000,000 (the result being rounded up to the nearest integer).
Quotations:	Means, with respect to each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, each Full Quotation (if any), the Partial Weighted Average Quotation (if any) and the

Weighted Average Quotation (if any) obtained and expressed as a percentage with respect to a Valuation Date in the manner set out in Section 7.7 of the Credit Derivatives Definitions provided that Section 7.7 (a) and (b) of the Credit Derivatives Definitions shall be deleted and replaced with the following:

“The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day (and if necessary, on each Valuation Business Day thereafter until the sixth Valuation Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five Dealers and, if two or more Full Quotations are not available, one or more Full Quotations and a Weighted Average Quotation.

If the Calculation Agent is unable to obtain (i) at least two Full Quotations or (ii) one or more Full Quotations and a Weighted Average Quotation on the same Valuation Business Day on or prior to the seventh Valuation Business Day following the applicable Valuation Date, then the Calculation Agent shall attempt to obtain at least one Full Quotation or a Weighted Average Quotation within an additional three Valuation Business Days.

If the Calculation Agent is unable to obtain one Full Quotation or a Weighted Average Quotation within an additional three Valuation Business Days, then the Calculation Agent will exercise its discretion and determine a Quotation in good faith and in a commercially reasonable manner.

If, on or prior to the sixth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least two Full Quotations or one or more Full Quotations and a Weighted Average Quotation, such Full Quotations (if any) and such Weighted Average Quotation (if any) shall be considered as Quotations.

If, after the sixth Valuation Business Day following the applicable Valuation Date, but on or prior to the ninth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least one Full Quotation or a Weighted Average Quotation, such Full Quotation (if any) or such Weighted Average Quotation (if any) shall be considered as Quotations.

If any Quotation comprised in any Full Quotation, Weighted Average Quotation or Partial Weighted Average Quotation is obtained then there shall be added to each such Quotation a percentage reflecting all principal, interest and other payments and distributions of cash or other property to which a holder of a principal amount of the relevant Valuation Obligation equal to the principal amount in respect of which such Quotation was obtained would have received during the period from the Event Determination Date to the Valuation Business Day on which the Quotation was obtained.”
Exclude Accrued Interest

5. Notifications:

With respect to any Long Settlement Method, the Calculation Agent will inform the Buyer, the Seller and the Fiscal Agent in writing of:

- (a) the amount of any Temporary Loss Amount and any Realised Loss Amount in respect of a Reference Entity, as identified by its Identification Number and its legal name, as soon as reasonably practicable following the determination of such Temporary Loss Amount or such Realised Loss Amount, whether or not the Aggregate Loss Amount or the Aggregate Realised Loss Amount, respectively, is less than or equal to the Subordination Amount;

- (b) the amount of any Temporary Tranche Loss Amount greater than zero as soon as reasonably practicable following the determination of such Temporary Tranche Loss Amount; and
- (c) the amount of any Cash Settlement Amount greater than zero in respect of a Reference Entity as identified by its Identification Number and its legal name as soon as reasonably practicable following the determination of such Cash Settlement Amount.
- (d) any change in the Temporary Outstanding Tranche Notional Amount and in the Outstanding Tranche Notional Amount as soon as reasonably practicable following the determination of such change.

Any reference to the term "in writing" in the Credit Derivatives Definitions or in this Confirmation shall include by electronic mail.

6. Calculations:

- (a) The Calculation Agent shall, in addition to any obligations under Section 1.14 of the Credit Derivatives Definitions, perform such calculations and determinations and make such notifications as are required of it pursuant to this Confirmation.
- (b) The Buyer shall perform such calculations and determinations and make such notifications as are required of it pursuant to this Confirmation.

7. Complementary Provisions:

(A) Valuation Obligations

For the purposes of this Confirmation and determining Valuation Obligations:

- (a) the references to "Delivery Date" or "Physical Settlement Date" where they appear in Sections 2.15 (Deliverable Obligation), 2.20 (Method for Determining Deliverable Obligations), 8.7 (Provisions Applicable to Convertible, Exchangeable and Accreting Obligations), 8.8 (Due and Payable Amount) of the Credit Derivatives Definitions or in any of the other provisions of the Credit Derivatives Definitions shall be deemed to be references to the Notification Date;
- (b) the reference in Section 2.15(a) and 2.15(c) (Deliverable Obligation) of the Credit Derivatives Definitions to "the outstanding principal balance or Due and Payable Amount being Delivered" shall be deemed to be reference to "the amount in respect of which Quotations are to be sought";
- (c) subject to paragraphs 6(G) and (H) hereof, each reference in the Credit Derivatives Definitions to "a Deliverable Obligations" and "the Deliverable Obligation" shall be deemed to be references to "a Valuation Obligation" and "the Valuation Obligation" respectively, each reference to "Deliverable Obligation Category" shall be deemed to be a reference to "Valuation Obligation Category" and each reference to "Deliverable Obligation Characteristics" shall be deemed to be a reference to "Valuation Obligation Characteristics";
- (d) each reference in Section 2.16 (Sovereign Restructured Deliverable Obligation) to "Deliverable" shall be deemed to be a reference to "Valuation" and the words "the related Confirmation" shall be deleted wherever they appear and replaced with "Appendix 1 with respect to such Reference Entity, as identified by its Identification Number and its legal name"; and
- (e) each reference in Section 2.18 (Excluded Deliverable Obligation) to "Deliverable" shall be deemed to be a reference to "Valuation".

(B) Section 1.9 Notice Delivery Period

Section 1.9 Notice Delivery Period of the Credit Derivatives Definitions shall be deleted and replaced in its entirety by the following provision:

"Section 1.9 Notice Delivery Period. "Notice Delivery Period" means, with respect to a Reference Entity as identified by its Identification Number and its legal name, and a Credit Event, the period from and including the Effective Date to and including: (a) the Notice Delivery Period End Date or (b) the date that is fourteen calendar days after (1) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable in relation to such Reference Entity, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the relevant Credit Event Observation End Date, (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the relevant Credit Event Observation End Date and (iv) the Failure to Pay Extension Condition is satisfied, or (2) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the relevant Credit Event Observation End Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium

occurs on or prior to the relevant Credit Event Observation End Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, provided that in any case, the Notice Delivery Period shall not terminate on a date later than the second Business Day prior to the Termination Date."

For the purpose of Section 1.9, as amended by this paragraph 7(B):

- (a) The Failure to Pay Extension Condition is satisfied by the delivery of a Failure to Pay Extension Notice and, Notice of Publicly Available Information by the Buyer to the Seller that is effective during the period described in clause (a) of the definition of Notice Delivery Period.
- (b) The Failure to Pay Extension Notice means an irrevocable notice (which may be by telephone) from the Buyer to the Seller that describes a Potential Failure to Pay that occurred on or after the relevant Credit Event Observation Start Date and on or prior to the relevant Credit Event Observation End Date. A Failure to Pay Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Failure to Pay has occurred and indicate the date of the occurrence. The Potential Failure to Pay that is the subject of the Failure to Pay Extension Notice need not be continuing on the date the Failure to Pay Extension Notice is effective. A Failure to Pay Extension Notice shall be subject to the requirements regarding notices set forth in Section 1.10 of the Credit Derivatives Definitions.

(C) Section 1.11. Grace Period Extension Date

Section 1.11 of the Credit Derivatives Definitions shall be amended by replacing references to "Scheduled Termination Date" with references to the "relevant Credit Event Observation End Date" and by replacing the words "the Grace Period Extension Date will be the Termination Date (even if a Failure to Pay occurs after the Scheduled Termination Date)" with the words "the Conditions to Settlement may not be satisfied for a Failure to Pay with respect to the relevant Reference Entity, as identified by its Identification Number and its legal name (even if a Failure to Pay occurs after the relevant Credit Event Observation End Date)".

(D) Section 1.12. Grace Period; Grace Period Business Day

Section 1.12 of the Credit Derivatives Definitions shall be amended by replacing:

- (a) references to "Scheduled Termination Date" with references to the "relevant Credit Event Observation End Date"; and
- (b) references to "Trade Date" with references to "Entrance Date of the relevant Reference Entity".

(E) Section 2.2. Provisions for Determining a Successor

Section 2.2 of the Credit Derivatives Definitions shall be amended as follows:

- (a) the words "for the entire Credit Derivative Transaction" shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words "of the Reference Entity";
- (b) the words "for a New Credit Derivative Transaction determined in accordance with the provisions of Section 2.2(e)" shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words "and the Reference Entity Notional Amount in respect of each such Successor will be";
- (c) the words "and the Credit Derivative Transaction" shall be deleted from Section 2.2(a)(v);
- (d) the definition of Succession Event in Section 2.2 (b) shall be amended by the insertion of the words "and occurring on or after the date indicated in Appendix 1 hereto as the Entrance Date in respect of that Reference Entity" between the words "Reference Entity" and " , whether by operation of law" in the first sentence thereof;
- (e) Section 2.2(d) shall be amended by the deletion from sub-section (i) of the words "Credit Derivative Transaction" and their replacement with the words " Reference Entity", and by the insertion in sub-section (iii) of the words "specified in relation to the relevant Reference Entity" between the words "Obligation" and " , a Substitute" and by the replacement of the words "Credit Derivative Transaction" with " Reference Entity" in the last line;

- (f) Section 2.2(e) shall be replaced in its entirety by the following:

"Where, pursuant to Section 2.2(a) above, one or more Successors have been identified in relation to a particular Reference Entity as identified by its Identification Number and its legal name,:

- (i) each such Successor will be a Reference Entity (a "**Successor Reference Entity**") for the purposes of this Transaction (and, for the avoidance of doubt, the original Reference Entity shall cease to be a Reference Entity except where it is a Successor Reference Entity); and
- (ii) the Reference Entity Notional Amount in respect of each such Successor Reference Entity shall be the Reference Entity Notional Amount in respect of the original Reference Entity divided by the number of Successor Reference Entities."; and

- (g) a new Section 2.2(f) shall be inserted as follows:

"Where pursuant to Section 2.2(a) above, the Calculation Agent determines that a single entity would be a Reference Entity more than once, then it will be deemed to be a Reference Entity only once and the Reference Entity Notional Amount with respect to such Reference Entity will be the sum of the Reference Entity Notional Amounts (after the application of Section 2.2(e), if any, for the avoidance of doubt) otherwise applicable to it."

(F) **Section 2.30. Substitute Reference Obligation**

Section 2.30 of the Credit Derivatives Definitions shall be deleted in its entirety and replaced by the following:

"Section 2.30 Substitute Reference Obligation. "**Substitute Reference Obligation**" means one or more obligations of a Reference Entity as identified by its Identification Number and its legal name, (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if the relevant Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) or, if All Guarantees is specified as applicable in respect of such Reference Entity as provider of any Qualifying Guarantee) that will replace the Reference Obligation set out against the name of such Reference Entity in Appendix 1 hereto, such obligation being identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that (i) such Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under such Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments); (B) such Reference Obligation is an Underlying Obligation with a Qualifying Guarantee or Insured Instrument with a Qualifying Policy (if the corresponding Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) of the corresponding Reference Entity as identified by its Identification Number and its legal name, and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee or Qualifying Policy (if the corresponding Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms; or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, such Reference Obligation is no longer an obligation of the corresponding Reference Entity as identified by its Identification Number and its legal name, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation (the "**Replaced Reference Obligation**").
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations of a Replaced Reference Obligation shall be an Obligation that (i) ranks **pari passu** (or, if no such Obligation exists, then, at the Buyer's option, an Obligation that ranks senior) in priority of payment with such Replaced Reference Obligation (with the ranking in priority of payment of such Replaced Reference Obligation being determined as of the later of (A) the relevant Entrance Date and (B) the date on which such Replaced Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the parties to this Transaction and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if the relevant Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) or, if All Guarantees is specified as applicable with respect to the relevant Reference Entity, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Replaced Reference Obligation.
- (c) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation."

(G) **Section 2.32. Restructuring Maturity Limitation and Fully Transferable Obligation**

- (a) The first paragraph of Section 2.32 of the Credit Derivatives Definitions shall be deleted in its entirety and replaced by the following: “(a) If “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” is specified as applicable to a Reference Entity and “Restructuring” is the only Credit Event specified in a Credit Event Notice delivered by the Buyer in relation to such Reference Entity, then a Valuation Obligation can only be selected as a Valuation Obligation in the Valuation Portfolio for such Reference Entity if it is a Fully Transferable Obligation with a final maturity date not later than the Restructuring Maturity Limitation Date.”
- (b) The definition of “Fully Transferable Obligation” in Section 2.32 of the Credit Derivatives Definitions shall be deemed to mean a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds. For purposes of determining whether a Valuation Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the relevant Notification Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer.
- (c) The final paragraph of Section 2.32 (b) of the Credit Derivatives Definitions shall be deemed to read as follows:
- “Any requirement that notification of transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.32 (b)”.

(H) **Section 2.33. Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation**

- (a) The first paragraph of Section 2.33 of the Credit Derivatives Definitions shall be deemed to be replaced in its entirety by the following: “(a) If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as applicable to a Reference Entity and “Restructuring” is the only Credit Event specified in a Credit Event Notice delivered by the Buyer in relation to such Reference Entity, then a Valuation Obligation can only be selected as a Valuation Obligation in the Valuation Portfolio for such Reference Entity if it is a Conditionally Transferable Obligation with a final maturity date not later than the Modified Restructuring Maturity Limitation Date.”
- (b) The definition of “Conditionally Transferable Obligation” in Section 2.33 of the Credit Derivatives Definitions shall be deemed to mean a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, provided, however, that a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity as identified by its Identification Number and its legal name, or the guarantor, if any, of a Valuation Obligation other than a Bond (or the consent of the relevant obligor if a Reference Entity as identified by its Identification Number and its legal name, is guaranteeing or insuring such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation provided that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.33(b).
- (c) Section 2.33 (b)(i) and (ii) of the Credit Derivatives Definitions shall be deleted and replaced with the following:
- “(i) Where Modified Restructuring Maturity Limitation under Section 2.33 as amended by this Confirmation, applies and a Valuation Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the fifth Business Day prior to the Valuation Date (in which case it shall be deemed to have been refused), the Buyer shall promptly notify the Seller of such refusal (or deemed refusal) and shall, on such date, select one or more other obligations that constitute Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, on such date.
- (ii) For purposes of determining whether a Valuation Obligation satisfies the requirements of the determination of Conditionally Transferable Obligation, such determination shall be made as of the fifth Business Day prior to the Valuation Date, taking into account only the terms of the

Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer.”

(I) **Section 3.3. Credit Event Notice**

Section 3.3 of the Credit Derivatives Definitions shall be amended as follows:

- (a) references to “Effective Date” will be deemed to be references to the “relevant Credit Event Observation Start Date”;
- (b) references to “Scheduled Termination Date” will be deemed to be references to the “relevant Credit Event Observation End Date”;
- (c) Section 3.3 (b) shall be supplemented by the following: “(iv) the Failure to Pay Extension Condition is satisfied; and”; and
- (d) the last paragraph shall be deleted and replaced by the following: “A Credit Event Notice must contain (a) a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred (b) the Delta Amount and (c) the Delta. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set forth in Section 1.10 of the Credit Derivatives Definitions. A form of Credit Event Notice is set forth in Exhibit B.”

(J) **Section 3.9. Credit Event Notice After Restructuring**

Section 3.9 of the Credit Derivatives Definitions shall be deleted and replaced in its entirety by the following provision:

“Section 3.9 Credit Event Notice After Restructuring. Notwithstanding anything to the contrary in these Definitions, upon the occurrence of a Restructuring Credit Event with respect to a Reference Entity as identified by its Identification Number and its legal name, during the Term of the Transaction:

- (a) the Buyer may deliver multiple Credit Event Notices with respect to such Reference Entity, each such Credit Event Notice setting forth the amount of the Reference Entity Notional Amount for such Reference Entity to which such Credit Event Notice applies (the “Exercise Amount”);
- (b) if the Buyer has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the then outstanding Reference Entity Notional Amount for such Reference Entity (after taking into account any previous Exercise Amounts in relation to such Reference Entity), upon satisfaction of the Conditions to Settlement with respect to the Credit Event specified in such Credit Event Notice, settlement will occur in accordance with the applicable Settlement Method as if the Exercise Amount were the Reference Entity Notional Amount with respect to such Reference Entity, and upon satisfaction of such Conditions to Settlement, without prejudice to the foregoing provisions of this paragraph, the Reference Entity Notional Amount will be an amount equal to the Reference Entity Notional Amount outstanding prior to such Credit Event Notice (taking into account any previously specified Exercise Amount) minus the Exercise Amount to which the current Credit Event Notice relates;
- (c) the Exercise Amount in connection with any Credit Event Notice describing a Credit Event in relation to a Reference Entity as identified by its Identification Number and its legal name, other than a Restructuring must be equal to the then outstanding Reference Entity Notional Amount for such Reference Entity (and not a portion thereof); and
- (d) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be in the amount that is at least 1,000,000 units of the Swap Currency or an integral multiple thereof or the entire then Reference Entity Notional Amount.”

(K) **Section 4.6. Repudiation/Moratorium**

Section 4.6 of the Credit Derivatives Definitions shall be amended by:

- (a) replacing references in Section 4.6 (e) to “Effective Date” with references to the “relevant Credit Event Observation Start Date”;
- (b) replacing references in Section 4.6 (e) to “Scheduled Termination Date” with references to the “relevant Credit Event Observation End Date”;
- (c) replacing in Section 4.6 (b) the words “the Repudiation/Moratorium Evaluation Date will be the Termination Date (even if a Repudiation/Moratorium occurs after the Scheduled Termination Date)” with

the words “the Conditions to Settlement may not be satisfied for a Repudiation/Moratorium with respect to the relevant Reference Entity, as identified by its Identification Number and its legal name (even if a Repudiation/Moratorium occurs after the relevant Credit Event Observation End Date)”.

(L) Requirements to consult

Notwithstanding any provision of the Credit Derivatives Definitions, the Calculation Agent shall not be required to consult with the Seller or the Buyer in relation to any determination or calculation made by the Calculation Agent, and such determination or calculation shall be binding in the absence of manifest error, negligence, wilful misconduct and fraud. For the avoidance of doubt, the words “after consultation with the parties” shall be disregarded throughout the Credit Derivatives Definitions.

(M) Section 8

For the purposes of this Confirmation, Section 8.1, 8.3, 8.4, 8.5, 8.6, 8.9, 8.10 and 8.11 of the Credit Derivatives Definitions shall not be applicable.

(N) Section 9 and Section 10

For the purposes of this Confirmation, Section 9 and Section 10 of the Credit Derivatives Definitions shall not be applicable.

APPENDIX 1

REFERENCE PORTFOLIO

The Reference Portfolio will be included in the relevant Final Terms.

Fortis Bank nv-sa has used its best efforts to verify the names of the Reference Entities and details of the Reference Obligations contained in the Reference Portfolio. Such information has been verified as at the Issue Date for each Reference Entity, by reference to publicly available information. Fortis Bank nv-sa has accurately reproduced these information. As far as Fortis Bank is aware and is able to ascertain from publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The relevant source(s) of the information will be mentioned in the relevant Final Terms. Publicly available information can be inaccurate or outdated, and as a result corrections to the details of the Reference Entities and Reference Obligations may be needed from time to time.

APPENDIX 2: STANDARD TERMS

The standard terms relating to each Entity Type are set out in Part 4D.

PART 4D: STANDARD TERMS ADDED AS ANNEX OF EACH CDS CONFIRMATION

ANNEX A

STANDARD TERMS FOR EUROPEAN CORPORATES

Business Days	London						
All Guarantees	Applicable						
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: Applicable						
Obligation	<table><tr><td>Obligation Category:</td><td>Borrowed Money</td></tr><tr><td>Obligation Characteristics:</td><td>None</td></tr></table>	Obligation Category:	Borrowed Money	Obligation Characteristics:	None		
Obligation Category:	Borrowed Money						
Obligation Characteristics:	None						
Valuation Obligations	<table><tr><td>Valuation Obligation Category:</td><td>Bond or Loan</td></tr><tr><td>Valuation Obligation Characteristics:</td><td>Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer</td></tr><tr><td>Exclude Accrued Interest</td><td></td></tr></table>	Valuation Obligation Category:	Bond or Loan	Valuation Obligation Characteristics:	Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer	Exclude Accrued Interest	
Valuation Obligation Category:	Bond or Loan						
Valuation Obligation Characteristics:	Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer						
Exclude Accrued Interest							
Physical Settlement Period	30 Business Days						
<i>(only relevant in case of CDS Confirmation 1)</i>							
Delivery Limitation	Applicable						

ANNEX B

STANDARD TERMS FOR NORTH AMERICAN CORPORATES

Business Days	New York, London
All Guarantees	Not Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Borrowed Money Obligation Characteristics: None
Valuation Obligations	Valuation Obligation Category: Bond or Loan Valuation Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period <i>(only relevant in case of CDS Confirmation 1)</i>	As per Section 8.6 of the Definitions capped at 30 Business Days
Delivery Limitation	Not applicable

ANNEX C

STANDARD TERMS FOR ASIA CORPORATE ENTITIES

Business Days	London
All Guarantees	Applicable
Credit Events	Bankruptcy
	Failure to Pay
	Grace Period Extension: Not Applicable
	Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable
	Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
	Multiple Holder Obligation: Applicable
Obligation	
	Obligation Category: Bond or Loan
	Obligation Characteristics: Not Subordinated
	Not Sovereign Lender
	Not Domestic Currency
	Not Domestic Issuance
	Not Domestic Law
Deliverable Obligations	
	Deliverable Obligation Category: Bond or Loan
	Deliverable Obligation Characteristics: Not Subordinated
	Specified Currency: Standard
	Specified Currencies
	Not Sovereign Lender
	Not Domestic Law
	Not Contingent
	Not Domestic Issuance
	Assignable Loan
	Transferable
	Maximum Maturity 30 years
	Not Bearer
	Exclude Accrued Interest
Physical Settlement Period	30 Business Days
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

ANNEX D

STANDARD TERMS FOR JAPAN CORPORATE ENTITIES

Business Days	London, Tokyo
All Guarantees	Applicable
Credit Events	Bankruptcy
	Failure to Pay
	Grace Period Extension: Not Applicable
	Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. In all other cases USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable
	Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. In all other cases, USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event
	Multiple Holder Obligation: Not Applicable
Obligation	
	Obligation Category: Borrowed Money
	Obligation Characteristics: Not Subordinated
Deliverable Obligations	
	Deliverable Obligation Category: Bond or Loan
	Deliverable Obligation Characteristics: Not Subordinated
	Specified Currency: Standard
	Specified Currencies
	Not Contingent
	Assignable Loan
	Consent Required Loan
	Transferable
	Maximum Maturity 30 years
	Not Bearer
	Exclude Accrued Interest
Physical Settlement Period	30 Business Days
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

ANNEX E

STANDARD TERMS FOR AUSTRALIA CORPORATE ENTITIES

Business Days	London, Sydney, New York		
All Guarantees	Applicable		
Credit Events	Bankruptcy		
	Failure to Pay		
	Grace Period Extension: Not Applicable		
	Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.		
	Restructuring		
	Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable		
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable		
	Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event		
	Multiple Holder Obligation: Applicable		
Obligation			
	Obligation Category:	Borrowed Money	
	Obligation Characteristics:	None	
Deliverable Obligations			
	Deliverable Obligation Category:	Bond or Loan	
	Deliverable Obligation Characteristics:	Obligation	Not Subordinated
			Specified Currency: Standard Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan
			Transferable Maximum Maturity 30 years Not Bearer
	Exclude Accrued Interest		
Physical Settlement Period	30 Business Days		
(only relevant in case of CDS Confirmation 1)			
Delivery Limitation	Applicable		

ANNEX F

STANDARD TERMS FOR NEW ZEALAND CORPORATE ENTITIES

Business Days	London, New York, Auckland
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Borrowed Money
Deliverable Obligations	Obligation Characteristics: None Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period <i>(only relevant in case of CDS Confirmation 1)</i>	30 Business Days
Delivery Limitation	Applicable

ANNEX G

STANDARD TERMS FOR SINGAPORE CORPORATE ENTITIES

Business Days	London, New York, Singapore		
All Guarantees	Applicable		
Credit Events	Bankruptcy		
	Failure to Pay		
	Grace Period Extension: Not Applicable		
	Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.		
	Restructuring		
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable		
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable		
	Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.		
	Multiple Holder Obligation: Applicable		
Obligation			
	Obligation Category:	Bond or Loan	
	Obligation Characteristics:	Not Subordinated Not Sovereign Lender Specified Currency : Standard Specified Currency & Domestic Currency.	
Deliverable Obligations			
	Deliverable Obligation Category:	Bond or Loan	
	Deliverable Obligation Characteristics:	Not Subordinated Specified Currency: Standard Specified Currency & Domestic Currency Not Sovereign Lender Not Contingent Assignable Loan Transferable Maximum Maturity 30 years Not Bearer	
	Exclude Accrued Interest		
Physical Settlement Period	30 Business Days		
(only relevant in case of CDS Confirmation 1)			
Delivery Limitation	Applicable		

ANNEX H

STANDARD TERMS FOR SUBORDINATED EUROPEAN INSURANCE CORPORATE ENTITIES

Business Days	London, Target		
All Guarantees	Applicable		
Credit Events	Bankruptcy		
	Failure to Pay		
	Grace Period Extension: Not Applicable		
	Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.		
	Restructuring		
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable		
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable		
	Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.		
	Multiple Holder Obligation: Applicable		
Obligation			
	Obligation Category:	Borrowed Money	
	Obligation Characteristics:	None	
Deliverable Obligations			
	Deliverable Obligation Category:	Bond or Loan	
	Deliverable Characteristics:	Obligation	Not Subordinated Specified Currency: Standard Specified Currencies
			Not Contingent Assignable Loan Consent Required Loan
			Transferable Maximum Maturity 30 years Not Bearer
	Exclude Accrued Interest		
Physical Settlement Period	30 Business Days		
(only relevant in case of CDS Confirmation 1)			
Delivery Limitation	Applicable		

ANNEX I

STANDARD TERMS FOR LATIN AMERICA CORPORATE ENTITIES

Business Days	London, New York	
All Guarantees	Applicable	
Credit Events	Bankruptcy	
	Failure to Pay	
	Grace Period Extension: Applicable	
	Obligation Acceleration	
	Repudiation/Moratorium	
	Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.	
	Restructuring	
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable	
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable	
	Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.	
	Multiple Holder Obligation: Not Applicable	
Obligation	Obligation Category:	Bond
	Obligation Characteristics:	Not Subordinated
		Not Domestic Currency
		Not Domestic Law
		Not Domestic Issuance
Deliverable Obligations	Deliverable Obligation Category:	Bond
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Domestic Law
		Not Contingent
		Not Domestic Issuance
		Transferable
		Not Bearer
	Exclude Accrued Interest	

Physical Settlement Period	As per Section 8.6 of the Definitions
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(only relevant in case of CDS Confirmation 1)

Delivery Limitation	Not Applicable
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ANNEX J

STANDARD TERMS FOR ASIA SOVEREIGNS

Business Days	London	
All Guarantees	Applicable	
Credit Events	Failure to Pay	
	Grace Period Extension: Not Applicable	
	Repudiation/Moratorium	
	Restructuring	
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable	
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable	
	Multiple Holder Obligation: Applicable	
Obligation		
	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated
		Not Sovereign Lender
		Not Domestic Currency
		Not Domestic Law
		Not Domestic Issuance
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Sovereign Lender
		Not Domestic Law
		Not Contingent
		Not Domestic Issuance
		Assignable Loan
		Transferable
		Maximum Maturity: 30 years
		Not Bearer
	Exclude Accrued Interest	

Physical Settlement Period	30 Business Days.
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(only relevant in case of CDS Confirmation 1)

Delivery Limitation	Applicable
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ANNEX K

STANDARD TERMS FOR EUROPEAN EMERGING MARKETS AND MIDDLE EASTERN SOVEREIGNS

Business Days	London
All Guarantees	Applicable
Credit Events	Failure to Pay
	Grace Period Extension: Applicable
	Obligation Acceleration
	Repudiation/Moratorium
	Restructuring
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable
	Multiple Holder Obligation: Not Applicable
Obligation	
	Obligation Category: Bond
	Obligation Characteristics: Not Subordinated
	Not Sovereign Lender
	Not Domestic Currency
	Not Domestic Law
	Not Domestic Issuance
Deliverable Obligations	
	Deliverable Category: Obligation Bond
	Deliverable Characteristics: Obligation Not Subordinated
	Specified Currency: Standard
	Specified Currencies
	Not Domestic Law
	Not Domestic Issuance
	Transferable
	Not Bearer
	Exclude Accrued Interest
Physical Settlement Period	30 Business Days.
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Not Applicable

ANNEX L

STANDARD TERMS FOR JAPAN SOVEREIGNS

Business Days London, Tokyo, New York

All Guarantees Applicable

Credit Events Failure to Pay

Grace Period Extension: Not Applicable

Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. In all other cases, USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay

Repudiation/Moratorium

Restructuring

Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable

Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. In all other cases USD 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

Multiple Holder Obligation: Not Applicable

Obligation

Obligation Category: Borrowed Money

Obligation Characteristics: None

Deliverable Obligations

Deliverable Obligation Category: Bond or Loan

Deliverable Obligation Characteristics: Specified Currency: Standard
Specified Currencies

Not Contingent

Consent Required Loan

Assignable Loan

Transferable

Maximum Maturity: 30 years

Not Bearer

Exclude Accrued Interest

Physical Settlement Period	30 Business Days.
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*(only relevant in case of CDS
Confirmation 1)*

Delivery Limitation	Applicable
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ANNEX M

STANDARD TERMS FOR AUSTRALIA SOVEREIGNS

Business Days	London, New York , Sydney		
All Guarantees	Applicable		
Credit Events	Failure to Pay		
	Grace Period Extension: Not Applicable		
	Repudiation/Moratorium		
	Restructuring		
	Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable		
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable		
	Multiple Holder Obligation: Applicable		
Obligation			
	Obligation Category:	Borrowed Money	
	Obligation Characteristics:	None	
Deliverable Obligations			
	Deliverable Obligation Category:	Bond or Loan	
	Deliverable Obligation Characteristics:	Not Subordinated	
		Specified Currency:	
		Specified Currencies & Domestic Currency	
		Not Contingent	
		Assignable Loan	
		Consent Required Loan	
		Transferable	
		Maximum Maturity: 30 years	
		Not Bearer	
	Exclude Accrued Interest		
Physical Settlement Period	30 Business Days.		
(only relevant in case of CDS Confirmation 1)			
Delivery Limitation	Applicable		

ANNEX N

STANDARD TERMS FOR NEW ZEALAND SOVEREIGNS

Business Days	London, New York, Auckland		
All Guarantees	Applicable		
Credit Events	Failure to Pay		
	Grace Period Extension: Not Applicable		
	Repudiation/Moratorium		
	Restructuring		
	Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable		
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable		
	Multiple Holder Obligation: Applicable		
Obligation			
	Obligation Category:	Borrowed Money	
	Obligation Characteristics:	None	
Deliverable Obligations			
	Deliverable Obligation Category:	Bond or Loan	
	Deliverable Obligation Characteristics:	Not Subordinated	
		Specified Currency: Standard	
		Specified Currencies & Domestic Currency	
		Not Contingent	
		Assignable Loan	
		Consent Required Loan	
		Transferable	
		Maximum Maturity: 30 years	
		Not Bearer	
	Exclude Accrued Interest		
Physical Settlement Period	30 Business Days.		
(only relevant in case of CDS Confirmation 1)			
Delivery Limitation	Applicable		

ANNEX O

STANDARD TERMS FOR SINGAPORE SOVEREIGNS

Business Days	London, New York, Singapore	
All Guarantees	Applicable	
Credit Events	Failure to Pay	
	Grace Period Extension: Not Applicable	
	Repudiation/Moratorium	
	Restructuring	
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable	
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable	
	Multiple Holder Obligation: Applicable	
Obligation		
	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated
		Specified Currency : Standard
		Specified Currencies & Domestic Currency
		Not Sovereign Lender
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency :Standard
		Specified Currencies & Domestic Currency
		Not Sovereign Lender
		Not Contingent
		Assignable Loan
		Transferable
		Maximum Maturity: 30 years
		Not Bearer
	Exclude Accrued Interest	

Physical Settlement Period	30 Business Days.
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*(only relevant in case of CDS
Confirmation 1)*

Delivery Limitation	Applicable
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ANNEX P

STANDARD TERMS FOR LATIN AMERICA SOVEREIGNS

Business Days	London, New York		
All Guarantees	Applicable		
Credit Events	Failure to Pay		
	Grace Period Extension: Applicable		
	Obligation Acceleration		
	Repudiation/Moratorium		
	Restructuring		
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable		
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable		
	Multiple Holder Obligation: Not Applicable		
Obligation			
	Obligation Category:	Bond	
	Obligation Characteristics:	Not Subordinated	
		Not Domestic Currency	
		Not Domestic Law	
		Not Domestic Issuance	
		Deliverable Obligations	
	Deliverable Obligation Category:	Bond	
	Deliverable Characteristics:	Obligation	Not Subordinated
		Specified Currency:	Standard
		Specified Currencies	
		Not Domestic Law	
		Not Contingent	
		Not Domestic Issuance	
		Transferable	
		Not Bearer	
	Exclude Accrued Interest		
Physical Settlement Period	As per section 8.6 of the Definitions.		
(only relevant in case of CDS Confirmation 1)			
Delivery Limitation	Not Applicable		

ANNEX Q

STANDARD TERMS FOR WESTERN EUROPEAN SOVEREIGNS

Business Days	London, New York, Target			
All Guarantees	Applicable			
Credit Events	Failure to Pay			
	Grace Period Extension: Not Applicable			
	Repudiation/Moratorium			
	Restructuring			
	Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable			
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable			
	Multiple Holder Obligation: Applicable			
Obligation				
	Obligation Category:		Borrowed Money	
	Obligation Characteristics:		None	
Deliverable Obligations				
	Deliverable Obligation Category:		Bond or Loan	
	Deliverable Characteristics:	Obligation	Specified Currency: Specified Currencies	Standard
			Not Contingent	
			Assignable Loan	
			Consent Required Loan	
			Transferable	
			Maximum Maturity: 30 years	
			Not Bearer	
	Exclude Accrued Interest			
Physical Settlement Period	30 Business Days.			
(only relevant in case of CDS Confirmation 1)				
Delivery Limitation	Applicable			

USE OF PROCEEDS

The net proceeds from the issue of the Notes by Fortis Bank will be used by it to meet part of its financing requirements and for general corporate purposes and the net proceeds from the issue of the Notes issued by Fortis Luxembourg will be lent to the Guarantor, to be used by the Guarantor for the same purposes.

SUMMARY OF PROVISIONS RELATING TO GLOBAL NOTES

Notes deposited with a common depositary for Euroclear and Clearstream, Luxembourg

Each Series or Tranche, as the case may be, where the Notes issued in such Series or Tranche are initially in bearer form, will, unless otherwise provided in the relevant Final Terms initially be represented by a temporary Global Note, in bearer form without Coupons, with the Guarantee of the Guarantor endorsed thereon. Each temporary Global Note or, as the case may be, permanent Global Note (each a "*Global Note*") which is not intended to be issued in new global note ("*NGN*") form, as specified in the relevant Final Terms will be deposited on behalf of the subscribers of the relevant Notes with a common depositary (the "*Common Depositary*") for Euroclear 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, and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The NGN form has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "*Eurosystem*") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

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 Depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear or Clearstream, Luxembourg, Euroclear 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 Euroclear or Clearstream, Luxembourg or any other relevant clearing system as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg and any other relevant clearing system. Such persons shall have no claim directly against the relevant 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 such 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 (A) for interests in a permanent Global Note upon (i) in the case of a CGN, presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent, and (ii) in the case of partial exchange of a NGN, confirmation from the common service provider that Euroclear and Clearstream, Luxembourg have made appropriate entries in their records to reflect the relevant exchange and, in the case of final exchange of a NGN surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent or destruction of the Temporary Global Note by the common safekeeper in accordance with the Agency Agreement, or (B) 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. If the relevant Final Terms so provides, 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 relevant 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.

(A) If so specified in the relevant Final Terms (i) on or after any Exchange Date (as defined below) or (ii) at any time or (B) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then upon the request of the holder of the permanent Global Note if either of the following events occurs: (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 occurs, 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 relevant 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 competent authority, stock exchange or quotation system 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 relevant 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 Euroclear and Clearstream, Luxembourg and any other relevant clearing system are open for business.

If the relevant Issuer is prevented as a result of any legal requirements from delivering, and procuring the delivery of, definitive Notes in exchange for temporary or permanent Global Notes as contemplated in the terms and conditions of the Notes, the relevant Issuer will use its best efforts to put in place an alternative arrangement which provides investors with the same economic results whilst complying with such legal requirements.

(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 Euroclear 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 *d’Wort* or the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or such other place as may be required by the rules and regulations of such other competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation will be maintained for so long as the Notes of the Series in respect of which the notice is to be published are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by such other competent authority, stock exchange and/or quotation system.

(4) *Prescription*: Claims against the relevant 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 bearer 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 unit of currency relating to the principal amount of Notes (as set out in the relevant Final Terms or Drawdown Prospectus (as the case may be) held by such bearer for which such permanent Global Note may be exchanged.

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

(7) *Issuer’s Option*: No selection of Notes by drawing lots will be required under Condition 6(e) in the event that the relevant 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 the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with Euroclear and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of Euroclear 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 Euroclear 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 9 July 2007 executed by the Issuers and the Guarantor (the *“Deed of Covenant”*) against the relevant Issuer and (in the case of Notes

issued by Fortis Luxembourg) 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 Euroclear 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 relevant Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

(11) *Notes with a Specified Denomination of EUR 50,000*: In relation to any Notes with a Specified Denomination of EUR 50,000 and higher integral multiples of EUR 1,000, so long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, such Notes will be tradeable only in the minimum authorised denomination of EUR 50,000 and higher integral multiples of EUR 1,000, notwithstanding that no definitive notes will be issued with a denomination above EUR 99,000.

Notes issued by Fortis Bank and clearing through the X/N System

If so provided in the relevant Final Terms, each Series or Tranche, as the case may be, issued by Fortis Bank, where the Notes issued in such Series or Tranche are initially in bearer form, will be represented by a permanent Global Note, in bearer form without Coupons, which will be deposited with the NBB as operator of the X/N System or its custodian on or about the issue date of the relevant Notes. Upon receipt of the permanent Global Note the NBB will credit the accounts of its participants, which include Euroclear's and Clearstream, Luxembourg's account, being an Exempt Account, in the X/N System with an aggregate amount equivalent to the principal amount of the permanent Global Note. Euroclear and Clearstream, Luxembourg will then credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Ownership of beneficial interests in the permanent Global Note will be limited to persons who maintain accounts with the X/N System, Euroclear and Clearstream, Luxembourg or persons who hold interests through such persons and which are Eligible Investors holding the Notes in an exempt Notes account. Certain types of Belgian investors (being those that are not eligible for holding "X-accounts"), however, may not hold their Notes through Euroclear or Clearstream, Luxembourg (save if they do so through another intermediary financial institution which is also a participant in the X/N Clearing System and which will be responsible for the withholding of tax). Please refer to the section entitled "*Taxation – Belgium*" below. Ownership of beneficial interests in the permanent Global Note will be shown on, and the transfer of such interests will be effected only through, records maintained by the X/N System, Euroclear and Clearstream, Luxembourg and in accordance with the applicable procedures of the X/N System, Euroclear and Clearstream, Luxembourg.

Each of the persons shown in the records of the X/N System, Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in the permanent Global Note (each an "Accountholder") must look solely to the X/N System, Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by Fortis Bank to the bearer of such permanent Global Note and in relation to all other rights arising under the permanent Global Note. For so long as the Notes are represented by the permanent Global Note, Accountholders shall have no claim directly against Fortis Bank in respect of payments due under the Notes and such obligations of Fortis Bank will be discharged by payment to the bearer of the permanent Global Note.

The permanent Global Note contains provisions which apply to the Notes while 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 for definitive Notes*: If the relevant Final Terms so provide, 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 Domiciliary Agent, or by the Issuer giving notice to the Domiciliary Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes as set out below:

(A) If so specified in the relevant Final Terms (i) on or after any Exchange Date (as defined below) or (ii) at any time or (B) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then upon the request of the holder of the permanent Global Note if either of the following events occurs: (a) if the X/N System, Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 occurs, the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the

Domiciliary Agent. In exchange for any permanent Global Note Fortis Bank 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), security printed in accordance with any applicable legal and competent authority, stock exchange or quotation system requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange of each permanent Global Note, Fortis Bank 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 Domiciliary Agent is located and on which the X/N System, Euroclear and Clearstream, Luxembourg and any other relevant clearing system are open for business.

If the Issuer is prevented as a result of any legal requirements from delivering, and procuring the delivery of, definitive Notes in exchange for temporary or permanent Global Notes as contemplated in the terms and conditions of the Notes, the Issuer will use its best efforts to put in place an alternative arrangement which provides investors with the same economic results whilst complying with such legal requirements

(2) *Payments:* Payments in respect of the permanent Global Note will be made by or on behalf of the Issuer to the NBB for distribution to accountholders with the X/N System (in the case of payments in euro) or to Euroclear, Clearstream, Luxembourg and the Domiciliary Agent for distribution to the respective accountholders (in the case of payments in currencies other than euro).

(3) *Payment business day:* Subject as provided in the Conditions and the relevant Final Terms, while all the Notes are represented by the permanent Global Note and the permanent Global Note is deposited with the NBB or its custodian and cleared through the X/N System, all payments in respect of the permanent Global Note will be made on a day on which the X/N System is open. If payment is due on a day on which the X/N System is not open, the holder shall not be entitled to payment of the amount due until the next succeeding date on which the X/N System is open and shall not be entitled to any further interest or other payment in respect of any such delay.

(4) *Meetings:* The rights of accountholders with the X/N System, Euroclear, Clearstream, Luxembourg and/or any other clearing system (together, the *“Clearing Systems”*) in respect of meetings of Noteholders in relation to the Notes represented by the permanent Global Note will be governed by the standard procedures of such Clearing Systems and Belgian law. To the extent that the NBB does not attend and vote on behalf of Accountholders as instructed in accordance with the standard procedures of the Clearing Systems, Accountholder shall be entitled to attend and vote in such meetings in accordance with Belgian law and the Issuer shall recognise their entitlement accordingly. By accepting to hold the permanent Global Note, the NBB irrevocably authorises the Accountholders to act on its behalf in such circumstances.

(5) *Issuer’s Option:* In the event that any option of Fortis Bank is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with the X/N System, Euroclear and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of the NBB, as the operator of the X/N System, the Euroclear and Clearstream, Luxembourg or, in the absence of such procedures, accountholders shall have the same rights as though they held Definitive Notes in an aggregate principal amount equal to the principal amount of such accountholders’ entry in its securities account with such Clearing System in respect of the Notes represented by the permanent Global Note.

(6) *Noteholders’ Option:* Any option of the Noteholders provided for in the Conditions may be exercised by accountholders directly as though they held Definitive Notes in an aggregate principal amount equal to the principal amount of such Accountholders’ entry in its securities account with such Clearing System in respect of the Notes represented by the permanent Global Note.

(7) *Default:* As more fully described in the permanent Global Notes, each permanent 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 X/N System, Euroclear 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 the Deed of Covenant against Fortis Bank all rights which the Relevant Accountholder in question would have had if immediately before the permanent Global Note became void, it had been holder of definitive Notes issued on the issue date of the permanent 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 X/N System, Euroclear or Clearstream, Luxembourg or any other relevant clearing system.

(8) *Partly-paid Notes:* The provisions relating to Partly-paid Notes will be contained in the permanent 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 permanent Global Note representing such Notes may be exchanged for definitive Notes. 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.

DESCRIPTION OF FORTIS LUXEMBOURG FINANCE S.A. AS ISSUER

1. **Fortis Luxembourg**

FORTIS LUXEMBOURG FINANCE S.A. (hereinafter referred to as "Fortis Luxembourg") is a public limited liability company (*société anonyme*) incorporated for an unlimited duration under the laws of the Grand-Duchy of Luxembourg with its registered and principal office at 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under N° B24784. FORTIS BANK nv-sa is a bank incorporated for an unlimited duration in the Kingdom of Belgium (hereinafter referred to as "**Fortis Bank**"), with its registered office at 1000 Brussels, Montagne du Parc 3.

2. **Statutory Auditors**

The financial statements of Fortis Luxembourg for the years ending 31 December 2006 and 31 December 2005 have been audited without qualification by KPMG Audit, S.à r.l., 31, Allée Scheffer, L-2520 Luxembourg, who are members of the Institut des Réviseurs d'Entreprises.

3. **Selected financial information**

(Extracted from the audited annual accounts of Fortis Luxembourg for the year ended 31 December 2006, which have been prepared in conformity with Luxembourg legal and regulatory requirements)

Balance Sheet of Fortis Luxembourg

	As at 31 December (in EUR)	
	2006	2005
Assets		
Fixed Assets	6,080,297,295	5,281,337,001
Current Assets	2,061,956,504	2,488,559,043
Prepayments	110,112,915	61,746,623
Total Assets	8,252,366,714	7,831,642,667
Liabilities		
Capital and reserves	26,258,284	14,647,875
Creditors	8,119,553,988	7,751,464,062
Deferred income	106,554,442	65,530,730
Total liabilities	8,252,366,714	7,831,642,667

Income Statement of Fortis Luxembourg

	For the year ended 31 December (in EUR)	
	2006	2005
Gross results	516,760,146	399,801,584
Interest payable and similar costs	500,967,600	395,828,527
Other costs and taxes	4,182,137	3,344,343
Profit/(Loss) for the financial year	11,610,409	628,714

The above information for the years ended 31 December 2006 and 2005 is extracted from, and should be read in conjunction with, the audited annual accounts (including the notes thereto) of Fortis Luxembourg for the year ended 31 December 2005. The audited and approved financial statements of Fortis Luxembourg for the years ended 31 December 2006 and 2005 are available free of charge at the head office of Fortis Luxembourg, the head office of the Fiscal Agent, the head office of each Paying Agent, and the head office of the Fortis Bank in Belgium.

4. **Risk Factors**

An investment in the Notes involves certain risks. Prospective investors should carefully consider the matters and information set forth in the section entitled "Risk Factors" on page 5 or in the relevant Final Terms prior to investing in the Notes.

5. **History and development of Fortis Luxembourg**

Fortis Luxembourg was incorporated on 24 September 1986 in Luxembourg as a limited liability company (société anonyme) with the name GENFINANCE LUXEMBOURG S.A., which was then changed on 12 November 2001 to FORTIS LUXEMBOURG FINANCE S.A. that is still, at the date of this Base Prospectus, its legal name and commercial name.

Fortis Luxembourg is registered with the Luxembourg Register of Commerce and Companies under number B24784 (registered on 24 September 1986).

The Articles of Association of Fortis Luxembourg have been amended several times, most recently by notarial deed in Luxembourg on 7 February 2005. The duration of Fortis Luxembourg is now unlimited.

The Articles of Association were published in the "*Mémorial, Recueil Spécial des Sociétés et Associations*" on 29 November 1986 (C Nr332) and amendments thereto were also published in the "*Mémorial, Recueil Spécial des Sociétés et Associations*".

Fortis Luxembourg's registered office is at 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg (telephone number +352 2644 9416).

There have been no recent events particular to Fortis Luxembourg which are to a material extent relevant to the evaluation of Fortis Luxembourg's solvency.

Fortis Luxembourg has not made any investments since the date of the last published financial statements. The principal activities of Fortis Luxembourg are described in the following section.

6. **Business Overview**

6.1 **Principal activities**

Fortis Luxembourg's object is to grant loans to members of the Fortis group. In furtherance of that object, Fortis Luxembourg may issue bonds or similar securities, raise loans, with or without a guarantee and in general have recourse to any sources of finance. Fortis Luxembourg can carry out any operation it perceives as being necessary to the accomplishment and development of its business, whilst staying within the limits of the Luxembourg law of 10 August 1915.

Please refer to paragraph 14.2 below for more information about Fortis Luxembourg's object as stated in the articles of association.

Please refer to the section entitled "*General Description of the Programme*" of the Terms and Conditions of the Notes for more information about the types of securities issued by Fortis Luxembourg.

6.2 **Principal markets**

The long-term debt of Fortis Luxembourg is admitted to listing on the official list and trading on the regulated market of the Luxembourg Stock Exchange and/or on Eurolist by Euronext Amsterdam and/or on Eurolist by Euronext Brussels. The debt securities are sold to investors all over the world but within the scope of any applicable selling restrictions.

7. **Organisational Structure**

Fortis Luxembourg is part of Fortis and acts as a financing vehicle for the group. Within Fortis, Fortis Luxembourg is an affiliate of Fortis Bank. For a description of the organisational structure of Fortis, please refer to paragraph 6.5 in the section below entitled "*Description of Fortis Bank, acting as Issuer or Guarantor*".

In respect of Fortis Luxembourg's dependence on entities within the Fortis group, please refer to paragraphs 4 and 6.1 above of this section.

8. **Trend Information**

There has been no material adverse change in the prospects of Fortis Luxembourg since 31 December 2006.

9. **Profit Forecasts or Estimates**

This Base Prospectus does not contain any profit forecast or estimates with regard to Fortis Luxembourg.

10. **Administrative, Management and Supervisory Bodies**

10.1 **Board of Directors**

As at the date of this Base Prospectus, the Board of Directors of Fortis Luxembourg comprises the following persons:

<i>Name</i>	<i>Principal activities performed by them outside Fortis Luxembourg which are significant with respect to Fortis Luxembourg*</i>
Bernard Frenay, director	Performance Manager Merchant Banking of Fortis Bank
Edward Bruin, director	Director of Fiscal Affairs and Product Development of Fortis Intertrust Luxembourg
Jean Thill, director	Global Markets Director of Fortis Banque Luxembourg S.A.
Christian Pithsy, director	Director Market Risk & Risk Communication of Fortis S.A./N.V.
Yvon Pierre Antoni, director	Senior Manager EMTN Funding of Fortis Banque Luxembourg S.A.
Frank van Gansbeke, chairman	Chairman of the Board of Fortis Luxembourg and Global Head of Funding and Liquidity of Fortis Bank

* Except for their principal functions in Fortis, their other functions in Fortis have not been included.

For the purpose of the Base Prospectus the address of the Directors is 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg.

No member of the Board of Managing Directors works on a full-time basis for Fortis Luxembourg.

10.2 **Administrative, Management, and Supervisory bodies conflicts of interests**

No conflicts of interests exist between any duties to the issuing entity of the persons referred to above at paragraph 10.1 and their private interests.

However, functional conflicts of interests may exist for the persons referred to above at paragraph 10.1 due to the roles held by these persons in other members of the Fortis group (as described above at paragraph 10.1).

11. **Board Practices**

Fortis Luxembourg does not have an Audit Committee. An Audit Committee exists at Fortis group level as set out in the section entitled "*Description of Fortis Bank, acting as Issuer or Guarantor*" at paragraph 9.1.

Under Luxembourg company law, there is currently no legal corporate governance regime that a company must comply with.

12. **Major Shareholders**

Fortis Bank holds 99.995 per cent. of Fortis Luxembourg's shares.

13. **Financial Information Concerning Fortis Luxembourg's Assets and Liabilities, Financial Position and Profits and Losses**

13.1 **Historical financial information**

The audited annual accounts of Fortis Luxembourg for the years ended 31 December 2005 and 31 December 2006 shall be deemed to be incorporated by reference into and form part of this Base Prospectus in their entirety.

The reports of the *Commissaires aux comptes* issued by KPMG Audit S.à r.l. on 17 March 2006 and 16 March 2007 are included in these 2005 and 2006 audited annual accounts and, as a result, shall also be deemed to be incorporated by reference into and form part of this Base Prospectus in their entirety. The 2005 and 2006

audited annual accounts of Fortis Luxembourg can be obtained free of charge at the head office of Fortis Luxembourg, the head office of the Fiscal Agent, the head office of each Paying Agent, and the head office of the Fortis Bank in Belgium.

(g) **2006 annual account (free translation of the French original)**

(Extracted from the audited annual accounts of Fortis Luxembourg for the year ended 31 December 2006, which have been prepared in conformity with Luxembourg legal and regulatory requirements)

Balance Sheet as at 31 December 2006 (in EUR)

	Notes	2006 EUR	2005 EUR
ASSETS			
Fixed assets			
Tangible assets			
Financial assets			
Loans to affiliated undertakings	3	6,080,297,295	5,281,337,001
		<u>6,080,297,295</u>	<u>5,281,337,001</u>
Current assets			
Debtors becoming due and payable within one year			
Other debtors	4	2,031,833,282	2,432,889,690
Cash at bank and in hand		30,123,222	55,669,353
		<u>2,061,956,504</u>	<u>2,488,559,043</u>
Prepayments	5	110,112,915	61,746,623
		<u>8,252,366,714</u>	<u>7,831,642,667</u>
LIABILITIES			
Capital and reserves			
Subscribed capital	6	500,000	500,000
Reserves	7		
Legal reserve		50,000	50,000
Other reserves		1,300,265	1,055,145
Profit brought forward		12,797,610	12,414,016
Profit/(Loss) for the financial year		<u>11,610,409</u>	<u>628,714</u>
		26,258,284	14,647,875
Creditors			
Amounts becoming due and payable after more than one year			
Debenture loans	8	5,477,687,354	4,690,748,124
Amounts becoming due and payable within one year			
Debenture loans and commercial papers		2,475,490,293	2,845,456,675
Amounts due to banks			33,835,576
Other creditors (including tax: EUR 2,021,472 (2005: EUR 3,183,110)	9	<u>166,376,341</u>	<u>181,423,687</u>
		8,119,553,988	7,751,464,062
Deferred income	5	<u>106,554,442</u>	<u>65,530,730</u>
		<u>8,252,366,714</u>	<u>7,831,642,667</u>

Income Statement for the year ended 31 December 2006 (in EUR)

	Notes	2006	2005
Charges			
Other external charges		677,596	693,200
Staff costs		23,115	25,222
Interest payable and similar charges	10	500,967,600	395,828,527
Tax on profit		3,465,307	2,606,246
Other taxes not shown under the above items		16,119	19,675
Profit for the financial year		<u>11,610,409</u>	<u>628,714</u>
		<u>516,760,146</u>	<u>399,801,584</u>
 Income			
Other operating income		956,058	225,099
Income from other transferable securities and from loans forming part of the fixed assets	11	497,265,739	387,942,755
Other interest receivable and similar income	12	<u>18,538,349</u>	<u>11,633,730</u>
		<u>516,760,146</u>	<u>399,801,584</u>

The above information for the years ended 31 December 2006 and 2005 is extracted from, and should be read in conjunction with, the audited annual accounts (including the notes thereto) of Fortis Luxembourg for the year ended 31 December 2006.

(b) Cash flow statements for the financial years ended 31 December 2006 and 2005 (in EUR).

Cash-flow statement for the year 2006 (in EUR)

Fortis Luxembourg Finance	Financial year 2006	Financial year 2005
Cash flows from operating activities		
Consolidated profit	11,610,409	628,714
Adjustments for		
Depreciation and amortisation	12,259,000	10,875,572
Amortisation issue premiums	-11,182,824	-9,839,950
Unrealised foreign exchange gains / losses	-39,988	10,511
Other changes	-979,020	-1,044,868
Cash flows from business operations	57,168	1,265
Commercial paper - Assets	-382,954,119	889,395,569
Commercial paper - Liabilities	382,925,535	-889,414,188
Other changes	-4,287,637	2,048,032
Net cash generated by operating activities	7,351,356	2,029,413
Cash flows from investing activities		
Increase of long term loans to affiliated undertakings	-1,511,477,452	-1,594,801,355
Redemption of long term loans to affiliated undertakings	712,517,158	923,901,267
Net cash generated by investing activities	-798,960,294	-670,900,088
Cash flows from financing activities		
Issuance of bonds	1,523,725,177	1,562,261,406
Redemption of bonds	-723,826,794	-891,846,720
Net Cash generated by financing activities	799,898,383	670,414,686
Net increase in cash	8,289,445	2,173,990
Cash and cash equivalents at 1 January	21,833,777	19,659,787
Cash and cash equivalents at 31	30,123,222	21,833,777

December	8,289,445	2,173,990
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Comfort letter relating to the Cash Flow Statement for the period ending as at 31 December 2006

Dear Sirs,

We have performed the procedures enumerated below with respect to the cash flow statement of Fortis Luxembourg Finance S.A. ("the Company") for the financial year ended as at

December 31, 2006 ("the Cash Flow Statement"). The preparation of the cash flow statement is the responsibility of the Board of Directors of Fortis Luxembourg Finance S.A.

Procedures performed

The following procedures have been performed:

- a) Verify that the amounts included in the Cash Flow Statement are consistent with the corresponding amounts included, where appropriate, in the annual accounts of the Company for the financial year;
- b) Verify that operating, financing and investing flows reported in the Cash Flow Statement are supported by appropriate documentation of such flows for the financial year.

Factual findings

Our factual findings on the procedures enumerated above are as follows:

- a) No exception noted;
- b) In the absence of detailed information on the flows for the financial year, the amounts included in the Cash Flow Statement have been estimated on the basis of net balance sheet changes from December 31, 2005 to December 31, 2006 and other relevant information included in the notes to the annual accounts of the Company for the financial year ending as at December 31, 2006.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements no assurance is expressed on the cash flow statement.

Had we performed additional procedures or had we performed an audit or review of the Cash Flow Statement in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters may have come to our attention that would have been reported to you.

This letter has been prepared to assist you in the verification of the Cash Flow Statement to be included in any relevant offering and/or listing prospectus of notes to be issued by Fortis Luxembourg Finance S.A. It should not be used in any other context.

Luxembourg, 9 July 2007

KPMG Audit S.à r.l.

S. Chambourdon

13.2 Director

Financial statements

Fortis Luxembourg has no subsidiaries and therefore its financial statements are produced on an unconsolidated basis.

The annual accounts of Fortis Luxembourg are consolidated into the accounts of Fortis Bank. The consolidated accounts of Fortis Bank are available at its registered office: 3 Montagne du Parc, B-1000 Brussels.

13.3 Auditing of historical annual financial information

The financial statements of Fortis Luxembourg for the years ending 31 December 2006 and 2005 have been audited without qualification by KPMG Audit, S.à r.l., 31, Allée Scheffer, L-2520 Luxembourg. No other information in this Base Prospectus has been audited by the auditors. The comfort letter issued by KPMG Audit, S.à r.l. in relation to the cash flow statement as at 31 December 2006 is included above at paragraph 13.1(b).

13.4 Age of latest financial information

The latest audited financial information included is the financial information for the financial year ending 31 December 2006.

13.5 Legal and arbitration proceedings

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Fortis Luxembourg is aware), during a period covering 12 months prior to this Base Prospectus which may have, or have had in the recent past, significant effects on Fortis Luxembourg and/or Fortis group's financial position or profitability.

13.6 Significant change in Fortis Luxembourg's financial or trading position

There has been no significant change in the financial or trading position of Fortis Luxembourg since 31 December 2006.

14. Additional Information

14.1 Share capital

Fortis Luxembourg's issued and authorised share capital at 31 December 2006 is EUR 500,000 represented by 20,000 ordinary shares with a nominal value of EUR 25 each. Fortis Luxembourg has no other classes of shares. The share capital is fully paid up in cash. Fortis Luxembourg has no notes cum warrants, nor convertible notes outstanding.

14.2 Memorandum and Articles of Association

Article 4 of the Articles of Association states:

The object of the company is to provide all direct or indirect financing, by any means, to its subsidiaries and other companies belonging to the Fortis Group and to lend funds, to grant loans and to give guarantees and financial and administrative assistance in connection therewith to these subsidiaries and companies.

To realise its object, the company may amongst others:

- Enter into any refinancing operation including amongst others, but not limited to, borrow in any form or obtain loans in any form, to participate into securitisation transactions and obtain funding, by amongst others issuing in any form any kind of bonds or similar securities, debentures, notes, certificates, warrants and all other kinds of financial instruments;
- Give guarantees, pledge or provide any other form of security, be it by personal security or mortgage or charge on all or part of its assets;
- Enter into all kinds of agreements and transactions on derivatives including amongst others, but not limited to, swaps (including credit default swaps), options and futures;
- Enter into all kinds of temporary transfers of securities including amongst others but not limited to securities lending and repurchase transactions.

The company may enter into all transactions, which it deems necessary for the accomplishment and development of its corporate object, remaining within the limits of the law on commercial companies of 10 August 1915.

15. **Material Contracts**

No material contracts are entered into, which could result in any member of the Fortis group being under an obligation or entitlement that is material to Fortis Luxembourg's ability to meet its obligation to holders of Notes.

16. **Third Party Information and Statement by Experts and Declarations of any Interest**

This section entitled "*Description of Fortis Luxembourg Finance S.A. as Issuer*" does not contain third party information or statements by experts except the comfort letter issued by KPMG Audit, S.à r.l. in relation to the cash flow statement as at 31 December 2005 as described and included above at paragraph 13.1(b).

17. **Documents on Display**

For the life of the Notes, the following documents (or copies thereof) may be inspected at Fortis Bank nv-sa, Montagne du Parc 3, 1000 Brussels, Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam, Fortis Banque Luxembourg S.A., 50 avenue J.F. Kennedy, 2951 Luxembourg as well as at the registered office of Fortis Luxembourg:

- the memorandum and articles of association of Fortis Luxembourg; and
- the historical financial information of Fortis Luxembourg for each of the two financial years preceding the publication of this Base Prospectus.

18. **Additional information that, at the date of this Base Prospectus, is required in order to make an offer to the public in Switzerland:**

- (a) Nationality of each member of the Board of Directors of Fortis Luxembourg

<i>Name</i>	<i>Nationality</i>
Bernard Frenay, director	Belgian
Edward Bruin, director	Dutch
Jean Thill, director	Luxembourg
Christian Pithsy, director	Belgian
Yvon Pierre Antoni, director	French
Frank van Gansbeke, chairman	Belgian

- (b) The organisation and powers of the board of directors are described in the articles of association of Fortis Luxembourg which can be obtained free of charge at the head office of Fortis Luxembourg, the head office of the Fiscal Agent, the head office of each Paying Agent, and the head office of the Fortis Bank in Belgium.
- (c) The form of communication of information to the shareholders of Fortis Luxembourg is mentioned in the articles of association of Fortis Luxembourg or in the relevant Luxembourg law. The communications to Noteholders will be made in accordance with Condition 14 of the Terms and Conditions of the Notes, as modified and/or supplemented in the relevant Final Terms.
- (d) Fortis Luxembourg has not paid any dividends to shareholders during the last five financial years.
- (e) The relevant unaudited semi-annual financial statements of Fortis Luxembourg will be included in the relevant Final Terms.
- (f) Fortis Luxembourg is currently not involved in investments nor has it planned any investments.
- (g) The principal location responsible for an important part of Fortis Luxembourg's revenue is Luxembourg.
- (h) The following is a list of outstanding securities issued by Fortis Luxembourg:

ISIN	Currency	Amount outstanding (as at 31 May 2007)	Maturity	Rate & Description
XS0051163763	JPY	15,000,000,000.00	29/12/2009	FLF ex-IFICO-008 semi-ann.fixed cpn 29-06-94/2009

XS0055748544	USD	22,330,000.00	17/02/2013	GENFINANCE 17.02.1995 SEM.
XS0058107102	JPY	5,000,000,000.00	08/09/2015	FLF ex-IFICO-66 semi-ann.fixed cpn 8-06-95/08-09-2015 repris par F.L.F. le 301205
XS0059603802	EUR	22,890,489.22	21/08/2015	FLF ex-IFICO-73 semi-ann.var.cpn 21-08-95/perpetual
XS0063913387	USD	35,040,000.00	15/02/2021	FLF ex-IFICO-81 semi-ann.var.cpn 15-02-96/perpetual note
XS0071344799	JPY	5,000,000,000.00	24/12/2016	FLF ex-IFICO-92 semi-ann.fixed.cpn 24-12-96/2016 repris par F.L.F. le 301205
XS0080323784	EUR	74,368,057.43	28/12/2007	GENFINANCE 28.10.1997-2007 5.25 7.25 (EUR)
XS0082285155	EUR	49,578,704.95	19/12/2007	GENFINANCE 19.12.1997-2007 6.125000% (EUR)
XS0088649347	EUR	49,578,704.95	13/08/2008	GENFINANCE 13.08.1998-2008 4.5000% 6.3750% (EUR)
XS0090170209	EUR	49,578,704.95	30/09/2008	GENFINANCE 30.09.1998-2008 4.2500% 6.2500% (EUR)
XS0091182419	DKK	400,000,000.00	10/11/2008	GENFINANCE 10.11.1998-2008 5.0000% 6.0000%
XS0097938525	DKK	600,000,000.00	21/06/2007	GENFINANCE 21.06.1999-2007 5.1250%
XS0098609919	EUR	100,000,000.00	30/06/2009	GENFINANCE 30.06.1999-2009 5.1250%
XS0100182004	EUR	75,000,000.00	31/08/2009	GENFINANCE 31.08.1999-2009 5.6250%
XS0101623600	EUR	100,000,000.00	08/10/2009	GENFINANCE LUX 6% 99-081009
XS0102274700	EUR	150,000,000.00	22/10/2009	GENFINANCE 22.10.1999-2009 6.1250%
XS0102708632	SEK	515,000,000.00	26/10/2007	FLF 26/10/99 - 07 7%
XS0104211957	EUR	100,000,000.00	17/12/2009	FLF 17/12/99 - 09 6%
XS0106569071	EUR	50,000,000.00	15/02/2008	FLF IND LINK 15/2/00-08 0% OU 10.25%
XS0110854071	EUR	7,206,070.29	27/04/2012	FLF ex-IFICO-108.1 0 cpn-redempt 100% 28-04-00/27-04-12
XS0110173555	EUR	200,000,000.00	11/05/2010	FORTIS LUX FIN 00 6.25 110510
XS0111481403	EUR	250,000,000.00	14/06/2010	FORTIS LUX FIN 00 6.50% 140610
XD0110854071	EUR	14,412,600.65	27/04/2012	FLF ex-IFICO-108.2 0 CPN-REDEMT 100% 27-06-00/27-04-12
XS0117512458	EUR	50,000,000.00	20/10/2010	ELN FORTIS LUX FIN 00 5.5% 201010
XS0120511232	EUR	55,500,000.00	15/11/2010	FLF ex-IFICO-113 ann.var.cpn 15-11-00/15-11-10
XS0120236269	EUR	150,000,000.00	15/12/2010	FLF 15/12/00 - 10 6.5%
XS0121176472	EUR	50,000,000.00	27/12/2010	FLF 27/12/00 - 10 5.5%
XS0123739533	EUR	30,000,000.00	27/01/2031	FLF ex-IFICO-116 ann.cpn 6.45% 25-01-01/27-01-31
XS0122720732	EUR	150,000,000.00	16/02/2016	FLF 16/02/01-16 - 6.375 %
XS0124318642	EUR	5,000,000.00	19/04/2010	FLF ex-IFICO-117 0 cpn-index euronext 100 19-04-2001/2010
XS0147076037	EUR	2,000,000.00	03/05/2012	FLF 02/03-05-2012 5.55%
XS0167356392	EUR	25,000,000.00	22/04/2008	FLUXF NS 22/04/03-08 - 5.25%
XS0166164789	EUR	100,000,000.00	16/05/2013	FLUXF SUB 5.125 % 16/05/03-13
XS0170126659	USD	5,000,000.00	16/06/2008	FLUXF NS USD 16/06/03-08 taux trim. var.
XS0168684898	EUR	50,000,000.00	17/06/2015	FLUXF IND LINK 17/06/03-15
XS0171778003	USD	4,000,000.00	15/07/2008	FLUXF NS USD 15/07/03-08 2-2.5-3-4-5%
XS0172877028	USD	10,500,000.00	25/07/2013	FLUXF NS USD 25/07/03-13 6.5%
XS0179754550	EUR	20,000,000.00	10/11/2008	FLUXF RC PEUGEOT 0% - 10.11.03/
XS0180133398	USD	2,000,000.00	18/11/2010	FLUXF NS 18/11/03-10 TX VAR
XS0180217498	USD	5,000,000.00	18/11/2013	FLUXF NS USD 18/11/03-13 - 7% VAR
XS0179754550	EUR	1,300,000.00	10/11/2008	FLUXF RC PEUGEOT 0% - 10.11.03/
XS0186431895	EUR	150,000,000.00	19/03/2012	FLF 04/19-03-2012 4.5%
XS0189252736	EUR	3,000,000.00	02/04/2012	FLUXF NS 01/04/04-02/04/12 0 cpn
XS0190360734	EUR	5,000,000.00	20/04/2016	FLUXF NS 20/04/04-16 0 CPN
XS0190440841	EUR	20,000,000.00	20/04/2012	FLUXF NS 20/04/04-12 cpn var. 1 an série 169
XS0190917160	EUR	100,000,000.00	25/05/2012	FLUXF NS 24/05/04-12 4.5%
XS0193721205	EUR	10,000,000.00	22/06/2009	FLUXF NS 5OUT5 - 22/06/04-09
XS0194459177	EUR	10,000,000.00	06/07/2009	FLUXF 06-07-04/09 CP Y1 5,20% (Y2 to Y5: 5,20% -12M EUR)
XS0196095888	EUR	2,500,000.00	07/07/2011	FLUXF Credit Linked Note 07/07/04-11
XS0199182899	EUR	20,000,000.00	20/08/2007	FLUXF credit linked 20/08/04-07 FL.R.
XS0199957985	EUR	50,000,000.00	20/09/2016	FLUF Credit linked 31-08-04/20-09-2016 cpn var.
XS0196988587	EUR	200,000,000.00	03/09/2014	FLUXF SUB 04-03/09/2014 4,75%
				FLUF Going for gold note 100%cap.guar. cpn 0,5,15 or 35% at mat. link.20 shares 04/21-9-07
XS0199207555	EUR	5,000,000.00	21/09/2007	FLF SUB. 04/01-10-2014 4,625%
XS0200031200	EUR	100,000,000.00	01/10/2014	FLF 04/14-10-2019 série 181 tranche 1 cpn var.
XS0202613666	EUR	20,000,000.00	14/10/2019	FLF 04/14-10-2019 série 181 tranche 1 cpn var.
XS0202613666	EUR	3,000,000.00	14/10/2019	FLF EMTN 04/14-10-2019 série 182 cpn var.
XS0202614391	EUR	20,000,000.00	14/10/2019	FLUXMF VLN NOTE C14 MEMLING 22/10/04-12 cpn var. 3M
XS0201907952	EUR	85,000,000.00	22/10/2012	FLUXMF Target Redemption note cpn var. 22/10/04-14
XS0203697015	EUR	1,500,000.00	22/10/2014	FLUXMF Callable Zero coupon 25/10/04-24 Libor 3 M
XS0203790810	USD	30,000,000.00	25/10/2024	FLUXMF Callable range accrual notes cpn trim. var. 25/10/04-27/10-2014
XS0203471395	USD	5,000,000.00	27/10/2014	FLUFX TARN08 cpn ann.var. 04/3-11-2014
XS0202071832	EUR	15,383,000.00	03/11/2014	FLUXF TARN10 taux ann. var. 2004/03-11-2014
XS0202963640	EUR	24,816,000.00	03/11/2014	FLF EMTN cpn trim. 6,75 % série 187 26-11-04/25-11-2014
XS0206015074	USD	10,000,000.00	25/11/2014	FLF 12-04/22-12-2010 3,40%
XS0206388182	EUR	75,000,000.00	22/12/2010	FLF série 190 27-12-04/25-12-14 taux trim.var.
XS0208904283	USD	10,000,000.00	25/12/2014	FLF 04/31-12-2014 4%
XS0208412063	EUR	100,000,000.00	31/12/2014	FLF Callable Zero Coupon Note 6.50%
XS0210027719	USD	20,000,000.00	25/01/2025	FLF Callable Range - CMS Spread Quarterly Y1-5 7.5%
XS0209607109	USD	23,800,000.00	25/01/2020	FLF 15Year Callable Daily Accrual Notes CMS Spread
XS0210881701	USD	2,300,000.00	15/02/2020	FLF Callable Zero coupon note
XS0212391519	USD	20,000,000.00	25/02/2025	FLF 5 Mio 10Year Callable Range 6,70%
XS0211848022	USD	5,000,000.00	25/02/2015	FLF Combo note Basket Asian Shares 1Y 9.18%
XS0212501554	USD	1,700,000.00	28/08/2007	FLF 14-03-05/14-03-2015 tarn 17 annual cpn yq=6,20% afterwards target
XS0213766636	EUR	16,478,000.00	14/03/2015	FLF Ford motor Cy -altria série 209 23-03-05/23-07-07 4,75%
XS0215409433	EUR	5,000,000.00	23/07/2007	FLF 25-03-05/27-03-2017 quaterly range 7,5% série 205
XS0214513631	USD	8,500,000.00	27/03/2017	FLF 05/31-03-2015 cpn 3,875%
XS0213287070	EUR	25,000,000.00	31/03/2015	FLF série 206 cpn year 1+2: 5% after var. 11-04-05/13-04-2015
XS0214846874	EUR	50,000,000.00	13/04/2015	FLF série 211 05/11-04-20 cpn trim. year 1-5:8% year 6-10: 10% year 11-15: 15%
XS021556498	USD	6,120,000.00	11/04/2020	FLF série 210 quat.cpn 9% 05/11-04-20
XS0215556738	USD	15,850,000.00	11/04/2020	FLF série 212 quat.cpn 7,5% 05/15-04-15
XS0216471101	USD	15,250,000.00	15/04/2015	FLF série 215 quat.cpn 7,90% 2005/29-04-20
XS0217124345	USD	3,100,000.00	29/04/2020	FLF var.cpn série 217 05/09-05-08
XS0218420791	EUR	1,500,000.00	09/05/2008	FLF Fixed rate note 25/05/05-2010 4.25%
XS0218424868	USD	75,000,000.00	25/05/2010	FLF série 219 cms spread 05/01-06-2015
XS0219552568	USD	2,100,000.00	01/06/2015	FLF série 221 target red.note 05/2-06-2020
XS0220757214	EUR	7,000,000.00	02/06/2020	FLUXF Série 222 Pay out 14/06/05-14/12/07
XS0220549025	EUR	12,000,000.00	14/12/2007	FLF Credit Linked Note C18 30.06.05-2012
XS0220820608	EUR	200,000,000.00	30/06/2012	FLF Credit Linked C18 30.06.05-2012 6%
XS0224227501	USD	10,000,000.00	30/06/2012	

XS0221564544	EUR	20,000,000.00	01/07/2015	FLF 10 Year capped CMS 1-07-05/15 y1to2 :5%
XS0222331810	EUR	6,000,000.00	06/07/2015	FLF CPN MIN. 1.65% 6-07-05/2015
XS0224156892	EUR	1,500,000.00	17/07/2008	FLF série 225 Index-linked 15-07-05/17-07-08
XS0224688043	EUR	7,500,000.00	08/10/2007	FLF série 226 cpn year 4.35% DaimlerChrysler 20-07-05/08-10-07
XS0223721854	TRY	35,000,000.00	27/07/2007	FLF Turkish Lira 2yr Fixed Rate Notes 27-07-05/07 14%
XS0225353829	TRY	120,000,000.00	28/07/2008	FLF série 229 Turkish Lira 3yr Fixed Rate Notes 28-07-05/08 13.7%
XS0225296507	EUR	65,000,000.00	28/07/2008	FLF série 228 quat.cpn var. 28-07-05/08
XS0223235390	EUR	22,000,000.00	29/07/2015	FLF 10year capped cms year cpn 29-07-05/15
XS0222939828	EUR	34,000,000.00	29/07/2012	FLF Swing linked basket 25 shares year pay min 1.75% 29-07-05/12
XS0225354470	EUR	2,000,000.00	01/08/2008	FLF série 230 range accrual note 4% annual coupon
XS0226146065	EUR	30,000,000.00	08/09/2012	FLF Swing 2 Fl. 8-09-05/12
XS0228595525	EUR	14,000,000.00	08/10/2012	FLF Swing 3 linked basket 25 shares year pay min. 1.75% 06-10-2005/08-10-2012
XS0231265249	EUR	5,450,000.00	07/10/2008	FLF série 231 0 cpn - 90% capital protected Participation on basket of energy stocks
XS0226638103	EUR	42,000,000.00	10/10/2013	FLF velazquez credit linked note c19 10-10-2005/2013 4.25% annual
XS0231563007	USD	20,000,000.00	12/10/2020	FLF série 232 15 year callable range 0% to 8% 12-10-05/2020
XS0232112465	EUR	1,000,000.00	14/10/2009	FLF série 233 0 cpn note - 67.39% index partic. 14-10-05/2009
XS0230422072	EUR	11,000,000.00	07/11/2012	FLF Swing 4 linked basket 25 shares year pay min. 1.75%
XS0230689159	EUR	40,000,000.00	07/11/2015	FLF Snow cpn 1yr 6% 07-11-05/2015
XS0233598712	EUR	20,000,000.00	23/11/2007	FLF RCI097 cpn yr 8.25% 23-11-05/2007
XS0234938024	EUR	14,000,000.00	06/12/2013	FLF Level 6-1 yr coupon linked 06-12-05/2013
XS0234121100	TRY	30,000,000.00	06/12/2007	FLF Turkish Lira 2 yr Fixed Rate Notes 06-12-05/07 12.875% annual
XS0236894563	TRY	100,000,000.00	12/12/2008	FLF Turkish lira 3yr F.I.R. 12-05/12-12-08
XS0238975634	EUR	30,000,000.00	31/12/2007	FLF Série 242 quat. cpn Var. Note 22-12-05/31-12-07
XS0236633508	EUR	10,000,000.00	29/12/2008	FLF Série 236 year cpn 10 % first year 29-12-2005/29-12-2008
XS0237183164	TRY	50,000,000.00	30/12/2010	FLF Série 238 5yr fixed rate 10,25 % 30-12-2005/30-12-2010
XS0236744321	EUR	13,000,000.00	05/01/2014	FLF Level 6-2 yr cpn linked 05-01-06/2014
XS0240661933	USD	29,988,859.60	20/01/2026	FLF série 247 0 cpn Final nominal 109.300.000 USD
XS0237348692	EUR	10,000,000.00	06/02/2018	FLF série 240 yr cpn cms spread 1&2nd year 3.75% 06-02-2006/2018
XS0238588353	EUR	10,000,000.00	06/02/2014	FLF Level 6-3 yr coupon linked 06-02-06/2014
XS0237404602	EUR	10,000,000.00	06/02/2011	FLF série 239 yr coupon range accrual 5% 06-02-06/2011
XS0243209797	USD	10,000,000.00	06/04/2011	FLF série 251 quat. cpn var. 08-02-06/2011
XS0245337430	EUR	5,000,000.00	24/02/2016	FLF série 255 yr cpn var. 24-02-06/2016
XS0240498179	TRY	40,000,000.00	27/02/2008	FLF série 245 yr cpn fixed 12% 27-02-06/2008
XS0245122584	USD	10,000,000.00	03/03/2016	FLF série 254 callable zero cpn issue price 53.42% 03-03-06/2016
XS0243111399	EUR	35,000,000.00	03/03/2008	FLF RCI098 yr cpn 8% reverse conv.into shares Suez 03-03-06/2008
XS0243111399	EUR	1,000,000.00	03/03/2008	FLF RCI098 yr cpn 8% reverse conv.into shares Suez 03-03-06/2008
XS0240662553	EUR	5,000,000.00	06/03/2018	FLF Série 244 yr cpn CMS Spread linked 1&2 yr 3.75% 06-03-06/2018
XS0240189547	EUR	5,000,000.00	06/03/2011	FLF Série 243 5% callable range accrual 06-03-06/2011
XS0246274624	EUR	3,000,000.00	08/05/2008	FLF Série 257 zero cpn 08-03-06/08-05-2008
XS0247539058	EUR	4,000,000.00	24/03/2016	FLF série 264 quat. cpn range accrual 7% 24-03-06/2016
XS0245640700	EUR	19,500,000.00	31/03/2008	FLF RCI099 cpn yr 8.50% reverse conv.into shares ING 31-03-06/2008
XS0248711342	EUR	10,000,000.00	04/04/2021	FLF série 269 04-06-06/04-06-2016 10Y Call.range accrual
XS0250022612	USD	10,000,000.00	05/07/2011	FLF série 272 05-04-06/05-07-11 FRN quat.cpn
XS0242252160	EUR	19,500,000.00	06/04/2009	FLF série 249 06-04-06/06-04-2009 Callable thunderball quat.cpn
XS0237888457	EUR	10,000,000.00	06/04/2016	FLF SNOW2 06-04-06/06-04-16 callable year cpn
XS0246393044	TRY	50,000,000.00	07/04/2016	FLF série 258 yr cpn fixed 10% 07-04-06/2016
XS0246925233	USD	75,000,000.00	18/04/2008	FLF série 259 yr cpn fixed 5.5% 18-04-06/2008
XS0247259871	EUR	50,000,000.00	20/04/2015	FLF série 262 yr cpn 3yr@3%; 3yr@4%; 3yr@5% 20-04-06/2015
XS0252133433	USD	2,000,000.00	25/04/2016	FLF série 277 quat. cpn range accrual 8.2% 25-04-06/2016
XS0252100267	EUR	19,958,405.20	27/04/2026	FLF série 275 Zéro cpn Final nominal 56.600.000 EUR
XS0251415807	EUR	60,000,000.00	28/04/2009	FLF série 274 yr cpn fixed 0.5% 28-04-06/2009
XS0251415807	EUR	40,000,000.00	28/04/2009	FLF série 274 yr cpn fixed 0.5% 28-04-06/2009
XS0251415807	EUR	20,000,000.00	28/04/2009	FLF série 274 yr cpn fixed 0.5% 28-04-06/2009
XS0250592390	EUR	3,000,000.00	28/04/2021	FLF série 273 semi-an. cpn range accrual 6% 28-04-06/2021
XS0252743264	EUR	10,000,000.00	28/04/2014	FLF série 279 zero cpn 28-04-06/2014
XS0252485114	EUR	10,000,000.00	07/07/2008	FLF série 278 quat. cpn var. 28-04-06/2008
XS0247099731	EUR	15,500,000.00	05/05/2009	FLF série 261 quat. cpn var. 05-05-06/2009
XS0252780894	EUR	2,700,000.00	05/05/2010	FLF série 280 zero cpn - redempt.linked to Index Basket 05-05-06/2010
XS0248215955	USD	25,000,000.00	05/05/2010	FLF Commodity redemption note - 200% particip. of commodity Basket 05/05-06-2010
XS0250148987	EUR	23,000,000.00	02/05/2008	FLF série 267 Zéro cpn pay off linked 12- 05-06/02-05-08
XS0253574189	EUR	20,000,000.00	07/07/2008	FLF série 281 quat. cpn 3mths + 3% 12-05-06/07-07-08
XS0252159404	EUR	50,000,000.00	01/06/2016	FLF Série 276 10yr fixed rate 4.375 % 01-06-06/01-06-16
XS0245122584	USD	158,000.00	03/03/2016	FLF série 254 callable zero cpn issue price 53.42% 03-03-06/2016
XS0255784737	EUR	2,000,000.00	05/06/2016	FLF série 284 yr cpn 1yr@5%; after rate var. 05-06-06/05-06-2016
XS0249346593	EUR	12,500,000.00	07/06/2008	FLF série 271 zéro cpn pay off mat.date 07-06.06/07-06-08
XS0250706586	EUR	37,500,000.00	16/06/2008	FLF RCI100 yr cpn 11% reverse conv.into shares Worst of Dexia 16-06-06/16-06-08
XS0257833102	EUR	7,000,000.00	21/06/2007	FLF série 286 Yr cpn 10.90% Reverse Conv into shares Inga NA with Knoch In @ 80%
XS0255154717	EUR	10,500,000.00	29/06/2021	FLF série 283 Year 1&2 5% -EUR 15Yr Capped CMS Floater Note- Qtrl cpn
XS0258247922	USD	10,000,000.00	30/06/2026	FLF série 287 20Yr Fxd rate Note 6.63% - 30/06/06-2026
XS0258938082	USD	10,000,000.00	05/07/2016	FLF série 289 10Year Callable Zero-cpn note- 6.90% annually = 6.7284% Quarterly 05-07-06/16
XS025562323	EUR	5,000,000.00	06/07/2010	FLF commodity2 -commodity rush note 2 - 100% partic.of commodity Basket perform - 06-07-06/06-07-10
XS0254561144	EUR	7,500,000.00	06/07/2008	FLF série 282 2yr 0cpn notes - particip.to DJE50 performance - pay off maturit date 15%+sum of monthl.perform; 06-07-06/06-07-08
XS0255903923	EUR	50,000,000.00	11/07/2016	FLF série 285 - 10Yr Sub. Note :Yr cpn Fixed rate 4.25% - 11-07-06 / 11-07-16
XS0254837403	EUR	14,500,000.00	18/07/2008	FLF RCI101- Reverse Conv into Shares Belgacom- Bloomberg BELGA BB Equity- yr cpn 9.25% -18-07-06 / 18-07-08
XS0263171695	EUR	2,000,000.00	02/08/2009	FLF série 296 3yr Callable Range Accrual - cpn rate 3Mths + 0.40% - 02/08/06-02/08/09
XS0262624702	EUR	3,000,000.00	03/08/2007	FLF série 295 - Reverse Conv. intoshares ENEI - Yr cpn 9.25% - 30/360 unadj. - Knock In@85%= 5.86925 - 03/08/06 - 03/08/07
XS0263288374	EUR	1,500,000.00	01/08/2012	FLF série 297 - 6yr Zéro cpn notes - Part. to Index Basket - 03/08-06/01/08/12
XS0258560076	USD	5,000,000.00	04/08/2010	FLF Commodity 3 - 04/08/06 - 04/08/10
XS0264320739	EUR	10,000,000.00	04/10/2007	FLF Série 298 - Fixed cpn 6.30% at maturity - 16/08/06 - 04/10/07
XS0260531297	EUR	50,000,000.00	29/08/2016	FLF série 292 - EUR 10yr sub.notes 29-08-06/29-08-16
XS0261223332	EUR	46,000,000.00	01/09/2008	FLF RCI102 - Reverse conv into Shares ING Gr. - Yr cpn : 9.5% - 01-09-06/2008
XS0245122584	USD	160,496.00	03/03/2016	FLF série 254 callable zero cpn issue price 53.42% 03-03-06/2016
XS0258955094	EUR	25,500,000.00	06/09/2009	FLF série 290 - Callable Thunderball - 1er quarter cpn : 5.75% - 06.09.06/06.09.09
XS0268159919	EUR	4,500,000.00	20/09/2007	FLF série 301 Yr cpn 9.6% - reverse into shares Dexia - 20.09.06/20.09.07
XS0258938082	USD	168,210.00	05/07/2016	FLF série 289 10Year Callable Zero-cpn note- 6.90% annually = 6.7284% Quarterly 05-07-06/16

XS0262217499	EUR	5,000,000.00	05/10/2011	FLF série 294 - 5 yr callable range accrual - cpn: 2% + 3%*n/N 05-10-06/2011
XS0262278954	EUR	18,500,000.00	05/10/2009	FLF série 293 - quat. cpn var. 05-10-06/2009
XS0266551539	EUR	28,000,000.00	05/10/2008	FLF RCI103 2yr cpn 11.50% 05-10-06/2008
XS0270240681	EUR	4,500,000.00	06/10/2010	FLF 4yr accumulator Reverse convertible on DJ Eurostoxx 50 06-10-06/2010
XS0231563007	USD	1,348,000.00	12/10/2020	FLF série 232 15 year callable range 0% to 8% 12-10-05/2020
XS0270586042	EUR	5,000,000.00	16/10/2009	FLF série 304 - 3yr zero coupon - pay off @ maturity
XS0271387218	EUR	4,300,000.00	23/10/2007	FLF série 306 rev.into SANOFI cpn 9,50 23-10-2006/2007
XS0267937935	EUR	50,000,000.00	25/10/2016	FLF série 300 10 y sub. fixed cpn 4,25 25-10-2006/2016
XS0271832981	USD	20,000,000.00	25/10/2011	FLF série 309 5 y call quat. 1st year fr,then fixed cpn 5,90 25-10-2006/2011
XS0271994294	USD	50,000,000.00	27/10/2011	FLF série 310 5 y call quat. 1st year fr,then fixed cpn 5,80 27-10-2006/2011
XS0265581073	EUR	22,000,000.00	07/11/2009	FLF série 299 - Callable Thunderball - 1er quarter cpn : 6% then variable cpn
XS0268714507	EUR	20,000,000.00	10/11/2008	FLF RCI104 Rev Conv into shares AXA - Yr Cpn 9.50%
XS0276104394	EUR	6,000,000.00	24/11/2009	FLF série 314 - 3yr Zéro cpn - Part on basket of Energy Stocks - 90% K guaranteed
XS0269358734	EUR	50,000,000.00	28/11/2016	FLF série 313 - 10Yr Sub. Note - Yr cpn fixed rate 4.25%
XS0276662565	EUR	2,000,000.00	04/12/2016	FLF série 315 - 10yr callable fixed rate note 4.55% 04-12-2006/2016
XS0245122584	USD	163,033.00	03/03/2016	FLF série 254 callable zero cpn issue price 53.42% 03-03-06/2016
XS0277187281	EUR	6,700,000.00	05/12/2007	FLF série 316 3yr zero cpn - Pay off @ maturity 05-12-2006/2007
XS0270890113	EUR	30,500,000.00	06/12/2011	FLF série 303 5yr - linked to performance of 15 Green Stocks 06-12-2006/2011
XS0271529611	EUR	10,000,000.00	15/12/2008	FLF série 307 yr cpn 10.5% reverse conv into shares 15-12-2006/2008
XS0279152481	EUR	10,000,000.00	28/12/2007	FLF série 322 Yr cpn fixed 6,49% 18-12-2006 / 28-12-2007
XS0269360045	EUR	50,000,000.00	29/12/2016	FLF série 318 sub yearly cpn 4,20% 29-12-2006/2016
XS0281063783	EUR	5,034,000.00	31/12/2007	FLF série 327 yearly cpn 3,45% 29-12-2006/31-12-2007
				FLF série 289 10Year Callable Zero-cpn note- 6.90% annually = 6.7284% Quaterly 05-07-06/16
XS0258938082	USD	171,040.00	05/07/2016	FLF série 311 - 1er quarter cpn : 6% then variable cpn 05-01-2007/2010
XS0272449041	EUR	18,500,000.00	05/01/2010	FLF série 312 5yr - linked to performance of 15 Green Stocks 05-01-2007/2012
XS0273358027	EUR	25,000,000.00	05/01/2012	FLF série 317 yr cpn 9 % reverse conv into shares Suez 19-01-2007/2009
XS0277013297	EUR	14,500,000.00	19/01/2009	FLF série 331 quat. cpn fixed 6,54% 19-01-07/04-04-07
XS0283170180	EUR	15,000,000.00	04/04/2008	FLF série 331 quat. cpn fixed 6,54% 19-01-07/04-04-07
XS0240661933	USD	2,003,261.02	20/01/2026	FLF série 247 0 cpn Final nominal 109,300,000 USD
XS0283670239	EUR	5,000,000.00	22/01/2008	FLF série 333 rev.into VINCI cpn 10,25% 22-01-2007/2008
XS0283126281	EUR	20,000,000.00	25/01/2017	FLF série 332 - 10yr callable resettable range accrual 25-01-2007/2017
XS0280401729	EUR	7,500,000.00	30/01/2009	FLF série 324 rev.into ALLIANZ cpn 9 % 31-01-2007/30-01-2009
XS0277227418	EUR	15,000,000.00	06/02/2011	FLF série 321 - Callable Thunderball - 1er quarter cpn : 6.00% - 06-02-2007/2011
XS0277688817	EUR	5,000,000.00	06/02/2013	FLF série 320 semi-annual cpn 6.00% 06-02-2006/2013
XS0284985354	EUR	8,000,000.00	08/02/2010	FLF série 340 - 3yr Zéro cpn - 08-02-2007/2010
XS0281899152	EUR	5,000,000.00	09/02/2008	FLF série 328 1 Yr range accrual - 09-02/2007/2008
				FLF série 344 - 10 yrs callable range accrual - Step Up Ref.Range - 12.02.2007/12.02.2017
XS0286159065	USD	10,000,000.00	12/02/2017	FLF série 345 - 5yr callable step up note 15-02-2007/2012
XS0286014765	EUR	57,000,000.00	15/02/2012	FLF série 347 - 5yr callable step up note 15-02-2007/2012
XS0286517676	EUR	3,550,000.00	15/02/2012	FLF série 343 - 10yr annual coupon 15-02-2007/2017
XS0285573969	EUR	5,000,000.00	15/02/2017	FLF série 326 - 10yr fixed rate 4.40% 21-02-2007/2017
XS0280951392	EUR	50,000,000.00	21/02/2017	FLF série 335 - 10yr fixed rate 4.50% 21-02-2007/2017
XS0284019907	EUR	50,000,000.00	26/02/2017	FLF série 348 1 Yr range accrual - 26-02/2007/2008
XS0286872816	EUR	1,250,000.00	26/02/2008	FLF série 349 - 15 yrs callable range accrual - Annual coupon 26-02-2007/2022
XS0287843253	EUR	30,100,000.00	26/02/2022	FLF série 323 - 4yr autocallable on each 26-feb 26-02-2007/2011
XS0280342295	EUR	17,000,000.00	26/02/2011	FLF série 350 - 5yr callable step up note 01-03-2007/2012
XS0288084022	EUR	14,500,000.00	01/03/2012	FLF série 254 callable zero cpn issue price 53.42% 03-03-06/2016
XS0245122584	USD	165,608.00	03/03/2016	FLF série 325 - Callable Thunderball - 1er quarter cpn : 6.00% - 06-03-2007/2011
XS0281295997	EUR	10,500,000.00	06/03/2011	FLF série 346 - autocallable note on Allianz 08-03-2007/03-09/2008
XS0286172597	EUR	10,767,000.00	03/09/2008	FLF série 341 rev.into shares cpn 9,75% 09-03-2007/2009
XS0285151030	EUR	14,000,000.00	09/03/2009	FLF série 357 - 3yr callable step up note 15-03-2007/2010
XS0290274710	EUR	1,000,000.00	15/03/2010	FLF série 355 8yr - linked to performance of 7 Indices 15-03-2007/2015
XS0289577180	EUR	28,000,000.00	16/03/2015	FLF série 359 1 Yr 21-03-2007/28-03-2008
XS0291730363	EUR	1,000,000.00	28/03/2008	FLF série 319 Zero coupon note 28-03-2007/2013
XS0277141536	EUR	153,274,000.00	28/03/2013	FLF série 352 - 10yr fixed rate 4.60% 30-03-2007/2017
XS0288084881	EUR	50,000,000.00	30/03/2017	FLF série 369 1 Yr 03-04-2007/03-04-2008
XS0294089122	EUR	2,500,000.00	03/04/2008	FLF série 289 10Year Callable Zero-cpn note- 6.90% annually = 6.7284% Quaterly 05-07-06/16
				FLF série 334 5 Yr 05-04-2007/2012
XS0258938082	USD	173,910.00	05/07/2016	FLF série 371 - 10yr callable resettable range accrual 18-04-2007/2017
XS0284085288	EUR	5,000,000.00	05/04/2012	FLF série 353 4 Yr 20-04-2007/20-04-2011
XS0294957930	EUR	10,000,000.00	18/04/2017	FLF série 356 2 Yr 20-04-2007/2009
XS0288175093	EUR	10,000,000.00	20/04/2011	FLF série 376 5 Y 20-04-2007/2012
XS0290527786	EUR	1,500,000.00	20/04/2009	FLF série 377 6 Y 20-04-2007/2013
XS0296878209	EUR	1,500,000.00	20/04/2012	FLF série 378 7 Y 20-04-2007/2014
XS0296880015	EUR	1,500,000.00	20/04/2013	FLF série 374 rev.into shares cpn 9,70% 23-04-2007/2008
XS0296880791	EUR	1,500,000.00	20/04/2014	FLF série 275 Zéro cpn Final nominal 56,600,000 EUR
XS0296347429	EUR	2,000,000.00	23/04/2008	FLF série 375 Eurodollar range note - 27-04-2007/27-07-2007
XS0252100267	EUR	1,067,759.00	27/04/2026	FLF série 368 - 10yr fixed rate 4.40% 04-05-2007/2017
XS0296960551	EUR	6,200,000.00	27/07/2007	FLF série 364 3 Y 04-05-2007/2010
XS0293631296	EUR	50,000,000.00	04/05/2017	FLF série 365 3 Y 04-05-2007/2010
XS0293628409	AUD	50,000,000.00	04/05/2010	FLF série 366 3 Y 04-05-2007/2010
XS0293628664	USD	25,000,000.00	04/05/2010	FLF série 367 3 Y 04-05-2007/2010
XS0293629399	TRY	25,000,000.00	04/05/2010	FLF série 354 5yr - linked to performance of basket 07-05-2007/2012
XS0293630132	NOK	250,000,000.00	04/05/2010	FLF série 370 1,5 Yr 11-05-2007/11-11-2008
XS0288156549	EUR	7,000,000.00	07/05/2012	FLF série 385 16-05-2007/16-07-2008
XS0294590293	EUR	5,400,000.00	11/11/2008	FLF série 379 5 Y 18-05-2007/2012
XS0299624642	EUR	1,000,000.00	16/07/2008	FLF série 380 2 Y 18-05-2007/2009
XS0297916511	EUR	2,500,000.00	18/05/2012	FLF série 362 rev.into shares cpn 9,75% 18-05-2007/2009
XS0297917758	EUR	2,500,000.00	18/05/2009	FLF série 384 Instalment Note 22-05-2007/2022
XS0293436084	EUR	20,500,000.00	18/05/2009	FLF série 391 - 3yr Zéro cpn - 28-05-2007/28-11-2008
XS0299387414	EUR	1,100,000.00	22/05/2022	FLF série 388 Callable zero coupon 30-05-2007/2027
XS0301525225	EUR	1,500,000.00	28/11/2008	FLF série 395 Floating rate coupon 31-05-2007/05-07-2008
XS0301365192	EUR	5,000,000.00	30/05/2027	
XS0302701858	EUR	20,000,000.00	05/07/2008	

- (i) Fortis Luxembourg's investment policy is guided by its corporate object, which is set out in Article 4 of its articles of association and described in paragraph 14.2 above.

19. **Recent Developments**

On 29 May 2007, Fortis, together with The Royal Bank of Scotland plc and Santander (collectively the "**Banks**") announced a public offer for 100% of the issued and outstanding share capital of ABN AMRO (the "**Offer**").

It is intended that, as a result of the Offer, Fortis will acquire ABN AMRO's retail and commercial banking business in the Netherlands, as well as the global private banking and asset management businesses. The combination of Fortis and such ABN AMRO businesses will create a top European financial institution that has more than 80,000 employees worldwide and more than 10 million customers in the Benelux region alone.

The aggregate consideration that Fortis will pay in respect of the transaction amounts to EUR 24.0 billion in cash, representing approximately 33.8% of the total deal value. Fortis intends to raise EUR 15 billion of new equity via a rights issue and up to EUR 5 billion of new Tier 1 capital, as well as to release up to EUR 8 billion of capital, through sale of non-core assets, securitisation and other similar transactions.

Extraordinary shareholders' meetings will be convened in Belgium and the Netherlands to approve the transactions and the capital increase and to grant the Board authority to issue the new shares.

It has been confirmed by Fortis' rating agencies, Fitch Ratings, Moody's and Standard and Poor's, that its ratings will not be affected by the Offer, and its ratings have been reconfirmed (with a stable outlook).

DESCRIPTION OF FORTIS BANK NV-SA, ACTING AS ISSUER OR GUARANTOR

1. Persons Responsible

Fortis Bank nv-sa is a bank incorporated for an unlimited duration in the Kingdom of Belgium, with its registered office at 1000 Brussels, Montagne du Parc 3 (hereinafter referred to as “**Fortis Bank**”).

2. Statutory Auditors

The 2006 financial statements of Fortis Bank have been audited without qualification by PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C.R.L., represented by Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile, represented by Olivier Macq, Partner, Avenue du Bourget 40, B-1130 Brussels in accordance with the laws of Belgium. The 2005 financial statements of Fortis Bank have been audited without qualification by PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C.R.L., represented by Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile, represented by Olivier Macq, Partner, Avenue du Bourget 40, B-1130 Brussels in accordance with the laws of Belgium. PricewaterhouseCoopers Réviseurs d'Entreprises S.C.C.R.L. and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile are members of the *Instituut voor Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*.

3. Risk Factors

An investment in the Notes involves certain risks. Prospective investors should carefully consider the matters and information set forth in the section entitled “*Risk Factors*” on page 5 or in the relevant Final Terms prior to investing in the Notes.

4. Information about Fortis Bank

General

Fortis Bank, incorporated in Belgium on 5 December 1934, is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law. The registered office of the company is located at 1000 Brussels, Montagne du Parc 3, where its headquarters are based and its telephone number is +322 565 3510. Fortis Bank has been established for an indefinite period.

As stated in article 3 of its Articles of Association, Fortis Bank's object is to carry on the business of a credit institution, including brokerage and transactions involving derivatives. 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 that 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 Register of Legal Entities of Brussels under the number 0403.199.702.

Fortis Bank and its subsidiaries “regrouped” the banking activities of Fortis, an integrated financial services provider active in the fields of banking and insurance (see paragraphs 5 and 6 below). Fortis offers its private, business and institutional customers a comprehensive package of products and services through its own distribution channels, in cooperation with intermediaries and via distribution partners. Its multi-channel distribution strategy gives Fortis the flexibility to meet its customers' need to be reachable at all times and their demand for user-friendliness.

There have been no recent events particular to Fortis Bank which are to a material extent relevant to the evaluation of Fortis Bank's solvency.

Historical Overview of the development of Fortis Bank

- | | |
|-------------|---|
| 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 | William I, King of the United Netherlands, set up the “Algemeene Nederlandsche Maatschappij ter begunstiging van de Volkswijf” in Brussels, out of which grew Generale Bank, established in 1934. |
| 1865 | The reorganisation of the Belgian financial world led to the establishment of the Algemene Spaar- |

en Lijfrentekas (ASLK-CGER)

- 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: Fortis first obtained half the shares and subsequently took full control
- 1995** Generale Bank took over Credit Lyonnais Bank Nederland: Generale Bank Nederland came into being
- 1997** Fortis took over MeesPierson from ABN-AMRO
- 1998** Generale Bank joined Fortis
- 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

Strategy and policy

Main elements of Fortis Bank's growth strategy:

- Strengthen its competitive position in established markets or client/product segments by focusing on the customer and optimising cross-selling opportunities
- Enhance its support functions ('business enablers') to increase efficiency and facilitate controlled growth
- Roll out its core competences built in Benelux to new markets
- Accelerate growth through smart add-on acquisitions
- Concentrate on Europe while pursuing selective growth in Asia and North America

5. Business Overview

Fortis Bank combines the banking activities of Fortis and operates on a cross-border basis. Its organisation is centred around 2 businesses:

- Retail Banking provides financial services to individuals, professionals and small businesses. Over six million active customers in nine countries currently use Fortis' integrated banking and insurance services, through proprietary and third-party networks, all embedded in a multi-channel environments;
- Merchant & Private Banking, combining the former businesses Merchant Banking and Commercial & Private Banking, offers tailored financial products and skill-oriented services to large international companies and institutions, to Europe-oriented medium-sized enterprises and entrepreneurs, and to private banking clients. Fortis has established a strong regional or global position in many of its products and skills, making it well-placed to capture growth opportunities;

Each business comprises several business lines which, in turn, group together activities focusing on specific customer segments or business segments.

Moreover, in their pursuit of growth the businesses are able to rely on five critical functions: Strategy, Group Resources, Finance, Risk and Investments. These functions will help Fortis to use its resources more efficiently and to realise controlled growth. Strategy drives the company's strategic process. The aim of Group Resources is to deliver effective support services company-wide, and to help Fortis become an employer of choice and to attract international talent. Finance's mandate is to monitor and report on Fortis's financial performance.

Risk management and investment are core activities for any financial services provider, so Fortis has created new Executive Committee functions specifically devoted to these areas. Two key objectives of the Risk function are to develop this activity across Fortis and to enhance risk strategies. The Investments function aims to enhance Fortis-wide synergies in asset and liability management and to optimise Fortis' return on assets.

Retail Banking

Retail Banking intends to be the number one bank among retail customers and has centred its service model and culture around them accordingly. Fortis believes that its differentiated customer approach and its multi-channel strategy will strengthen the relationship with its customers, benefiting them and its business.

Business Profile

Fortis offers its financial services to retail customers – individuals, self-employed people, members of the independent professions and small businesses – through its international Retail Banking business. This business has an extensive European footprint and contributes significantly to Fortis's overall results. Fortis operates through a variety of distribution channels in the Benelux countries to deliver service and advice on every aspect of banking, saving, investment, credit and insurance. Fortis' extensive retail portfolio in Turkey is served by a comprehensive and tailored product offering. In Germany, meanwhile, Fortis focuses on credit cards and consumer lending at innovative credit shops. Affluent customers and small businesses are the target groups of Fortis in Poland, while the recent acquisition of Dominet will allow Fortis to rapidly roll out its consumer finance business in this market. In Ireland, finally, Fortis are developing a financial services joint venture with An Post.

With over 17,000 employees, Retail Banking accounts for 24 per cent. of Fortis's net profit. Fortis provides a wide range of integrated financial and insurance solutions to more than six million customers via an array of proprietary and third-party distribution channels. Fortis' proprietary channels include 1,600 branches, 2,511 Selfbank terminals and ATMs, online banking, telephone banking and call centres. Third-party distribution covers independent brokers (in Poland and the Netherlands) and non-financial outlets such as post offices and car dealers.

Business Strategy

Fortis' strategy at Retail Banking is to continuously align its services and distribution channels with what its customers want and expect. It is by raising customer satisfaction in this way that Fortis will be able to sustain its profitable growth track. By pursuing a segmented customer approach towards mass retail clients, affluent individuals, professionals and small businesses, Fortis aims to grow in both mature and developing markets. Different models for growth based on Fortis' key strengths will be adapted to each specific market and customer segment:

- In mature markets where Fortis is market leader, like Belgium and Luxembourg, Fortis will continue to focus on its customers by differentiating between segments, selectively deepening relationships, enhancing its service culture and offering integrated, multi-channel accessibility
- In the Netherlands, where Fortis is a market challenger, Fortis aims to fuel growth through a tailored service offering and a concentrated focus on affluent and SME customers, while constantly innovating its distribution approach.
- In fast-growing segments and developing markets, Fortis needs to rapidly exploit its existing and new positions. Fortis entered the German market in 2006, where it is swiftly rolling out its consumer finance activities. In Poland, Fortis is focusing on the SME market and upscale individual customers while expanding its consumer finance operations. In Turkey, meanwhile, Fortis is building a full-fledged mass retail franchise. And Fortis is drawing on its expertise in Belgium to develop a postal banking franchise in Ireland through its joint venture with An Post.

Merchant & Private Banking

Merchant & Private Banking aims to achieve double-digit profit growth by further leveraging its core client relationships, by becoming Europe's leading cross-border bank serving both enterprises and entrepreneurs, and by expanding in identified customer and product niches and selected geographies. At the same time, Fortis plan to maintain tight control of its risk exposure.

Business Profile

Merchant & Private Banking encompasses a wide range of banking products and skill-oriented financial services for large international companies and institutional clients, medium-sized enterprises and entrepreneurs, and private banking clients. Fortis boast a strong client franchise in the Benelux region and in selected European markets. Fortis' solid regional or even global position in many of its products and skills means it is excellently placed to capture growth.

Business Strategy

Fortis will pursue its focused growth strategy by combining its key client relationships and strong product franchises with identified growth opportunities. In other words, it will continue to build on its client-centric approach and leverage its core competences and strengths. International expansion is a cornerstone of Fortis' growth strategy. Where Fortis goes and what it does always supports targeted expansion of its clients and products or skills. Three key levers will allow Fortis to achieve its objectives: revenue growth, cost efficiency and risk management.

On the revenue side, Fortis will continue to apply and fine-tune client-focused segmentation and a tailored offering in order to raise cross-selling. Fortis' efforts will focus on the following growth drivers:

- Fortis' unique 'enterprise and entrepreneur' concept, which is built on skill-driven services and caters to the professional and personal banking needs of the entrepreneur;
 - Energy, Commodities & Transportation, where Fortis benefits from extensive knowledge of the sector and from profitable cross-selling spanning the entire value chain;
 - Services to professional traders and to hedge funds and other institutional investors, where Fortis will benefit from the growing importance of alternative asset management;
 - The institutional market, with its rapidly increasing demand for complex solutions and swift rollout of derivatives and structured products;
 - Private banking business for high net worth individuals, whom Fortis will serve with a combination of strong investment services and asset and liability management solutions;
 - Specialised financial services, such as leasing, commercial finance, trade finance, cash management, trust and corporate services, driven by rising demand for high-quality specialised services and growing demand in emerging markets.
- Fortis will further tighten cost efficiency by continuously optimising its back-office operations and IT infrastructure, and by raising the productivity of its front-office staff.
- Fortis will actively manage its risk exposure by ensuring controlled growth in risk-weighted commitments and by further improving its risk management organisation, processes, methods and tools.

6. **Organisational Structure: description of Fortis**

6.1 **General**

Fortis Bank is part of Fortis, which comprises Fortis SA/NV and Fortis N.V., and their respective subsidiaries ("**Fortis**"). For a description of the legal structure of Fortis, please refer to the section below entitled "Major Shareholders".

Fortis is an international provider of banking and insurance services to personal, business and institutional customers. The company delivers a total package of financial products and services through its own high-performance channels and via intermediaries and other partners.

Fortis is the market leader in banking and insurance in the Benelux region – one of Europe's wealthiest. Building on that leadership, Fortis has developed an extensive European footprint in the retail banking market, operating through a variety of distribution channels. Fortis offer skill-oriented financial services to companies, institutional clients and high net worth individuals and provide integrated solutions to the enterprise and the entrepreneur. Fortis' unique expertise has made it a regional and in some cases global leader in niche markets, such as energy in North America and fund administration, commodities and transportation worldwide. Fortis successfully combines its banking and insurance skills in growth markets in Europe and Asia, and leads the market in bancassurance in the Iberian Peninsula and Malaysia.

Fortis ranks among Europe's top 20 financial institutions, with a market capitalisation of EUR 43 billion at year-end 2006. With excellent solvency, a presence in over 50 countries and a dedicated, professional workforce of 60,000, Fortis combines global strength with local flexibility.

6.2 **Fortis' strategy**

Although the market considered the targets Fortis set in 2005 to be very ambitious, its performance over the past two years has been robust. Fortis has been growing strongly in the Benelux market, one of Europe's most prosperous and essential to Fortis, accounting for 79 per cent. of net profit. Fortis has focused on its customers by successfully exporting the skills and experience it has acquired in its home market, which has driven

rapid international organic growth. Fortis' compound annual growth rate of net profit was 34 per cent., Fortis outperformed its peers in total shareholder return and has already exceeded its net profit target of EUR 3.9 billion by 2009 – three years ahead of schedule. It is a success story based on a consistent strategy, well executed and delivering exceptional results for its shareholders.

The challenges Fortis faces are the shifting regulatory landscape, including Europe-wide projects such as Basel II, Solvency II, SEPA and MiFID and changing customer needs for financial solutions and distribution channels. Fortis' stakeholders are understandably looking for proof that Fortis' operating model will continue to deliver success: that its profitable growth is sustainable.

Fortis has taken the right measures to weather a potential deterioration of the economic cycle and has made preparations for changes in the regulatory and competitive environments. To capitalise on the full potential of Fortis, the organisation has been fine-tuned and the operating model has been enhanced. Fortis is ready to face the challenges of the future and to seize growth opportunities.

Fortis' success in the past two years has given it the confidence to reconfirm and accelerate its strategy of growing the company into a leading European provider of high-quality financial services. Fortis' strategy centres on three key levers for sustaining growth: reinforce its competitive position in established markets, invest in selected core competences and continue to pursue external growth.

First of all, Fortis intends to leverage its core competences ('perform'). Fortis' focus on the customer should result in greater cross-selling, and enhanced efficiency will reinforce its cost discipline. To achieve these goals, Fortis needs to understand who its customers are, why they do business with Fortis, and how Fortis can anticipate their needs. Fortis has already made great strides in this area, as underscored by the awards Fortis received in 2006, highlighted throughout the rest of the Annual Review. Buoyant commercial activity, too, has helped Fortis to sustain momentum in its core markets, indicating that there are still plenty of opportunities to achieve profitable growth in Fortis' attractive and wealthy Benelux home market. At the same time, Fortis will invest even more in front-office staff, customer-related tools and product innovation. Furthermore, Fortis will optimise Fortis-wide assets and risk management, ensure strict cost control and pursue rigid performance and capital management.

Secondly, Fortis will invest in growth engines ('grow') – i.e. selected core competences – to enter new markets, launch new business activities and unlock new value chains. These core competences are based on a combination of customer segment and business proposition in which Fortis is a recognised expert and/or market leader. Examples are consumer finance and postal banking in Retail Banking; Energy, Commodities & Transportation in Merchant & Private Banking; and the rolling out of Fortis' bancassurance model in Insurance. The opportunities Fortis has identified worldwide will act as growth engines, bringing the core skills and expertise Fortis has developed in the Benelux countries – all of which have a proven track record – to new customer segments and new markets. This is essentially how Fortis plans to propel itself to the next stage of development.

Thirdly, Fortis will continue to pursue external growth ('expand') by making smart add-on acquisitions within strict investment criteria. Recent examples are O'Connor & Co., Dryden Wealth Management, Dominet and Cinergy Marketing & Trading. Fortis will continue to explore acquisition opportunities with an eye toward accelerating business growth or penetrating new markets.

Finally, Fortis' geographic priorities remain unchanged. Fortis intends to continue to grow in its Benelux markets, to focus on Europe, and to grow selectively in North America and Asia.

6.3 **Ambition and goals**

Fortis aims to stand out as a professional international financial services brand, recognised for its ability to deliver superior and sustainable stakeholder value by constantly anticipating and surpassing the needs of customers, investors, employees, partners and communities wherever Fortis does business.

Fortis believes that it has not fully realised its potential and consequently, Fortis is confident that it can improve its long-term financial targets for the period 2004 to 2011.

6.4 **Description of activities in respect of each business**

To ensure that its services are organised as effectively as possible, Fortis' operations have been divided into three customer-centric businesses

The three businesses are:

- Retail Banking
- Merchant & Private Banking

- Insurance

Retail Banking offers financial services to retail customers – individuals, self-employed people, members of the independent professions and small businesses – through its international network. This business has an extensive European footprint and contributes significantly to Fortis's overall results. Fortis operates through a variety of distribution channels in the Benelux countries to deliver service and advice on every aspect of banking, saving, investment, credit and insurance. Fortis' extensive retail portfolio in Turkey is served by a comprehensive and tailored product offering. In Germany, meanwhile, Fortis focuses on credit cards and consumer lending at innovative credit shops. Affluent customers and small businesses are the target groups of Fortis in Poland, while the recent acquisition of Dominet will allow Fortis to rapidly roll out its consumer finance business in this market. In Ireland, finally, Fortis is developing a financial services joint venture with An Post.

Merchant & Private Banking encompasses a wide range of banking products and skill-oriented financial services for large international companies and institutional clients, medium-sized enterprises and entrepreneurs, and private banking clients. Fortis boasts a strong client franchise in the Benelux region and in selected European markets. Fortis' solid regional or even global position in many of its products and skills means it is excellently placed to capture growth.

It is the view of the Fortis management that Fortis is a prominent player in the European insurance market. Fortis has tailored its insurance solutions to its customers' needs, be they retail clients, SMEs or corporate clients in selected markets.

It is the view of the Fortis management that Fortis stands out by virtue of its leadership in several markets, including its home market – the Benelux countries – and its strong positions in the bancassurance and broker channels. Fortis draws on its existing skills in distribution, operations and products outside its home market, allowing it to establish leadership positions in selected European and Asian markets.

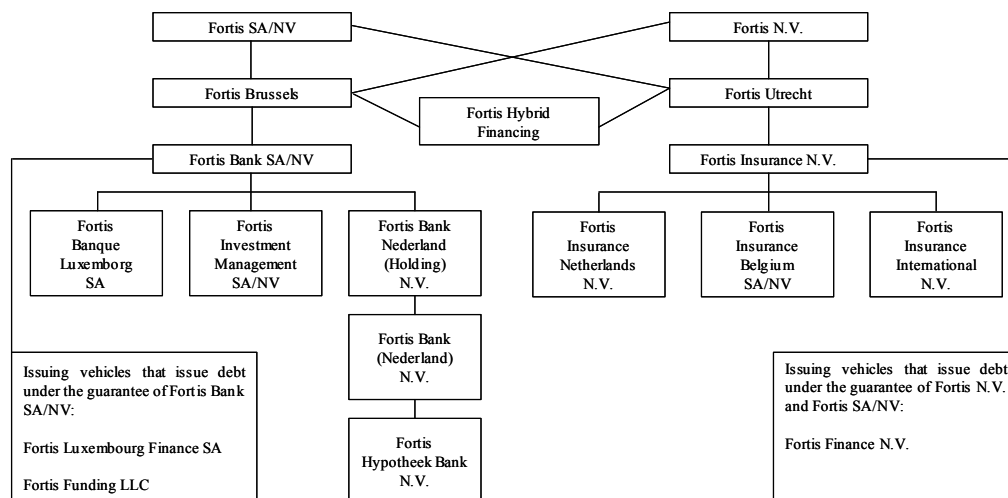
Fortis aims to create revenue synergies by leveraging its proven skills across borders and across businesses. At the same time, Fortis wants to achieve economies of scale in local markets and to share best practices within its organisation. To this end, Fortis has brought all its insurance businesses under the leadership of one CEO and have created an organisational structure to support the sharing of best practices, skills and expertise across borders. Fortis will continue to adapt its product portfolio and its multi-distribution strategy to changing customer needs and aims to capitalise on the multi-local character of the insurance sector. Finally, Fortis will continue to invest in selected new markets in Europe and in Asia.

In Belgium, Fortis intends to strengthen what Fortis' management believes to be its market leadership position by exploiting its multiple distribution channels, focusing on innovation and pursuing profitable growth. In Fortis' life insurance business, the aim is to achieve growth of written premiums and of assets under management. In Property & Casualty, meanwhile, the objective is to gain market share in both the retail and SME client segments. For the latter, Fortis will continue to develop business between the bank and the broker channels.

In The Netherlands, following a period of integration Fortis has turned its strategic focus to achieving profitable top-line growth and boosting market share. It is the view of the Fortis management that integration has enabled Fortis to bolster its market position. At the same time, though, Fortis is coping with a lot of new regulations and stricter supervision, a more critical attitude among stakeholders towards the insurance industry, stiffer competition and changing customer preferences and purchasing behaviour.

In the rest of the world, Fortis has successfully entered new markets and it has strengthened its existing positions, both organically and through acquisitions. As a result, Fortis has seen impressive revenue and profit growth in Asia and in several markets in Europe. Fortis is focusing on transferring skills throughout the company, promoting product innovation and improving distribution methods, where possible based on existing knowledge and expertise within the organisation.

6.5 Major Shareholders



Fortis N.V. is a public company with limited liability (naamloze vennootschap met beperkte aansprakelijkheid) incorporated under the laws of The Netherlands, with its registered office at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands, and registered with the Trade Register at the Chamber of Commerce of Utrecht under number 30072145.

Fortis SA/NV is a public company with limited liability incorporated under the laws of Belgium, with its registered office at Rue Royale 20, 1000 Brussels, Belgium, and registered with the register of legal entities under enterprise number 0451.406.524.

7. Trend Information

7.1 Material adverse change

There has been no material adverse change in the prospects of Fortis Bank and/or any of its subsidiaries, taken as a whole, since 31 December 2006.

7.2 Trends

Any information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Fortis Bank's prospects for the current financial year are set out in the press release published by Fortis on 11 May 2007 concerning its first quarter results for 2007. This press release shall be deemed to be incorporated by reference into and form part of this Base Prospectus in its entirety. This press release can be viewed at www.fortis.com.

8. Profit Forecasts or Estimates

This Base Prospectus does not include any profit forecasts or estimates with regard to Fortis Bank.

9. Administrative, Management and Supervisory Bodies

9.1 Administrative, management and supervisory bodies

In accordance with the principle of autonomy of the banking function, the decision-making and management structure of Fortis Bank is based on a distinction between the Management Committee and the Board of Directors.

The management of the activities 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 and holds the power to nominate and discharge the members of the Management Committee within the limits of the Protocol on banking autonomy.

All matters not determined by law or the articles of association for the General Shareholders Meeting are the responsibility of the Board of Directors or the Management Committee.

9.2 Management of Fortis Bank

Board of Directors & Management Committee

<i>Name</i>	<i>Position</i>
Jean-Paul Votron	Chairman of the Board of Directors
Herman Verwilt	Chairman of the Management Committee
Jos Clijsters	Managing Director, Member of the Management Committee
Karel De Boeck	Managing Director, Member of the Management Committee
Alain Deschenes	Managing Director, Member of the Management Committee
Filip Dierckx	Managing Director, Member of the Management Committee
Joop Feilzer	Managing Director, Member of the Management Committee (until 30 September 2006)
Luc Henrard	Managing Director, Member of the Management Committee
Lex Kloosterman	Managing Director, Member of the Management Committee (with effect from 1 October 2006)
Gilbert Mittler	Managing Director, Member of the Management Committee
Christian Schaack	Managing Director, Member of the Management Committee (until 31 December 2006)
Lode Beckers	Director
Jozef De Mey	Director
Walter Mersch	Director
Jean Meyer	Director
Jean Stephenne	Director
Peer van Harten	Director
Robert van Oordt	Director
Michel van Pée	Director
Luc Vansteenkiste	Director

The business address of the Board of Directors is at 1000 Brussels, Montagne du Parc 3.

Accredited Statutory Auditors:

PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C.R.L., of Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Brussels, Belgium, represented by Luc Discry, Partner.

Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile, of Avenue du Bourget 40, B-1130 Brussels, Belgium, represented by Olivier Macq, Partner.

Administrative, Management, and Supervisory bodies conflicts of interests

No conflicts of interests exist between any duties to Fortis Bank of the persons referred to in this section 9 and their private interests and or other duties.

External posts held by Directors and Executives that are subject to a legal disclosure requirement

Pursuant to Article 27 of the Law of 22 March 1993 on the status and supervision of credit institutions and the attendant ruling by the Belgian Banking, Finance and Insurance Commission relating to external posts held by Executives of credit institutions and investment companies, the bank's Board of Directors has adopted "Internal regulations for Directors and Executives of Fortis Bank holding external posts". Inter alia, these regulations stipulate that external posts held by the bank's Executives and Directors in companies other than those falling within the scope of Article 27, § 3, para 3, of the Law of 22 March 1993 shall be disclosed in the annual management report.

The term "Executives" refers to members of the Management Committee and persons in positions at a level immediately below the said Committee, including Managers of foreign branches.

As regards "external posts" - i.e., principally posts as Director of a company - that are subject to disclosure, this involves posts held in companies other than family property companies, "management companies", undertakings for collective investment or companies with which the bank has close links as part of the Group.

The 2005 and 2006 Financial Statements of Fortis Bank shall be deemed to be incorporated by reference into and form part of this Base Prospectus in their entirety, and can be obtained free of charge at the head office of Fortis Luxembourg, at the head office of the Fiscal Agent, the head office of each Paying Agent, and at the head office of the Fortis Bank in Belgium, and can be viewed at www.fortis.com

The external posts held by the members of the Board of Directors are mentioned on pages 70 and 71 of the 2006 Annual Review. These external posts can change from time to time.

Board Practices

At Fortis group's level, three committees have been set up within the Board of Directors: a Nomination and Remuneration Committee, a Risk and Capital Committee and an Audit Committee. These have a solely advisory function with respect to the Board of Directors, which remains the only body with decision-making powers.

The Nomination and Remuneration Committee and the Risk and Capital Committee currently have four members while the Audit Committee has five members, all of whom are independent non-executives. The role and responsibilities of each committee, together with its structure and organisation, are specified in individual sets of rules that form part of the Fortis Governance Statement.

Fortis is confident that creating a clearly defined framework for corporate governance will help it communicate better with all its stakeholders.

Transparent and effective administration - including adherence to high ethical standards - is absolutely crucial to Fortis. Efficient corporate governance should support operational development, while helping to manage risks as effectively as possible. It is a constantly evolving process and responds to the needs of the organisation and to international best practice.

Fortis Bank complies with the Belgian corporate governance regime as laid down in the Belgian company code.

10. Major Shareholders

Fortis Bank is approximately 100 per cent. owned by Fortis SA/NV and Fortis N.V. through their subsidiary Fortis Brussels SA/NV.

Additional information may be found above in the section above entitled "*Organisational structure: Description of Fortis*".

11. Financial information

11.1 Historical Financial Information/Financial statements

The 2006 and 2005 Management Reports and Annual Accounts of Fortis Bank shall be deemed to be incorporated by reference into and form part of this Base Prospectus in their entirety.

These reports can be viewed at www.fortis.com (Investor Relations/Debt Investor Info/Credit Analyst Service/Annual Accounts of Subsidiaries).

The audited consolidated annual accounts of Fortis Bank for the year ended 31 December 2006 and the reports of the joint statutory auditors issued by Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile and PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C.R.L. on 23 March 2007 are included in the 2006 Management Report and Annual Accounts of Fortis Bank.

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium Reserve	Other reserves	Currency translation reserve	Net profit attributable to shareholders	Unrealised gains and losses	Shareholders' equity	Minority interests	Total
Balance at 31 December 2004	3.112	4.889	2.245	(28)		2.298	12.516	191	12.707
Net profit for the period					2.693		2.693	11	2.704
Revaluation of investments						454	454	1	455
Translation differences				43		(3)	40	3	43
Other			93				93	17	110
Subtotal			93	43	2.693	451	3.280	32	3.312
Transfer									
Dividend paid			(706)				(706)	(15)	(721)
Balance at 31 December 2005	3.112	4.889	1.633	15	2.693	2.749	15.091	208	15.299
Net profit for the period					4.732		4.732	9	4.741
Revaluation of investments						(1.819)	(1.819)	(1)	(1.820)
Translation differences				(163)			(163)	(7)	(170)
Other			15				15	3	18
Subtotal			15	(163)	4.732	(1.819)	2.765	4	2.769
Transfer			2.693		(2.693)				
Dividend paid			(1.155)				(1.155)	(15)	(1.170)
Balance at 31 December 2006	3.112	4.889	3.186	(148)	4.732	930	16.701	197	16.898

11.2 Auditing of historical annual financial information

The 2006 financial statements of Fortis Bank have been audited without qualification by PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C.R.L., represented by Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile, represented by Olivier Macq, Partner, Avenue du Bourget 40, B-1130 Brussels in accordance with the laws of Belgium and prepared by applying International Financial Reporting Standards ("IFRS") as adopted by the European Union (the "EU").

The 2005 financial statements of Fortis Bank have been audited without qualification by PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C.R.L., represented by Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile, represented by Olivier Macq, Partner, Avenue du Bourget 40, B-1130 Brussels in accordance with the laws of Belgium and prepared by applying Belgian GAAP.

11.3 Age of latest financial information

The most recent audited financial information included in this Base Prospectus are the audited annual financial statements for the year ending 31 December 2006.

2006 consolidated annual account

(Extracted without material adjustment from the audited consolidated annual accounts of Fortis Bank for the year ended 31 December 2006, prepared by applying International Financial Reporting Standards ("IFRS") as adopted by the EU)

Consolidated Balance Sheet (before appropriation of profit)

	Note	31/12/2006	31/12/2005
ASSETS			
Cash and cash equivalents	14	20.792	25.594
Assets held for trading	15	70.635	62.830
Due from banks	18	89.413	80.054
Due from customers	17	285.877	277.862
Investments:	18		
Held to maturity		4.505	4.669
Available for sale		127.818	126.699
Held at fair value through profit or loss		3.535	2.289
Investment property		600	402
Investments in associates and joint ventures		1.352	1.285
		137.810	135.344
Trade and other receivables	19	6.105	7.010
Property, plant and equipment	20	2.153	2.018

	Note	31/12/2006	31/12/2005
Goodwill and other intangible assets	21	980	635
Non-financial assets and disposals groups classified as held for sale	22		2.086
Accrued interest and other assets	23	60.926	47.879
Total assets		674.691	641.312
LIABILITIES			
Liabilities held for trading	15	64.258	50.755
Due to banks	24	177.161	174.780
Due to customers	25	260.056	263.285
Debt certificates	26	90.360	76.827
Subordinated liabilities	27	14.080	12.490
Other borrowings	28	2.178	5.023
Provisions	29	717	795
Current and deferred tax liabilities	30	1.469	1.309
Accrued interest and other liabilities	31	47.514	40.749
Total liabilities		657.793	626.013
Shareholders' equity	4	16.700	15.091
Minority interests	5	198	208
Total equity		16.898	15.299
Total liabilities and equity		674.691	641.312

Consolidated Income Statement

	Note	2006	2005
INCOME			
Interest income	34	70.197	64.695
Interest expense	40	(65.111)	(60.043)
Net interest income		5.086	4.652
Fee and commission income	38	3.583	2.894
Fee and commission expense	42	(819)	(604)
Net fee and commission income		2.764	2.290
Dividend, share in result of associates and joint ventures and other investment income		292	263
Realised capital gains (losses) on investments	36	2.154	712
Other realised and unrealised gains and losses	37	1.339	805
Other income	39	270	273
Total income, net of interest expense		11.905	8.995
Change in impairments	41	(158)	(209)
Net revenues		11.747	8.786
Expenses			
Staff expenses	44	(3.625)	(3.370)
Depreciation and amortisation of tangible and intangible assets	43	(350)	(308)
Other expenses	45	(2.341)	(1.924)
Total expenses		(6.316)	(5.602)
Profit before taxation		5.431	3.184
Income tax expense	46	(690)	(733)
Net profit for the period before discontinued operations		4.741	2.451
Net gain (loss) on discontinued operations	22		253
Net profit for the period		4.741	2.704
Net profit attributable to minority interests		9	11
Net profit attributable to shareholders		4.732	2.693

12. **Legal and arbitration proceedings**

There were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Fortis Bank is aware), during a period covering the 12 months prior to this Base Prospectus which may have, or have had in the recent past, significant effects on Fortis Bank and/or Fortis group's financial position or profitability.

13. **Significant change in Fortis Bank's financial or trading position**

There have been no significant changes in the financial or trading position of Fortis Bank or Fortis Bank and its subsidiaries, taken as a whole since 31 December 2006.

14. **Additional Information**

14.1 **Share Capital**

As at date of this Base Prospectus, 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. Fortis Bank has no other classes of shares. The share capital is fully paid up in cash.

Fortis Bank has no notes cum warrants, nor convertible notes outstanding.

14.2 **Memorandum and Articles of Association.**

As stated in article 3 of its Articles of Association, Fortis Bank has as its purpose to carry on the business of a credit institution, including brokerage and transactions involving derivatives. 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 of 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 with the Register of Legal Entities under the number 0403.199.702.

15. **Material Contracts**

No material contracts have been entered into in the ordinary course of Fortis Bank's business, which could result in any member of the Fortis group being under an obligation or entitlement that is material to Fortis Bank's ability to meet its obligation to holders of the Notes.

16. **Third Party Information and Statement by Experts and Declarations of any Interest**

This section does not include any third party information or statement by experts, except the Audit Report to the consolidated cash-flow statements included above at paragraph 11 (Financial Information).

17. **Documents on Display**

For the life of the Notes, the following documents (or copies thereof) may be inspected at Fortis Bank nv-sa, Montagne du Parc 3, 1000 Brussels, Belgium, Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam, the Netherlands, and at the principal office of the fiscal agent, Fortis Banque Luxembourg S.A., 50 avenue J.F. Kennedy, 2951 Luxembourg:

- the memorandum and articles of association of Fortis Bank; and
- the historical financial information of Fortis Bank for each of the two financial years preceding the publication of this Base Prospectus;

18. **Additional information in relation to Fortis Bank in its capacity as guarantor of Notes issued by Fortis Luxembourg Finance S.A.**

18.1 **Nature of the Guarantee**

Fortis Bank nv-sa (the "**Guarantor**" or "**Fortis Bank**") will, by the guarantee endorsed on the Notes (the "**Guarantee**"), guarantee the due and punctual payment of all amounts due by Fortis Luxembourg Finance S.A. (the "**Issuer**") under the Notes and coupons relating to them, when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Guarantee can be Senior, Senior Subordinated or Junior Subordinated, as described under Condition 3 as set out in the section entitled "*Terms and Conditions of the Notes*".

18.2 Scope of the Guarantee

The Notes have the benefit of a deed of covenant dated 9 July 2007 (the “**Deed of Covenant**” as amended, supplemented and replaced from time to time). The scope of the relevant guarantee is defined under Condition 3 of the section entitled “*Terms and Conditions of the Notes*” and in the Deed of Guarantee.

18.3 Documents on Display

For the life of the Notes, copies of the Deed of Covenant may be inspected at Fortis Bank nv-sa, Montagne du Parc 3, 1000 Brussels, Belgium, Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam, the Netherlands, and at the principal office of the fiscal agent, Fortis Banque Luxembourg S.A., 50 avenue J.F. Kennedy, 2951 Luxembourg.

19. Additional information correct as at the date of this Base Prospectus that may be required in relation to an offer of Notes to the public in Switzerland:

19.1 Nationality of each member of the Board of Directors of Fortis Bank

<i>Name</i>	<i>Nationality</i>
Jean-Paul Votron	Belgian
Herman Verwilt	Belgian
Jos Clijsters	Belgian
Karel De Boeck	Belgian
Alain Deschenes	Canadian
Filip Dierckx	Belgian
Joop Feilzer	Dutch
Luc Henrard	Belgian
Lex Kloosterman	Dutch
Gilbert Mittler	Belgian
Christian Schaack	Luxembourg
Lode Beckers	Belgian
Jozef De Mey	Belgian
Peer van Hearten	Dutch
Walter Mersch	Belgian
Jean Meyer	Luxembourg
Jean Stephenne	Belgian
Robert van Oordt	Dutch
Michel van Pée	Belgian
Luc Vansteenkiste	Belgian

19.2 Authorised signatories of Fortis Bank

The latest compendium of authorised signatories of Fortis Bank can be obtained free of charge at the head office of Fortis Luxembourg, at the head office of the Fiscal Agent, the head office of each Paying Agent, and at the head office of the Fortis Bank in Belgium.

19.3 Mode of communication to shareholders

The form of communication of information to the shareholders of Fortis Bank is mentioned in the articles of association of Fortis Bank. The communications to Noteholders will be made in accordance with Condition 14 of the Terms and Conditions of the Notes, as modified and/or supplemented in the relevant Final Terms.

19.4 Dividends

Dividends paid by Fortis Bank at the end of the last five financial years:

	Interim Dividend	Final Dividend	Total Dividend
2006	1,154,909,268	224,565,691	1,379,474,959
2005	352,888,943.00	0.00	352,888,943.00
2004	352,888,943.00	352,888,943.00	705,777,886.00
2003	417,050,569.00	449,131,382.00	866,181,951.00
2002	898,262,764.00	0.00	898,262,764.00

19.5 Investments

All information relating to investments made by Fortis Bank can be found in the annual report 2006 as well as on www.fortis.com. Fortis Bank's investment policy is guided by its corporate object, which is set out in Article 3 of its articles of association and described in paragraph 4 above.

19.6 Principal sources of revenue

The principal locations responsible for an important part of Fortis Bank's revenue is Belgium and The Netherlands

19.7 Outstanding securities

The following is a list of outstanding securities issued by Fortis Bank:

ISIN	Currency	Amount outstanding (as at 24 May 2007)	Maturity	Series / tranche	Rate & Description
BE0930831194	EUR	600,000,000	14-Feb-2018	234	12nc7 3m euribor +25 - step up 75
BE0930831194	EUR	200,000,000	14-Feb-2018	234	12nc7 3m euribor +25 - step up 75
BE0931287875	EUR	1,250,000,000	17-Sep-2007	260	EUR 18-month Floating Rate Notes
BE0931313168	USD	100,000,000	14-Sep-2007	263	USD 18-month Floating Rate Notes
BE0931376793	EUR	500,000,000	23-Mar-2021	265	15nc10 - 4.25% - step up 3m euribor+90bp
BE0931391941	EUR	150,000,000	30-Mar-2016	270	10nc5 3M euribor +24 - step up+74
BE0931 714 290	EUR	500,000,000	21-Jun-2016	288	10nc5 3m euribor +25 , step up 3m euribor + 75
BE0931733480	USD	1,000,000,000	14-Jul-2008	291	2-year \$ FRN subsidised deal ML
BE0932051759	EUR	200,000,000	13-Oct-2016	305	10nc5 3m euribor +25 , step up 3m euribor + 75
BE0932317507	EUR	500,000,000	17-Jan-2017	329	10nc5 3M euribor +25 - step up+75
BE0932360937	EUR	150,000,000	26-Jan-2009	336	3M euribor +0.01%
BE0932371074	EUR	1,250,000,000	01-Feb-2012	337	FRN- 3M euribor + 6bp
BE0932372080	EUR	750,000,000	01-Feb-2017	338	Fixed rate bond - 4.375%
BE0932362958	EUR	25,000,000	24-Jan-2022	339	15 zero coupon bond
BE0932404404	EUR	200,000,000	02-Feb-2009	342	3M euribor +0.00%
BE0932475149	EUR	130,000,000	23-Feb-2009	351	3M euribor +0.00%
BE0932559017	EUR	32,000,000	08-Mar-2010	358	3Y senior note
BE0932592349	USD	21,700,000	15-Mar-2010	360	3Y senior note
BE0932602445	EUR	25,000,000	26-Mar-2025	363	18y zero coupon
BE0932656011	USD	1,500,000,000	16-Apr-2010	372	3Y USD benchmark
BE0932658033	EUR	4,500,500	30-Nov-2009	373	2.5 Years ZCP note
BE0932730758	EUR	17,850,000	27-Dec-2012	381	5.5y z coupon
BE0932777254	EUR	6,000,000	11-Jul-2012	383	5y Zero Coupon Note
BE0932894455	USD	700,000,000	22-May-2017	387	10nc5 3M euribor +22 - step up+72
BE0932899504	EUR	1,250,000,000	25-May-2010	389	3Y senior note
BE0932900518	EUR	1,000,000,000	30-May-2014	390	7 year fixed rate note
BE0932923742	EUR	35,000,000	20-May-2009	399	2yr senior FRN notes

20. Recent Developments

See paragraph 19 above in the section entitled "Description of Fortis Luxembourg Finance S.A. as Issuer".

21. **Forms of Guarantee**

In the case of Notes issued by Fortis Luxembourg, guaranteed by the Guarantor, the following forms of guarantees (as appropriate) will be appended to the relevant Global Note and endorsed thereon by the Guarantor.

Form of Senior Guarantee and Senior Subordinated Guarantee

FORTIS BANK nv-sa (the "Guarantor") unconditionally and irrevocably guarantees to the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) the due and punctual payment, in accordance with the Terms and Conditions of the Notes (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein and any reference herein to the "Terms and Conditions" is to the Terms and Conditions of the Notes set out in Schedule 2 of an amended and restated agency agreement dated 9 July 2007 between Fortis Luxembourg Finance S.A. and Fortis Bank nv-sa (the "Issuers"), the Guarantor, Fortis Banque Luxembourg S.A., Citibank, N.A., Fortis Bank (Nederland) N.V. and Fortis Banque (Suisse) S.A., as supplemented, amended and/or replaced by the [Final Terms/Drawdown Prospectus]), of the principal of, interest (if any) on, and any other amounts payable under, this Note upon the following terms:

- (1) In the event of any failure by FORTIS LUXEMBOURG FINANCE S.A. ("Fortis Luxembourg") to pay punctually any such principal, interest (if any) or other amount, the Guarantor agrees to cause each and every such payment to be made as if the Guarantor instead of Fortis Luxembourg were expressed to be the primary obligor of this Note or, as the case may be, of any Coupons and/or Receipts appertaining hereto to the intent that the holder shall receive the same amounts in respect of principal, interest (if any) or such other amount as would have been receivable had such payments been made by Fortis Luxembourg.*
- (2) The Guarantor agrees that its obligations under this Guarantee shall be [[unconditional and]¹] irrevocable, irrespective of the validity, regularity or enforceability of any Note or any Coupon and/or Receipt, the absence of any action to enforce the same, the recovery of any judgment against Fortis Luxembourg or any action to enforce the same or any other circumstance which might otherwise constitute a discharge or defence of a guarantor [and, in general, waives the benefit of Article 2037 of the Belgian Civil Code to the extent applicable]².*
- (3) The Guarantor confirms with respect to each Note (and Coupon and/or Receipt, if any) and the indebtedness evidenced thereby, that it does not have and will not assert as a defence to any claim hereunder any right to require any proceeding first against Fortis Luxembourg nor will it assert as a defence to any claim hereunder any lack of diligence, presentment to Fortis Luxembourg or the Paying Agents, any demand for payment from Fortis Luxembourg or the Paying Agents, any filing of claims with any court in the event of merger, insolvency or bankruptcy of Fortis Luxembourg, any protest, notice or any other demand whatsoever (other than a demand for payment of this Guarantee) and the Guarantor covenants that this Guarantee will not be discharged except by complete performance of the obligations contained in each Note (and Coupon and/or Receipt if any) and in this Guarantee.*
- [(4) This Guarantee constitutes a direct, unconditional, irrevocable, unsubordinated and (subject to the provisions below) unsecured obligation of the Guarantor and ranks 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.]³*
- [(4) This Guarantee constitutes a direct, unconditional, irrevocable, subordinated and unsecured obligation of the Guarantor.*

The rights and claims of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining thereto) under or pursuant to this Guarantee shall in the event of a concours de tous les créanciers sur l'ensemble de patrimoine/samenloop van alle schuldeisers op het geheel van het vermogen (competition between all creditors over all assets) (including faillite/faillissement (bankruptcy), concordat judiciaire/gerechtigd akkoord (composition of creditors) or liquidation volontaire ou forcée/vrijwillige of gedwongen vereffening (voluntary or compulsory liquidation)) of the Guarantor or any other event under the Belgian Law having equivalent or similar effect, be irrevocably subordinated in right of payment to the claims of the depositors and the Senior Creditors and by the holding of this Note, the

¹ Delete if the Guarantee is a Senior Subordinated Guarantee.

² Delete if the Guarantee is a Senior Guarantee.

³ Delete if the Guarantee is a Senior Subordinated Guarantee.

holder hereof hereby irrevocably waives its right to equal treatment with such depositors and Senior Creditors.

Accordingly, in any such event, the liabilities of the Guarantor under or pursuant to this Guarantee shall not be required to be satisfied until satisfaction of all indebtedness of the Guarantor to the depositors and the Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment.

For the avoidance of doubt, the rights and claims of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) under or pursuant to this Guarantee shall rank at least *pari passu* and shall not be subordinated to other claims against the Guarantor which are subordinated (or expressed by their terms to be subordinated) in right of payment.

For the purpose of this paragraph 4, "Senior Creditors" means creditors (whether secured or unsecured) of the Guarantor, the claims of which against the Guarantor are not subordinated in right of payment within the meaning set forth in this paragraph 4 regardless of whether such claims existed at the date hereof or arose subsequent hereto and regardless of whether such claims pertain to indebtedness with fixed or undetermined maturity date.⁴

(5) The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Terms and Conditions of the Notes which relate to it.

[(6) This Guarantee is governed by, and shall be construed in accordance with, English law.]⁵

[(6) The Guarantor shall be subrogated in all rights of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) against Fortis Luxembourg in respect of any amounts paid or other performance by the Guarantor pursuant hereto; provided that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation unless and until this Note or, as the case may be, the Coupons and/or Receipts appertaining hereto shall have been paid in full.

(7) This Guarantee is governed by and shall be construed in accordance with the laws of Belgium.]⁶

In witness whereof the Guarantor has caused this Guarantee to be duly executed.

Dated as of the Issue Date

[EXECUTED as a deed by]⁷

FORTIS BANK nv-sa

[acting]⁸

By:

[Name]

[Title]

(duly authorised)

Form of Junior Subordinated Guarantee

⁴ Delete if the Guarantee is a Senior Guarantee.

⁵ Delete if the Guarantee is a Senior Subordinated Guarantee

⁶ Delete if the Guarantee is a Senior Guarantee

⁷ Delete if the Guarantee is a Senior Subordinated Guarantee

⁸ Delete if the Guarantee is a Senior Subordinated Guarantee

FORTIS BANK nv-sa (the "Guarantor") as primary obligor guarantees to the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) as a continuing guarantee the due and punctual payment, in accordance with the Terms and Conditions of the Notes (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein and any reference herein to the "Terms and Conditions" is to the Terms and Conditions of the Notes set out in Schedule 2 of an amended and restated agency agreement dated 9 July 2007 between Fortis Luxembourg Finance S.A. and Fortis Bank nv-sa, the Guarantor, Fortis Banque Luxembourg S.A., Citibank, N.A., Fortis Bank (Nederland) N.V. and Fortis Banque (Suisse) S.A., as supplemented, amended and/or replaced by the [Final Terms/Drawdown Prospectus]) of all amounts payable by FORTIS LUXEMBOURG FINANCE S.A. ("Fortis Luxembourg") on or in respect of the Notes and/or Coupons and/or Receipts upon the following terms:

- (1) If and each time that Fortis Luxembourg shall fail to make any payments as and when the same become due, the Guarantor will, subject as provided below, on demand (without requiring the Noteholder and/or Couponholder and/or Receiptholder first to take steps against Fortis Luxembourg or any other person) pay to the Noteholder and/or Couponholder and/or Receiptholder the amounts so payable by Fortis Luxembourg. In this connection the Guarantor waives its rights under Articles 2021 and 2037 of the Belgian Civil Code.
- (2) The obligations of the Guarantor under this Guarantee shall not be affected by any matter or thing which but for this provision might operate to affect the obligations including, without limitation, (i) any time or indulgence granted to or composition with Fortis Luxembourg or any other person, (ii) the taking, variation, renewal or release of remedies or securities against Fortis Luxembourg or any other person, or (iii) any unenforceability or invalidity.
- (3) Where any discharge (whether in respect of the obligations of Fortis Luxembourg or any security for the obligations of Fortis Luxembourg or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue as if there had been no discharge or arrangement. The holder of any Note and/or Coupon and/or Receipt acting bona fide and in good faith, shall be entitled to concede or compromise any claim that any payment, security or other disposition is liable to avoidance or repayment.
- (4) This Guarantee constitutes a direct, unsecured and subordinated obligation of the Guarantor, conditional as described below, and will rank (i) *pari passu* without any preference among the other obligations of the Guarantor, including the Guarantees of the Notes, which are or are expressed to be subordinated to the unsecured subordinated obligations of the Guarantor but not further or otherwise ("Junior Subordinated Obligations"), (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 this Guarantee are subordinated to the claims of Senior and Subordinated Creditors and payments in respect of this Guarantee are conditional upon the Guarantor being solvent at the time of payment by the Guarantor and no amount shall be due and payable in respect of this Guarantee except to the extent that the Guarantor could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims and still be solvent immediately thereafter.

For the purposes of this Guarantee, 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 (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 by the auditors 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 Fortis Luxembourg, the Guarantor, the Noteholders, the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purpose of this Guarantee, "Senior and Subordinated Creditors" means, in relation to the Guarantor, all creditors of the Guarantor 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 Noteholders, Couponholders and Receiptholders (if any) under this Guarantee; "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,

auditors 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 Noteholders, Couponholders and Receiptholders (if any) under this Guarantee.

- (5) In the event of an order being made or an effective resolution being passed for the winding-up, liquidation or bankruptcy of Fortis Luxembourg, then immediately thereupon and without further formality the Guarantor shall become the principal debtor under the Notes in place of Fortis Luxembourg and this Guarantee shall cease to be of any effect and the Noteholders, Couponholders and Receiptholders (if any) shall cease to have any rights or claims whatsoever against Fortis Luxembourg, provided that:-
- (i) the obligations of the Guarantor as principal debtor as aforesaid shall be subordinated to the same extent as its obligations under this Guarantee; and
 - (ii) no Noteholder, Couponholder or Receiptholder (if any) shall, as a result of any change in principal debtor as aforesaid, be entitled to claim from Fortis Luxembourg or the Guarantor any indemnification or payment in respect of any tax consequence of such change to individual Noteholders, Couponholders and Receiptholders (if any) except to the extent provided for by Condition 8.
- (6) Until all amounts which may be or become payable under this Guarantee have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Noteholder, Couponholder or Receiptholder (if any) or claim in competition with any Noteholder, Couponholder or Receiptholder (if any) against Fortis Luxembourg.
- (7) The Guarantor agrees that it shall comply with and be bound by those provisions in the Terms and Conditions of the Notes which relate to it. In the event of any conflict between the provisions of this Guarantee and those of the Terms and Conditions of the Notes or of any other document or instrument executed and delivered pursuant to the Terms and Conditions of the Notes, the provisions of this Guarantee shall prevail.
- (8) This Guarantee is governed by and shall be construed in accordance with the laws of Belgium.

In witness whereof the Guarantor has caused this Guarantee to be duly executed.

Dated as of the Issue Date

FORTIS BANK nv-sa

By:

[Name]

[Title]

(duly authorised)

TAXATION

The following is a general description of certain Belgian, Luxembourg, Netherlands, French, Italian, Spanish and Swiss tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium, Luxembourg and/or The Netherlands of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Taxation in Belgium

For Belgian income tax purposes, the Notes are considered as fixed income securities. The tax treatment in Belgium of the Notes will be different depending on whether the issuer of the Notes is Fortis Bank or Fortis Luxembourg Finance. Notes issued by Fortis Bank will hereafter be referred to as **"Belgian Notes"** while Notes issued by Fortis Luxembourg Finance will be referred to as **"Foreign Notes"**.

Notes issued by Fortis Bank may be cleared through the X/N clearing system. The withholding tax treatment in respect of Notes cleared through the X/N system is different from that of other Notes and is set out below under the heading *"Withholding tax treatment applicable to Notes held in the X/N system"*.

Taxation applicable to individuals resident in Belgium

Belgian residents subject to Belgian personal income tax are normally subject to the following tax treatment with regard to the Notes.

The interest on Belgian Notes is subject to a Belgian withholding tax of 15 per cent. The same applies to interest on Foreign Notes if such interest is collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further, and need not be reported in the tax return. Noteholders who collect the payment abroad without Belgian withholding tax are required to mention this income in their tax return and will be taxed at 15 per cent. plus local surcharges.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Capital gains realised on the sale of Notes on the secondary market before maturity are generally not taxable for individuals (except the accrued interest component), save where the purchaser is the issuer. In the latter case, capital gains are taxable as interest. It can not be excluded that the same treatment might apply if the purchaser is a related party to the relevant issuer. Capital losses realised on the sale of Notes are not tax deductible.

Other rules may be applicable in certain specific cases, especially when the Noteholders are Belgian residents holding investments within the framework of their professional activity, or when transactions regarding the Notes fall outside the scope of common private asset management transactions.

Taxation applicable to Belgian corporations

Companies that are subject to Belgian corporate tax are normally subject to the tax treatment described below with regard to the Notes.

The total amount of income from the Notes will be part of the taxable profit of the company.

The amount of interest on Belgian Notes is subject to a Belgian withholding tax of 15 per cent.

Interest on Foreign Notes that is collected through a financial intermediary established in Belgium is in principle also subject to Belgian withholding tax, but may benefit from an exemption if the company receiving the interest delivers a specific residence certificate. This withholding tax exemption does not apply in case of a zero coupon bond.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Any Belgian withholding tax can be offset against the investor's corporate tax, but only in proportion to the period during which the company held the notes.

Capital gains realised on the sale of the Notes are taxable while capital losses realised as well as latent capital losses expressed in the accounts are in principle tax deductible.

Taxation applicable to non-profit entities (such as pension funds)

The interest on Belgian Notes is subject to a Belgian withholding tax of 15 per cent. The same applies to interest on Foreign Notes if such interest is collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further. Noteholders who collect the payment abroad without Belgian withholding tax are required to declare this income and to pay the withholding tax on their own initiative.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Capital gains realised on the sale of Notes on the secondary market before maturity are generally not taxable for non-profit entities (except the accrued interest component), save where the purchaser is the issuer. In the latter case, capital gains are taxable as interest. It can not be excluded that the same treatment might apply if the purchaser is a related party to the relevant issuer. Capital losses realised on the sale of Notes are not tax deductible.

Taxation applicable to non-Belgian residents

The income of Belgian Notes is subject to a withholding tax of 15 per cent unless the Noteholder has the benefit of a tax treaty which provides for an exemption or reduction from withholding tax. The income of Foreign Notes paid to non-Belgian resident investors is not subject to Belgian withholding tax if it is not collected through a Belgian financial intermediary. Income of Foreign Notes that is collected through a financial intermediary established in Belgium may be subject to 15 per cent. withholding tax, unless the Noteholder is resident in a country with which Belgium has concluded a tax treaty.

An exemption from withholding tax is also available in respect of interest on Foreign Notes collected through a Belgian credit institution, brokerage firm or clearing and settlement system if the non-resident is the owner or usufruct of the Notes and provided a certificate is delivered stating that he has not allocated the Notes to business activities in Belgium and that he is a non-resident.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Non-resident companies who allocate the Notes to a business activity in Belgium (for example, through a permanent establishment) are subject to the same rules as companies resident in Belgium.

Non-resident Noteholders who do not allocate the Notes to a business activity in Belgium are not subject to Belgian income tax save, as the case may be, in the form of withholding tax.

In accordance with European Council Directive 2003/48/EC on the taxation of savings, Belgium enacted on 17 May 2004 a law that incorporates this directive into Belgian law. The law provides that interest paid to individuals resident in a European Union member state other than Belgium are subject to a "levy for the State of residence", the rate of which has been set at 15 per cent. for the three first years after the entry into force of the law, 20 per cent. for the three following years and 35 per cent. thereafter. A levy for the state of residence will also be applied in respect of interest paid to residents in the following third countries: Dutch Antilles, Aruba, Guernsey, the Isle of Man, Jersey, the British Virgin Islands and Montserrat. The tax will not be levied if the beneficial owner provides to the paying agent a certificate issued in his name by the competent authority of his state of residence. The law of 17 May 2004 has taken effect on 1 July 2005.

Withholding tax treatment applicable to Notes held in the X/N system

The holding of the Notes in the NBB clearing and settlement system permits most types of investors (the "**Eligible Investors**", see below) to collect interest on their Notes free of withholding tax, and to trade their Notes on a gross basis.

Participants in the NBB system must keep the Notes they hold for the account of Eligible Investors on so called "**X accounts**", and those they hold for the account of non-Eligible Investors on "**N accounts**". Payments of interest made through X accounts are free of withholding tax; payments of interest made through N accounts are subject to a withholding tax of 15 per cent., which the NBB deducts from the payment and pays over to the tax authorities. In the case of Notes issued at a discount, the difference between the issue price and the nominal amount constitutes interest for these purposes.

Transfers of Notes between an X account and an N account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N account to an X account gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. The withholding tax is due in euro, and is calculated based on the rate of exchange published two business days earlier by the NBB.
- A transfer from an X account to an N account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. The refund is payable in euro, and is calculated based on the rate of exchange published two business days earlier by the NBB.
- Transfers of Notes between two X accounts do not give rise to any adjustment on account of withholding tax.

These adjustment mechanics are such that parties trading the Notes on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis.

The main categories of Eligible Investors are as follows:

- Belgian resident corporate investors;
- Belgian pension funds;
- corporate investors who are non-residents of Belgium, whether they have a permanent establishment in Belgium or not;
- individuals who are non-residents of Belgium, unless their holding of the Notes is connected to a permanent establishment they have in Belgium; and
- non incorporated foreign collective investment schemes (such as fonds communs de placement) whose units are not publicly offered or marketed in Belgium.

The main categories of non-Eligible Investors are as follows:

- Belgian resident individuals;
- Belgian non profit organisations (other than pension funds); and
- non incorporated Belgian collective investment schemes (fonds communs de placement) and similar foreign funds whose units are publicly offered or marketed in Belgium.

(The above categories summarise the detailed definitions contained in Article 4 of the royal decree of 26 May 1994, to which investors should refer for a precise description of the relevant eligibility rules.)

When opening a securities account for the holding of Notes or other securities kept in the NBB clearing and settlement system, investors are required to provide the financial institution where this account is kept with a statement as to their tax status. This statement need not be periodically reissued. No such statement is required of investors who are non-residents of Belgium and keep their Notes on a securities account through Euroclear or Clearstream, Luxembourg.

Stamp duties

Secondary market trades in respect of the Notes may give rise to a stamp duty (*taks op beursverrichtingen / taxe sur les opérations de bourse*) if they are carried out through a financial institution established in Belgium. The amount of the stamp duty, however, is capped at EUR 500 per transaction, and various types of investors (including credit institutions, insurance companies, pension funds and all non-residents of Belgium) are exempted from this stamp duty.

Tax on the delivery of bearer instruments

The delivery to Noteholders (but not to the X/N System, Euroclear or Clearstream, Luxembourg) of Notes in bearer form will give rise to a 0.6 per cent. tax on the delivery of bearer instruments, if such delivery occurs in Belgium and unless it is made in connection with a primary market subscription to these Notes.

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.

Taxation in Luxembourg

The Issuers have been advised that under the existing laws of Luxembourg as currently applied by the Luxembourg tax authorities:

- (a) All payments of interest and principal by Fortis Luxembourg under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein in accordance with applicable law, subject however to:
 - (i) the application of the Luxembourg laws of 21 June 2005 implementing the European Union Savings Directive (please refer to the paragraph below entitled "*EU Savings Directive*") and providing for the possible application of a withholding tax (15 per cent. from 1 July 2005 to 30 June 2008, 20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. from 1 July 2011) on interest paid to certain non-Luxembourg resident investors (individuals and certain types of entities called "residual entities") in the event of the Issuer appoint a paying agent in Luxembourg within the meaning of the above-mentioned directive (for more information, please refer to the paragraph below entitled "*EU Savings Directive*"); and
 - (ii) the application of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive) in respect of Luxembourg resident individuals acting in the course of their private wealth. This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Responsibility for the withholding of tax in connection with the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 shall be assumed by the Luxembourg paying agent within the meaning of these laws and not by the relevant Issuer.

As of 1 January 2006 a 10 per cent. withholding tax applies on interest payments made by Luxembourg paying agents to Luxembourg individual residents. This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the Notes, Receipts or Coupons. Regarding individuals resident in another European Union member state, the withholding tax treatment is subject to the EU Savings Directive.

- (b) A holder of Note who derives income from such Note or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on income or capital gains (subject to the application of the EU Savings Directive 2003/48/CE and the law of 23 December 2005, which has introduced a 10 per cent final withholding tax on savings income as regards Luxembourg resident individuals) unless:
 - (i) such holder is, or is deemed to be, resident in Luxembourg; or
 - (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (c) Luxembourg net wealth tax will not be levied on a holder of a Note unless:
 - (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or
 - (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;

In respect of individuals, the Luxembourg law of 23 December 2005 has abolished the net wealth tax with effect from 1 January 2006.

- (d) No Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.
- (e) Luxembourg gift tax will be levied in case the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

- (f) It is not compulsory that the Notes be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith, except that, in case of use of the Notes, either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration will in principle be ordered which implies the application of a fixed or an ad valorem registration duty and calculated on the amounts mentioned in the Notes.
- (g) There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, provided that Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to Fortis Luxembourg, if for Luxembourg value-added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.
- (h) A holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

Taxation in The Netherlands

(a) Dutch Resident Holders

Holders who are individuals and are resident or deemed to be resident in The Netherlands, or who have elected to be treated as a Dutch resident Holder for Dutch tax purposes, are subject to Dutch income tax on a deemed return regardless of the actual income derived from a Note or gain or loss realised upon disposal or redemption of a Note, provided that the Note is a portfolio investment and is not held in the context of any business or substantial interest. The deemed return amounts to 4 per cent. of the average value of the Holder's net assets in the relevant fiscal year (including the Notes) and is taxed at a flat rate of 30 per cent. Any Belgian or Luxembourg withholding tax that is deducted from interest payments in respect of the Notes as a result of implementing the EU Savings Directive (only during the transitional period: please refer to "*EU Savings Directive*" below), can be fully offset against the investor's Dutch income tax liability.

Corporate Holders that are resident or deemed to be resident in The Netherlands, without being exempt from Dutch corporate tax, will be subject to Dutch corporate tax on all income and gains realised in connection with the Notes. Any Belgian or Luxembourg withholding tax can be offset against the Dutch corporate income tax liability on world-wide income if certain conditions are met.

(b) Non-Dutch Resident Holders

Non-Dutch resident Holders normally will not be subject to Dutch income or corporate taxation with respect to income or capital gains realised in connection with a Note, unless there is a specific connection with The Netherlands, such as an enterprise or part thereof which is carried on through a permanent establishment in The Netherlands.

A Holder will not become resident or deemed to be resident in The Netherlands by reason only of the holding of a Note.

(c) Registration taxes, stamp duty etc.

There is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty payable by the Holder in The Netherlands in connection with the Notes.

(d) Withholding tax

In principle, all payments by the Issuer to the Holder in respect of the Notes can be made free of any Dutch withholding tax, unless such Notes qualify as profit sharing debt as mentioned in article 10 of the Dutch corporate income tax act (Wet op de vennootschapsbelasting 1969).

Taxation in Spain

The following is a brief summary of the tax regime applicable to investments in the Notes.

The information provided below does not purport to be a complete summary of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom are dealers in securities) may be subject to special rules. The summary below is based on tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retrospective effect.

Each of the potential investors in the Notes should carry out an exhaustive examination of the applicable tax regime, in light of the specific circumstances which apply to them and the regulations in force when receiving and filing any tax return in relation to income or gain relating to the Notes.

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Prospectus:

- (a) for individuals with tax residence in Spain who are Personal Income Tax taxpayers, Law 5/2006, dated 28 November 2006 on Personal Income Tax Law, and Royal Decree 439/2007, dated 30 March 2007, enacting the Personal Income Tax Regulations, along with Law 19/1991, dated 6 June 1991 regarding Wealth Tax and Law 29/1987, dated 18 December 1987, regarding Inheritance and Gift Tax;
- (b) for legal entities that are residents in Spain for tax purposes and are Corporate Income Tax taxpayers, Royal Legislative Decree 4/2004, dated 5 March 2004 enacting the Consolidated Text of the Corporate Income Tax Law, and Royal Decree 1777/2004, dated 30 July 2004, promulgating the Corporate Income Tax Regulations; and
- (c) for individuals and entities who are not residents in Spain for tax purposes, Royal Legislative Decree 5/2004, dated 5 March 2004, enacting the Consolidated Text of the Non-Resident Income Tax Law, and Royal Decree 1776/2004, dated 30 July 2004, enacting the Non-Resident Income Tax Regulations, along with Law 19/1991, dated 6 June 1991, regarding Wealth Tax and Law 29/1987, dated 18 December 1987, regarding Inheritance and Gift Tax.

Acquisition of the Notes

The issue, subscription, transfer and acquisition of the Notes is exempt from Transfer Tax and Stamp Duty (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) and Value Added Tax (*Impuesto sobre el Valor Añadido*).

Taxation derived from the Notes

The following paragraphs will refer to the tax treatment for each category of investor as a result of any income arising from the Notes as well as any tax due from their holding.

We will separately refer to each category of investor.

- (a) Individuals with tax residency in Spain

- (i) *Personal income Tax (Impuesto sobre la Renta de las Personas Físicas)*

Income obtained by Noteholders, both as interest and in connection with the transfer, redemption or repayment of the Notes, will be considered income on investments obtained from the transfer of their own capital to third parties, as defined in Section 25.2 of the Personal Income Tax Law.

In this sense, in the event of interest income derived from the Notes, the aggregate income will be determined by the gross amount of interest received, including any withholding tax applied, as the case may be.

Furthermore, in the event of transfer, redemption or repayment of the Notes, the income on this investment must be deemed to be the difference between the transfer, redemption or repayment value (minus properly supported ancillary disposal expenses) and the acquisition or subscription value (plus properly supported ancillary acquisition expenses). Expenses corresponding to discretionary or individual portfolio management are not computed for these purposes.

The income obtained will be included in the savings income (base del ahorro) and subject to tax at the rate of 18 per cent. In addition, the Spanish resident Noteholder would be allowed to apply a double tax credit on the lesser of the two following amounts:

- the tax effectively paid abroad, provided it has identical or analogous nature as the Personal Income Tax or Non-Resident Income Tax.
- the result of applying the taxpayer's average tax rate to the portion of the taxable basis that is taxed abroad.

Payments received by Spanish resident investors will not be subject to withholding or payment on account in Spain notwithstanding any withholding that may be due in other countries and, in particular, in the country of residence of the issuer.

(ii) *Wealth Tax (Impuesto sobre el Patrimonio)*

Individuals with tax residency in Spain under the obligation to pay Wealth Tax must take into account the Notes they hold at 31st December of each year when calculating their Wealth Tax liabilities.

Spanish Wealth Tax is levied on the net value of the assets of an individual at rates ranging between 0.2 per cent. and 2.5 per cent.

(iii) *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable regional or State rules.

(b) *Legal entities with tax residency in Spain*

We will only refer to those Corporate Income Tax taxpayers subject to the standard regime. There may exist some particularities for those entities subject to any of the special regimes contemplated in the Law such as Collective Investment Institutions.

(i) *Corporate Income Tax (Impuesto sobre Sociedades)*

Income obtained by Noteholders as a result of interest payments or deriving from the transfer, redemption or repayment of the Notes will constitute taxable income for Corporate Income Tax purposes in accordance with the rules of said tax.

Such income will be computed as taxable income and included on the basis of assessment of Corporate Income Tax together with other income obtained by the taxpayer within the relevant tax period. The standard rate is currently 32.5 per cent. (reducing to 30 per cent. for the tax periods starting as from 1 January 2008), but other rates may apply depending on the investor's details.

(ii) *Wealth Tax (Impuesto sobre el Patrimonio)*

Legal entities are not subject to Wealth Tax.

(iii) *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

As a general rule, legal entities with tax residency in Spain are not subject to Inheritance and Gift Tax. If any such entity acquires ownership or other rights over the Notes through an inheritance, gift or legacy, the relevant income obtained will be taxable under Spanish Corporate Income Tax rules.

(c) *Individuals and legal entities without tax residency in Spain*

(i) *Non-residence Income Tax (Impuesto sobre la Renta de No Residentes)*

Those taxpayers operating in Spain through a permanent establishment must be distinguished from those that are not.

(1) *Non-residents with permanent establishment in Spain*

If the Notes are included in the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are the same as those previously set out for Corporate Income Tax taxpayers. The applicable tax rate would be 32.5 per cent. (reducing to 30 per cent. for the tax periods starting as from 1 January 2008).

(2) Non-residents without permanent establishment in Spain

As long as the Notes are not issued by a Spanish resident entity and they do not represent an assignment of funds to a Spanish resident entity, both payments of interest and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who have no tax residency in Spain, will not be subject to tax in Spain.

(ii) *Wealth Tax (Impuesto sobre el Patrimonio)*

Individuals who are not tax residents in Spain will be subject to Wealth Tax to the extent that the Notes are located or the rights under such Notes can be exercised in Spanish territory.

Non-resident legal entities are not subject to Wealth Tax.

(iii) *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals who do not have tax residency in Spain and acquire ownership or other rights over the Notes by inheritance, gift or legacy will only be subject to Inheritance and Gift Tax to the extent that the Notes acquired are located or the rights under such Notes can be exercised in Spanish territory notwithstanding the provisions of an applicable double tax treaty signed by Spain with the country of residence of the Noteholder.

(d) *Withholding taxes*

The Issuer is not incorporated in Spain nor it is managed and controlled in Spain, therefore it will not be treated as resident in Spain for tax purposes.

On the basis that the Issuer is not resident in Spain for tax purposes and does not operate in Spain through a permanent establishment, branch or agency, payments of interest under the Notes will not be subject to withholding tax or payment on account in Spain.

Taxation in France

Registration taxes, stamp duty, etc.

No stamp, issue, registration or similar taxes or duties will be payable in France by the Holder in connection with the Notes.

Withholding tax

The interest from the Notes received by French tax resident individuals holding the Notes as part of their private assets may, at the taxpayer's option, and subject to certain compliance formalities, be subject to a final withholding tax (*prélèvement libératoire*) at the rate of 16 per cent., the *contribution sociale généralisée* ("**CSG**") of 8.2 per cent., the *prélèvement social* of 2 per cent. and the *contribution additionnelle au prélèvement social* of 0.3 per cent. and the *contribution au remboursement de la dette sociale* ("**CRDS**") of 0.5 per cent., resulting in a global tax rate of 27 per cent.

Subject to the above, all payments by the Issuer to the Holder in respect of the Notes can be made free of any withholding or deduction for or on account of any taxes in France.

Residents

Under current French legislation, the following summary describes the tax consequences that may be applicable to Holders resident in France for tax purposes. The Holders should nevertheless consult their usual tax advisers for details of the tax regime that applies to their particular case.

1. Individuals holding Notes as part of their private assets

(a) Interest

The interest from the Notes received by individuals holding the Notes as part of their private assets is:

- (i) either included in the total income, subject to income tax at the progressive rate, the CSG of 8.2 per cent., 5.8 points of which is deductible from the income tax basis, a *prélèvement social* of 2 per cent. and the contribution additionnelle au *prélèvement social* of 0.3 per cent. and the CRDS of 0.5 per cent.; or
- (ii) at the taxpayer's option, subject to a final withholding tax (*prélèvement libératoire*) at the rate of 16 per cent., the CSG of 8.2 per cent., the *prélèvement social* of 2 per cent. and the contribution additionnelle au *prélèvement social* of 0.3 per cent. and the CRDS of 0.5 per cent., resulting in a global tax rate of 27 per cent.

If the Paying Agent levies a withholding tax on the interest from the Notes pursuant to the rules detailed in paragraph "*EU Savings Directive*" below, individuals resident in France for tax purposes may benefit, in accordance with Article 199 ter of the French Tax Code (*Code général des impôts* or "**CGI**"), from a tax credit equal to the amount of the tax withheld.

(b) Capital gains

Pursuant to Article 150-0 A of the CGI, when the aggregate amount of disposals of securities or shares per tax household exceeds the threshold of €20,000 per year, capital gains realised by individuals are taxable from the first euro.

The capital gains are subject to income tax at the rate of 16 per cent., the CSG of 8.2 per cent., the *prélèvement social* of 2 per cent. and the *contribution additionnelle au prélèvement social* of 0.3 per cent. and the CRDS of 0.5 per cent.

As from 2002, capital losses incurred in one year can be set off only against capital gains of the same type realised in the year of the disposal or in the ten following years where, for the year in which capital losses are incurred, disposals were in excess of € 20,000.

2. Companies subject to corporate tax

(a) Interest

Interest accrued on Notes over the fiscal year is included in the corporate tax basis and taxable at the rate of 33 1/3 per cent.

A social contribution of 3.3 per cent. (*Article 235 ter ZC* of the CGI) is also applicable on the amount of corporate tax with an allowance of € 763,000 for each 12-month period. However, entities that have a turnover of less than € 7,630,000 and whose share capital is fully paid-up and of which at least 75 per cent. is held continuously by individuals (or by an entity meeting all of these requirements) are exempt from this contribution. For an entity that meets these requirements, the corporate tax is fixed, for taxable income up to € 38,120 within a twelve-month period, at 15 per cent.

(b) Capital gains

The capital gain or loss realised upon disposal of the Notes is included in the corporate tax basis taxable at the rate of 33 1/3 per cent. (or, where applicable, 15 per cent. up to an amount of € 38,120 per period of twelve months for entities that meet the conditions described in 2 (a) above). In addition, the social contribution of 3.3 per cent. mentioned above is levied where applicable.

Non-residents

Non-French tax resident Holders will normally not be subject to French income or corporate taxation with respect to income or capital gains realised in connection with the Notes, unless there is a specific connection with France, such as an enterprise or part thereof which is carried on through a permanent establishment in France.

A Holder will not become resident or deemed to be resident in France by reason only of the holding of a Note.

Taxation in Italy

PROSPECTIVE PURCHASERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE ITALIAN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, AS WELL AS THE EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS.

THE ISSUER WILL NOT BE LIABLE FOR OR OTHERWISE OBLIGED TO PAY ANY STAMP TAXES, TAX, DUTIES OR ANY OTHER PAYMENT WHICH MAY ARISE AS A RESULT OF OWNERSHIP, TRANSFER OR EXERCISE OF ANY NOTES.

The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership and the disposition of the Notes held by individuals. This is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to an Italian Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.

The statements herein contained regarding taxation are based on the laws in force in the Republic of Italy as of the date of this document and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. This summary will not be updated to reflect changes in laws and if such a change occurs the information in this summary could become invalid. In this respect, a bill of law has been presented by the Government to the Italian Parliament, for a delegation to be granted to the same Government to issue, within six months after the entering into force of the bill of law, one or more legislative decrees introducing a general reform of the Italian tax treatment of financial income and capital gains of a financial nature. The guidelines provided by the bill of law for this purpose include the adoption of a single tax rate not exceeding 20 per cent. for all the relevant withholding and substitutive tax regimes. In addition, such legislative decree will have to be issued by the Government within six months from the entry in force of the delegation law.

Tax treatment of the Notes

The Notes may be subject to different tax regimes depending on whether they represent a debt Note implying a "investment of capital" (*impiego di capitale*), through which the Noteholders transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain:

- (i) the reimbursement of an amount at maturity (or early redemption) at least equal to such capital amount; or
- (ii) the reimbursement of an amount at maturity (or early redemption) which may be lower than such capital amount.

Italian resident Noteholders

1. Notes having 100 per cent. capital protection

Legislative Decree April 1st, 1996, No. 239 (Decree No. 239) regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from Notes issued, *inter alia*, by non-Italian resident entities. The provisions of Decree No. 239 only apply to those Notes which qualify as *obbligazioni or titoli simili alle obbligazioni* pursuant to Article 44 of Presidential Decree 22nd December, 1986, No. 917 (Decree No. 917).

Where the Italian resident Noteholder is an individual holding Notes otherwise than in connection with entrepreneurial activity, (unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the asset management option (the *Risparmio Gestito* tax regime or the "**Asset Management Option**")), Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 12.5 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes), increased to 27 per cent. in case Notes' maturity is less than eighteen months. Such investors are qualified as "net recipients".

Where the above resident Notes are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax and may be deducted from the taxation on income due

Pursuant to Decree No. 239, the 12.5 per cent. or 27 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare*, *società di gestione del risparmio*, fiduciary companies, exchange agents and other qualified entities identified by the relevant decrees of the Ministry of Finance ("**Intermediaries**"). The Intermediaries must:

- (a) be (i) resident in Italy; or (ii) permanent establishments in Italy of intermediaries resident outside Italy; and

- (b) in any case intervene, in any way, in the collection of Interest or in the transfer of the Notes.

Payments of Interest in respect of Notes that qualify as *obbligazioni* or *titoli similari alle obbligazioni* and have a maturity of eighteen months or more, are not subject to the 12.5 per cent. *imposta sostitutiva* if made to beneficial owners who are Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial intermediary and have opted for the Asset Management Option. Such investors are qualified as “gross recipients”.

To ensure payment of Interest in respect of the Notes without the application of 12.5 per cent. *imposta sostitutiva*, gross recipients indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes; and
- (b) timely deposit the Notes with an Italian authorised financial intermediary (or permanent establishment in Italy of foreign intermediary).

Where the Notes are not deposited with an authorised Intermediary (or permanent establishment in Italy of foreign intermediary), the *imposta sostitutiva* is applied and withheld by any Italian bank or any Italian intermediary paying Interest to the Noteholder.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to the 12.5 per cent annual substitute tax (“**Asset Management Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Where Interest on Notes beneficially owned by Noteholders qualifying as net recipients, as defined above, are not collected through the intervention of an Italian resident intermediary and as such no *imposta sostitutiva* is applied, the Italian resident beneficial owners qualifying as net recipients will be required to declare Interest in their yearly income tax return and subject them to a final substitute tax at a rate of 12.5 per cent. or 27 per cent., unless option for a different regime is allowed and made. Italian resident net recipients that are individuals not engaged in entrepreneurial activity may elect instead to pay ordinary personal income taxes at the progressive rates applicable to them in respect of Interest on such Notes: if so, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

Where an Italian resident Noteholder is an Italian real estate investment fund to which the provisions of Law Decree No. 351 of 25th September, 2001 (Decree No. 351) converted into law with amendments by Law No. 410 of 23rd November, 2001, as subsequently amended, apply Interest will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund.

Where an Italian resident Noteholder is an investment fund, a *società di investimento a capitale variabile* (“**SICAV**”) or a pension fund and the Notes are deposited with an authorised intermediary, Interest is not subject to *imposta sostitutiva* but is included in the aggregate income of the investment funds, SICAV and pension funds which is subject to a substitute tax at the rate of 12 per cent. (11 per cent. for pension funds).

2. *Early Repayment*

Without prejudice to the above provisions, in the event that the Notes with an original maturity of eighteen months or more are made subject to an early repayment within eighteen months from the date of issue, Italian resident Noteholders will be required to pay an additional amount equal to 20 per cent. of Interest and other proceeds from the Notes accrued up to the time of the early repayment. Where Italian withholding agents intervene in the collection of Interest on the Notes or in the redemption of the Notes, this additional amount will be levied by such withholding agents by way of withholding. In accordance with one interpretation of Italian tax law, the above 20 per cent. additional amount may also be due in the event of any purchase of Notes by the Issuer with subsequent cancellation thereof prior to eighteen months from the date of issue.

3. *Securities not having 100 per cent. capital protection*

In case Notes representing debt Notes implying an “investment of capital” do not guarantee the total reimbursement of the principal, under Italian tax law they should qualify as “atypical securities” and payments in respect of such Notes received by Italian Noteholders would be subject to the following regime:

- (a) if the Notes are placed (*collocati*) in Italy, payments made to individuals holding Notes not in connection with entrepreneurial activities will be subject to a 27 per cent. final “entrance” withholding tax. This withholding tax is required to be levied by the entrusted Italian resident bank or financial intermediary, if any, that intervenes in the collection of payments on the Notes, in the repurchase or in the transfer of the Notes; or
- (b) if the Notes are not placed (*collocati*) in Italy, even though sold to Italian resident Noteholders and even though an Italian resident entrusted subject in the collection of payments on the Notes, in the repurchase or in the transfer of the Notes, or in any case payments on the Notes are not received through an entrusted Italian resident bank or financial intermediary that intervenes in the collection of payments on the Notes, in the repurchase or in the transfer thereof, and no “entrance” withholding tax is required to be levied, and the individual beneficial owners will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 27 per cent. The Italian individual Noteholders may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of the payments; if so, the Italian Noteholders should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

Where an Italian resident Noteholder is a company or similar commercial entity, Interest will not be subject to withholding but must be included in the relevant Noteholder’s income tax return and is therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the status of the Noteholder, also to regional tax).

Non-Italian resident Noteholders

Interest payments relating to Notes received by non-Italian resident beneficial owners are not subject to taxation in Italy.

If Notes beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of Interest on such Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a declaration stating that he or she is not resident in Italy for tax purposes.

Capital gains

Italian resident Noteholders

Pursuant to Legislative Decree 21st November, 1997, No. 461 (Decree No. 461), a 12.5 per cent. capital gains tax (referred to as *imposta sostitutiva*) is applicable to capital gains realised by Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called “tax declaration regime”, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities, the 12.5 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised by Italian resident individuals not engaged in entrepreneurial activities pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains by Italian resident individuals together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

As an alternative to the tax declaration regime, holders of the Notes who are Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes (the “*Risparmio Amministrato tax regime*”). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs (stock brokerage companies – *Società di Intermediazione Mobiliare*) and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express

election for the *Risparmio Amministrato* tax regime being timely made in writing by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* tax regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Special rules apply if the Notes are part of a portfolio managed in a regime of Asset Management Option by an Italian asset management company or an authorised intermediary. In such case, the capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 12.5 per cent. *imposta sostitutiva* on capital gains but will contribute to determine the taxable base of the Asset Management Tax.

In particular, under the Asset Management Option, capital gains accrued on the Notes, even if not realised, will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year-end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Option the realised capital gain is not requested to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Non-Italian resident Noteholders

Capital gains realised by Noteholders who are not resident in Italy for tax purposes from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes are held outside Italy.

In case the Notes are held in Italy:

- (a) in principle, capital gains realised by non-Italian resident Noteholders may be taxable in Italy; and
- (b) in case capital gains realised on disposal of Notes by non Italian resident Noteholders are taxable in Italy, taxation of such capital gains is subject to the same rules as those set out above, which apply to Italian resident Noteholders.

However, Italian *imposta sostitutiva* does not apply on capital gains for Noteholders who are not resident in Italy for tax purposes, in respect of capital gains realised on sale or redemption of Notes listed on a regulated market, in Italy or abroad, even though the Notes are held in Italy and regardless of the provisions of any applicable double tax treaty. In relation to non-Italian resident Noteholders who hold Notes in Italy with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the *Risparmio Amministrato* tax regime, this exemption from Italian tax on capital gains applies upon condition that they promptly file with the Italian authorised financial intermediary a self declaration not to be resident in Italy for tax purposes.

The *Risparmio Amministrato* tax regime is the ordinary regime automatically applicable to non-resident Noteholders relating to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible persons or entities, but non-resident Noteholders retain the right to waive this regime.

In case the Notes are not listed on a regulated market in Italy or abroad, non-Italian resident Noteholders with no permanent establishment in Italy to which the Notes are effectively connected, are exempt from *imposta sostitutiva* in Italy on any capital gains realised upon the sale for consideration or redemption of the Notes, provided that they are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information. In such case, if the Noteholders elect for the Asset Management Option or are subject to the *Risparmio Amministrato* tax regime, exemption from Italian taxation on capital gains will apply upon condition that they make timely filing with the authorised financial intermediary an appropriate self-declaration stating that they are resident for tax purposes in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information.

Inheritance and gift tax

Inheritance and gift tax would be payable on the transfer of the Notes by reason of death or donation, regardless of whether or not the Notes are held outside of Italy, if the deceased person or the donor were resident in Italy for tax purposes at the time of death or gift or, in the case of a non-resident, if the transferred Notes are held in Italy at the following rates:

- 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding EUR 1,000,000 (per beneficiary);
- 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding EUR 100,000 (per beneficiary);
- 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding EUR 1,500,000.

Transfer tax

General

Pursuant to Legislative Decree November 21st, 1997, No. 435, which amended the regime laid down by Royal Decree December 30th, 1923, No. 3278, the transfer of Notes may be subject to Italian transfer tax (*tassa sui contratti di borsa*) at a rate between a maximum of EUR 0.0083 and a minimum of EUR 0.00465 for every EUR 51.65, or part of EUR 51.65, of the price at which the Notes are transferred. In certain cases, however, the amount of transfer tax cannot exceed EUR 929.62 for each transaction.

Exemptions

In general, transfer tax is in any case not levied, inter alia, in the following cases:

- (i) contracts relating to listed securities entered into on regulated markets;
- (ii) contracts relating to securities which are admitted to listing on regulated markets and finalised outside such markets and entered into:
 - (a) between banks or SIMs or other professional intermediaries authorised to perform investment services, pursuant to Legislative Decree July 23rd, 1996, No. 415, as superseded by Decree No. 58, or stockbrokers among themselves;
 - (b) between authorised intermediaries as referred to in paragraph (i) above and non-Italian residents;
 - (c) between authorised intermediaries as referred to in paragraph (i) above, also non-Italian resident, and undertakings for collective investment of saving income;
- (iii) contracts relating to public sale offers for the admission to listing on regulated markets or relating to financial Notes already admitted to listing on said markets;
- (iv) contracts for a consideration of less than EUR 206.58;
- (v) securities lending and similar transactions; and
- (vi) contracts regarding securities not listed on a regulated market entered into between authorised intermediaries as referred to in paragraph (b)(i) above, on the one hand, and non-Italian residents, on the other hand.

Tax Monitoring Obligations

Italian resident individuals will be required to report in their yearly income tax return, according to Law Decree June 28th, 1990, No. 167 converted into law by Law August 4th, 1990, No. 227, as amended by Decree June 15th, 2007, effective from June 25th, 2007, for tax monitoring purposes:

- the amount of Notes held at the end of each tax year, if exceeding in the aggregate EUR 10,000.00;
- the amount of any transfers from abroad, towards abroad and occurring abroad, related to the Notes, occurring during each tax year, if these transfers exceed in the aggregate EUR 10,000.00. This also applies in the case that at the end of the tax year, Notes are no longer held by Italian individuals;

Italian individuals will however not be required to comply with the above reporting requirements with respect to Notes deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Notes are received through the intervention of the same intermediaries.

Taxation in Poland

The following is a general description of certain Polish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Poland or elsewhere. Prospective purchasers of the Notes should consult their tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Poland. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Taxation applicable to individuals resident in Poland

Income received from the Notes is subject to the Polish personal income tax at a flat rate of 19 per cent. This income is recognised on cash basis, i.e. when interest is paid or capitalised, or when discount amount is actually paid. Withholding tax paid on this income abroad can be deducted from Polish income tax. However, such deduction shall not exceed that part of income tax, computed before the deduction, which is attributable to income taxed in the country of its source.

Noteholders are obliged to declare income from the Notes in their annual tax return. According to the most recent standpoint of the Ministry of Finance, this rule applies even if such income is collected through a Polish paying agent. Previously this issue was controversial, as some tax authorities took the approach that paying agents are obliged to withhold 19 per cent. personal income tax on income received from the Notes.

Capital gains realised on the sale of Notes are also subject to personal income tax at a flat rate of 19 per cent. These capital gains are recognised for tax purposes on an accrual basis.

Taxation applicable to corporations resident in Poland

For the Noteholders subject to corporate income tax, income from the Notes is part of their taxable income taxed at standard 19 per cent. rate. Withholding tax paid on this income abroad can be deducted from Polish income tax. However, such deduction shall not exceed that part of income tax, computed before the deduction, which is attributable to the income taxed in the country of its source.

In case of sale of the Notes on secondary market, the capital gains are part of Noteholders' income subject to standard income tax rate of 19 per cent., while capital losses may be tax-deductible.

Taxation related to non-Polish residents

Income from the Notes realised by non-Polish residents is not taxed in Poland. Even if such income is collected through a Polish paying agent, no Polish withholding tax should be due.

Non-residents who allocate the Notes to a business activity in Poland, for example, through a permanent establishment, are subject to the same rules as Polish residents.

Stamp duties

There is no Polish stamp duty or any other similar tax or duty payable in Poland by the Noteholders as a consequence of the issuance of the Notes.

Secondary market trades in respect of the Notes may give rise to 1 per cent. stamp duty calculated on the market value of the Notes. Generally, the taxation may apply to the sale of Notes by Polish Noteholders or the purchase of Notes by Polish residents if - in the latter case - the sale agreement is concluded in Poland.

However, the sale of securities to Polish brokerage houses or banks carrying out brokerage activity or to foreign entities carrying out brokerage activity with their registered office/headquarters in the EU and passported into Poland or foreign entities with their registered office in the OECD or WTO carrying out brokerage activity in Poland based on specific permits in the form of a branch as well as the sale of securities through the intermediary of the aforesaid entities and the sale of securities on the Warsaw stock exchange (or in an alternative trading system in Poland), is exempt from transfer tax. Moreover, the sale of securities made by a Polish or a European Union entity rendering financial services, including trade in securities, may be exempt from stamp duty. According to some Administrative Court rulings stated that the sale of receivables to a Polish or a European Union entity providing financial services, including trade in receivables, may also be exempt from stamp tax. Bearing in mind the legal basis for this standpoint, it can also apply to the sale of debt securities to a European Union entity providing financial services such as trade in securities. However, it should be borne in mind that there are also rulings in which an opposite approach has been taken. Therefore it is possible that the tax authorities may have a different opinion on the matter.

Taxation in Switzerland

The following is a general description of certain Swiss tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Switzerland or elsewhere. Prospective purchasers of the Notes should consult their tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Switzerland. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Income Tax

Private Investors

Swiss resident individuals who do not qualify as so-called professional securities dealers (*commerçants professionnels de titres*) and who hold the Notes as part of their private (as opposed to business) assets are hereby defined as Private Investors.

Interest payments or redemption of Notes

As a rule, interest arising from Notes as well as payments received upon redemption of the Notes in excess of the initial issuance price, are fully taxable in the hands of the Private Investors. Notes which are not straight debt instruments but have components of debt instruments and derivatives intertwined generally qualify as combined instruments. The tax treatment of such Notes depends on whether the Notes are considered as transparent or not for Swiss income tax purposes.

If the Note is considered as not transparent for Swiss income tax purposes, any amount received by the Private Investor in excess of the amount invested is treated as taxable income in the hands of the Private Investor.

If the Notes are considered as transparent for Swiss income tax purposes, they will be split notionally in a debt instrument and a derivative instrument component. Gains or losses on the derivative instrument component are treated as capital gains (see below). Interest payments received during the investment or at redemption as accrued interest related to the debt instrument component are treated as taxable income in the hands of the Private Investor.

Notes which are linked to underlying assets, such as bonds, shares, or baskets of such assets may also be treated, under certain circumstances, as direct investments in bonds, shares or in an investment fund. Notes linked to a basket of investment funds may be treated as an investment in an investment fund.

According to the current practice of the Federal Tax Administration, Swiss residents or foreign residents subject to Swiss taxation receiving interest payments arising from credit linked notes during the investment or at redemption as accrued interest owe individual income tax on the entire amount of the interest paid to them.

Capital gains realised upon disposal of the Notes

Private Investors realize a tax free capital gain upon the disposal of Notes which do not qualify as Notes with predominant one-time interest payment (*obligations à intérêt unique prédominant*) and are subject to Swiss federal, cantonal or municipal income tax if the Notes qualify as Notes with one-time predominant interest payment (*obligations à intérêt unique prédominant*).

Notes qualifying as combined instruments and which qualify as tax transparent are notionally split in their debt instrument and in their derivative instrument component. Capital gains arising from the derivative instrument component of transparent Notes are generally not subject to income tax in the hands of Private Investors.

Swiss Resident Business Investors

Interest, redemptions and gains realised on or arising from the Notes, by Swiss resident individuals holding the Notes as part of their business assets as well as by Swiss resident legal entities, are part of their taxable business profits subject to individual income taxes or corporate income taxes, respectively. The same applies to Swiss resident individuals who qualify as so-called professional securities dealers.

Swiss Federal Stamp Tax

Under the Federal Swiss Stamp Tax Act of 27 June 1973 ("**STA**"), the issuance of bonds or obligations by a Swiss resident issuer is subject to an issuance stamp tax.

However, the issue of the Notes is not subject to the Swiss federal issuance stamp tax, provided that the issuer of the Notes is at all times domiciled and effectively managed outside of Switzerland and provided that the proceeds from the offering and sale of the Notes are used outside of Switzerland.

Furthermore, the dealing in Notes is subject to the Swiss Federal transfer stamp tax if a Swiss securities dealer (as defined under Article 13 STA) is involved as an intermediary or as a counterparty in such a transaction. The notion of Swiss securities dealer contained in Article 13 is very broad and encompasses Swiss and Liechtenstein banks, securities brokers and even companies holding in their books taxable securities for an amount exceeding CHF 10 million.

The redemption of the Notes is not subject to the Swiss federal transfer stamp tax even if a Swiss securities dealer (as defined under Article 13 STA) acts as an intermediary or is a party to the transaction. The issuance of the Notes is not subject to the Swiss federal transfer stamp tax even if a Swiss securities dealer (as defined under Article 13 STA) acts as an intermediary or is a party to the transaction to the extent that the payment of interest and the reimbursement of the Principal Amount occurs in a currency other than Swiss francs.

The transfer stamp tax on the transfer of foreign securities is levied at the rate of 0.3 per cent.

If a Swiss bank or a Swiss securities dealer (as defined in the STA) acts as a counterparty (buyer or seller) in the transaction, it shall pay 50 per cent. of the stamp tax for itself (unless the acquisition is made for a *nostro* account⁹) and the other 50 per cent. for the other contracting party which is a Swiss or a Liechtenstein resident (and which does not qualify as an exempted investor or as a Swiss securities dealer within the meaning of the STA). If a Swiss bank or a Swiss securities dealer (as defined in the STA) acts as an intermediary, 50 per cent. of the issuance stamp tax shall be levied for each counterparty which is a Swiss or a Liechtenstein resident, and which does not qualify as an exempted investor or as a Swiss securities dealer. Only 50 per cent. of the transfer stamp tax is due if a Swiss securities dealer (as defined in the STA) acts as an intermediary for a Swiss resident (unless such a party qualifies as a securities dealer) and a foreign resident. No transfer stamp tax is due if a Swiss securities dealer (as defined in the STA) acts as intermediary for two foreign parties.

Swiss Withholding Tax

The payment of interest on the Notes will not be subject to Swiss withholding tax (the statutory rate of which is 35 per cent.), provided the Issuer or the Guarantor is at all times domiciled and effectively managed outside of Switzerland and uses the proceeds from the offering and sale of the Notes outside of Switzerland.

European Union Directive on the Taxation of Savings

Under the European Council Directive 2003/48/EC on the taxation of savings income, Member States of the European Union are required to provide the tax authorities of another Member State with details of payments

⁹ Swiss banks, as well as remote members of a Swiss Stock Exchange can create *nostro* accounts without justification, whereas other securities dealers engaged in the trading of securities for the account of third parties shall justify the creation of *nostro* accounts to the tax authorities.

of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. A few Member States are, instead of this obligation to provide information on the relevant person, authorised to operate a withholding tax system in relation to such payments.

On 26 October 2004, the European Community and Switzerland concluded an agreement on the taxation of savings income by way of a specific withholding tax system or a voluntary declaration in the case of transactions between parties in the European Union Member States and Switzerland. Accordingly, Switzerland introduced a specific withholding tax on interest payments (including accrued interest on the sale of notes) or other similar income paid by a Swiss paying agent to an individual residing in the European Union effective as from 1 July 2005. The withholding rate amounts to 15 per cent. for the first three years, 20 per cent. for the subsequent three years and 35 per cent. thereafter. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding tax if certain conditions are met. The Swiss paying agent can be explicitly authorized by the beneficial owner of the interest payments to report interest payments to the Swiss Federal Tax Administration and ultimately to the tax authorities of his country of residence. Such report will then substitute the withholding tax.

According to Guidelines issued by the Federal Tax Administration on 24 June 2005 relating to the European Union taxation of savings, Swiss banks, securities dealers, as well as other companies or individuals, who on a professional basis, occasionally or regularly, accept to invest in interest producing investments for third parties and who transfer interest qualify as "paying agents" (from the perspective of the withholding of tax). Swiss paying agents have the duty to identify the beneficial owners of the interest and to register with the Federal Tax Administration.

EU Savings Directive

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income (the "**EU Savings Directive**"). The EU Savings Directive is, in principle, applied by Member States as from 1 July 2005 and has been implemented in Luxembourg by the Law of 21 June 2005.

Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent within the meaning of the EU Savings Directive to an individual resident or certain types of entities called "residual entities" established in that other Member State (or certain dependent and associated territories).

For a transitional period, however, Austria, Belgium and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner does not comply with one of two procedures for information reporting, the Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system will apply for a transitional period during which the rate of withholding will be 15 per cent. from 1 July 2005 to 30 June 2008, 20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. as of 1 July 2011. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. See "European Union Directive on the Taxation of Savings Income in the Form of Interest Payments (Council Directive 2003/48/EC)".

Also with effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino), have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual resident or a residual entity established in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, an individual residual or an entity established in one of those territories.

Italy has implemented the Directive through Legislative Decree No. 84 of 18 April 2005 (the Decree 84/2005). Under Decree 84/2005, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 (including the case of interest accrued on the Notes at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State or in certain associated territories of Member States, Italian paying agents (i.e. banks, Italian investment firms (*società di intermediazione mobiliare* or "**SIM**"), fiduciary companies, Italian management companies (*società di gestione del risparmio* or "**SGR**") resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the Member State of residence of the relevant beneficial owner. In certain circumstances, the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), whose profits are taxed under general arrangements for business taxation

and, in certain circumstance, undertakings for collective investments in transferable securities ("UCITS") recognised in accordance with Directive 85/611/EEC.

Taxation in Hong Kong

The following statements summarise certain Hong Kong tax consequences relating to the Notes. The statements do not purport to be a comprehensive description of all the tax consequences that may be relevant to a decision to purchase, own or dispose of the Notes and may not apply equally to all persons. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of their ownership of the Notes.

Withholding Tax

No withholding tax will be applied in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising on the sale or redemption of the Notes.

Profits Tax

Profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

- (a) Interest on the Notes will be subject to profits tax in the following circumstances:
 - (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company, other than a financial institution, carrying on a trade, profession or business in Hong Kong;
 - (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
 - (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap.112) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.
- (b) Sums derived from the sale, disposal or redemption of the Notes, unless the sums can be treated as deriving from the sale of capital assets, will be subject to profits tax where received by or accrued to any person who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source.

Stamp Duty

No stamp duty will be payable on the issue of the Notes in registered form. Stamp duty may be payable on transfer of the Notes in registered form if the transfer of the Notes in registered form is required to be registered in Hong Kong. Stamp duty will not be payable provided either:

- (a) the Notes in registered form are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstance in the currency of Hong Kong; or
- (b) the Notes in registered form constitute loan capital (as defined in the Stamp Duty Ordinance (Cap.117) of Hong Kong).

If stamp duty is payable in respect of the transfer of the Notes in registered form, it will be payable at the rate of 0.1 per cent. each by the seller and the purchaser by reference to the amount of the consideration or market value of the Notes in registered form, whichever is the greater.

No stamp duty will be payable on the issue of the Notes in bearer form unless they are issued in Hong Kong. Stamp duty will not be payable provided either:

- (a) the Notes in bearer form are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstance in the currency of Hong Kong; or
- (b) the Notes in bearer form constitute loan capital (as defined in the Stamp Duty Ordinance (Cap.117) of Hong Kong).

If stamp duty is payable, it will be payable by the Issuer before the issue of the Notes in bearer form at a rate of 3 per cent. of the market value of the Notes. No stamp duty will be payable on any subsequent transfer of the Notes in bearer form.

Taxation in Singapore

The statements below are general in nature and are based on certain aspects of current tax laws, announced changes in the 2007 Budget Speech, practice and administrative guidelines issued by the Monetary Authority of Singapore ("MAS") and is subject to any changes in such laws, announced taxation measures or administrative guidelines, occurring after such date, which changes could be made on a retroactive basis. The statements do not purport to be a comprehensive description of all the tax consequences that may be relevant to a decision to acquire, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Purchasers of the Notes who are in doubt about their respective tax positions or any such tax implications of the acquisition, ownership or disposal of the Notes should consult their own professional advisers.

Interest and Discount income

Interest and discount income derived by a Noteholder who is not resident in Singapore and who does not have any permanent establishment in Singapore is not subject to tax, as the interest and discount income is likely to be regarded as arising from a source outside Singapore. If, however, the interest and discount income should be regarded as being sourced in Singapore, the interest and discount income could nonetheless be exempt from tax, including withholding of tax, if the Notes qualify as "qualifying debt securities" for the purposes of the Singapore Income Tax Act ("ITA") as discussed below.

Subject to certain prescribed conditions being fulfilled and if the Dealers in respect of more than half of the principal sum of a Tranche of Notes issued under the Programme from the date of this Base Prospectus to 31 December 2008 are each a financial sector incentive (bond market) company (as defined in the ITA), such Tranche of Notes issued may qualify as "qualifying debt securities" for the purposes of the ITA. If such Tranche of Notes are qualifying debt securities:

- (a) interest and discount income on the Notes derived by a holder who is not resident in Singapore and who does not have any permanent establishment in Singapore is exempt from Singapore tax. Non-residents who have permanent establishments in Singapore will also have the benefit of this exemption, provided that the funds used by them to acquire the Notes are not obtained from any operations in Singapore. Funds from Singapore operations means, in relation to a person, the funds and profits of that person's operations through a permanent establishment in Singapore; and
- (b) interest and discount income on the Notes derived by any company or body of persons as defined in the ITA in Singapore is subject to tax at a concessionary rate of 10 per cent.

However, notwithstanding the foregoing:

- (i) if during the primary launch of such Tranche of the Notes, the Notes of such Tranche are issued to less than four persons and 50 per cent. or more of the principal amount of the Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Notes would not qualify as "qualifying debt securities"; and
- (ii) even though such Tranche of Notes are "qualifying debt securities", if, at any time during the tenure of such Tranche of Notes, 50 per cent or more of the principal amount of the Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, interest and discount income derived from such Tranche of Notes held by (1) any related party of the Issuer, or (2) any other person where the funds used by such person to acquire such Tranche of Notes are obtained, directly or indirectly, from any related party of the Issuer, shall not be eligible for the tax exemption or the concessionary rate of tax of 10 per cent.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Issuer is permitted to make payment of the interest and discount income on a Tranche of Notes which are qualifying debt securities under the ITA without deduction or withholding for tax under Section 45 of the ITA, any person whose interest and discount income derived from such Tranche of Notes is not exempt from tax is required to include such interest and discount income in a return of income made under the ITA.

It was announced in the 2007 Budget that tax exemption or concessionary tax rates will be accorded to prepayment fee, redemption premium and break costs that are derived by investors from qualifying debt securities issued on or after 15 February 2007. Details will be issued by the MAS in due course.

Capital Gains

There is no capital gains tax in Singapore. However, any gains from the sale of the Notes derived by a person as part of a trade or business carried on by that person in Singapore may be taxable in Singapore as such gains are considered revenue in nature.

Estate Duty

Singapore estate duty is imposed on the value of immovable property situated in Singapore and movable property, wherever it may be situated, passing on the death of an individual domiciled in Singapore.

Accordingly, Notes passing upon the death of an individual domiciled in Singapore are subject to estate duty payable to the extent that the value of the Notes aggregated with any other movable assets subject to Singapore estate duty exceeds S\$600,000.

For a person not domiciled in Singapore, estate duty will be payable only on the value of all immovable property situated in Singapore. Accordingly, for an individual holder of the Notes who is not domiciled in Singapore at the time of the individual's death, the Notes will not be subject to Singapore estate duty.

Prospective purchasers of the Notes who are individuals, whether or not domiciled in Singapore, should consult their own tax advisers regarding the Singapore estate duty consequences of their investment.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in an Amended and Restated Distribution Agreement dated 9 July 2007 (the “**Distribution Agreement**”) between the Issuers, the Guarantor and the Dealers named therein the Notes will be offered on a continuing basis by the Issuer through the Dealers. The Issuers 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 Issuers 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 Issuers, failing whom the Guarantor (in the case of Notes issued by Fortis Luxembourg), 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 Issuers 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 Issuers, failing whom the Guarantor (in the case of Notes issued by Fortis Luxembourg), 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 Issuers and the Guarantor or, in relation to itself and the relevant 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.

SELLING RESTRICTIONS

The following is only a description as at the date of this Base Prospectus of certain restrictions that may vary from time to time. Prospective investors and purchasers of Notes must inform themselves about all the relevant, applicable and up-to-date restrictions prior to investing in the Notes. Moreover the selling restrictions that are applicable to a Tranche of Notes may be modified in the relevant Final Terms if agreed by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s). Each Dealer has undertaken that it will, to the best of its knowledge, comply with all applicable securities laws, regulations and directives in each country or jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any other such offering material, in all cases at its own expense, and has agreed that it will only do so if it has been approved by the relevant Issuer and, if applicable, the Guarantor.

IN THE EUROPEAN ECONOMIC AREA

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg Law dated 10 July 2005 on prospectuses for securities, and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Consequently Notes issued under the Programme may be offered to the public, in accordance with the requirements of the Prospectus Directive.

The Issuers have requested the CSSF to provide to the relevant competent authority of the Netherlands, Belgium, France, Poland and Spain respectively with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Issuers reserve the right to request the CSSF to provide the competent authority of any other host Member State, in the meaning of the Prospectus Directive, with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive, such notification being accompanied by the relevant translation of the summary of this Base Prospectus, if applicable.

Belgium

Belgium has implemented the Prospectus Directive and the section headed “*European Economic Area*” below is applicable.

With regard to Notes having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Directive), this Base Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Banking, Finance and Insurance Commission. Accordingly, each Dealer has represented and agreed that it shall refrain from taking any action that would be characterised as a public offering of these

Notes in Belgium in accordance with the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

Each Dealer has represented and agreed that it will not sell Notes to any person qualifying as a consumer within the meaning of Article 1.7° of the Belgian law of 14 July 1991 on consumer protection and trade practices, unless such sale is made in compliance with this law and its implementing regulation.

France

Each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that, unless the approval of this Base Prospectus by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) has been notified to the French *Autorité des marchés financiers* (the “**AMF**”) in accordance with Article 18 of the Prospectus Directive, as implemented in France, and all the other procedures and formalities required by French laws and regulations to permit the offering and sale of Notes to the public in France have been carried out, it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to providers of investment services relating to portfolio management for the account of third parties and/or to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in Articles L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2°.

In addition, each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

Republic of Hungary

The Base Prospectus has not been and will not be submitted to the Hungarian Financial Supervisory Authority for approval and any Notes will not be offered in the Republic of Hungary in a public offer or private placement as defined in the Act No. CXX of 2001 on the Capital Markets. Each Dealer has confirmed its awareness of the above and has represented that it has not offered or sold and undertakes that it will not offer or sell any Notes in the Republic of Hungary in a public offer or private placement and will not offer any Notes for sale to the general public in the Republic of Hungary.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in a solicitation to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to “Professional Investors”, as defined in Article 31.2 of CONSOB Regulation No. 11522 of 1 July 1998, as amended (“**Regulation No. 11522**”), pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (“**Decree No. 58**”);
- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in a solicitation to the public in the period (i) commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under Decree 58 and CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**Regulation No. 11971**”), and (ii) ending on the date which is 12 months after the date of publication of such prospectus; and
- (3) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, Regulation No. 11522 and any other applicable laws and regulations; and

- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in Italy

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with professional investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

Spain

Each Dealer has represented and agreed that it has only made and will only make an offer of the Notes to the public (*oferta pública*) in Spain in the period beginning on the date of notification of the approval of this Base Prospectus in relation to the Notes by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in Luxembourg to the *Comisión Nacional del Mercado de Valores* (the “**CNMV**”) in Spain, in accordance with the Spanish Securities Market Act (*Ley 24/1988 de 28 de julio, del Mercado de Valores*), as amended, Royal Decree 1310/2005, of 4 November 2005, developing partially the Spanish Securities Market Law as regards admission to listing on official secondary markets, public offers and the prospectus required thereto and the regulations made thereunder, and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus.

The Kingdom of Norway

No offering material relating to the Notes has been or will be approved by the Oslo Stock Exchange. Accordingly, each Dealer has represented and agreed that it has not offered or sold and will not offer or sell any Notes directly or indirectly in the Kingdom of Norway or to residents of the Kingdom of Norway and that it has not distributed and will not distribute any offering material relating to the Notes in or from the Kingdom of Norway.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranches are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein “Zero Coupon Notes” are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

The United Kingdom

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than 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 who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer, (ii) it has complied and will comply with all applicable provisions of the FSMA 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 communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21(1) of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not or, in the case of the Guarantor, would not, if it was not an authorised person, apply to the relevant Issuer or the Guarantor.

European Economic Area Public Offer Selling Restrictions

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **"Relevant Member State"**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **"Relevant Implementation Date"**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **"Non-exempt Offer"**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- (d) in Poland at any time to any other person who fall within the definition of "qualified investor" as that term is defined in Article 8 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies;
- (e) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (f) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

Provided that no such offer of Notes referred to in (b), (c), (e) and (f) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression **"an offer of Notes to the public"** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **"Prospectus Directive"** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

OUTSIDE THE EUROPEAN ECONOMIC AREA

Australia

No prospectus or other disclosure document in relation to the Programme or any Notes has been lodged with, or registered by, the Australian Securities and Investments Commission (**"ASIC"**) or the Australian Stock Exchange Limited. Each Dealer has represented and agreed that:

- (a) it has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Notes within, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) it has not distributed or published, and will not distribute or publish, the Base Prospectus or any other offering material or advertisement relating to any Notes in Australia,

unless (i) the minimum aggregate consideration payable by each offeree is at least AUD 500,000 (disregarding moneys lent by the offerer or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act 2001 of Australia, and (ii) such action complies with all applicable laws and regulations and directives and does not require any document to be lodged with ASIC.

In addition, each Dealer has agreed that, in connection with the primary distribution of any Notes, it will not sell Notes to any person, if, at the time of such sale, the employees of the Dealer are aware of, or involved in, the sale or knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by the relevant Issuer for the purposes of section 128F(5) of the Income Tax Assessment Act 1936 of Australia.

Netherlands Antilles

Each Dealer has represented and agreed that any Notes (including rights representing an interest in a Note in global form) that are offered, as part of their initial distribution or by way of re-offering, in the Netherlands Antilles, shall, in order to comply with the Netherlands Antilles National Ordinance on the supervision of banking and credit institutions 1994 (*Landsverordening toezicht bank- en kredietwezen 1994*, the “**NOSBC**”), only be offered, sold, transferred or delivered in the Netherlands Antilles to credit institutions licensed in accordance with the NOSBC or with the benefit of an individual exemption granted by the Central Bank of the Netherlands Antilles (*Bank van de Nederlandse Antillen*).

Hong Kong

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”) and each Dealer has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in, compliance with, the Securities and Exchange Law and all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

New Zealand

Each Dealer has represented and agreed that it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Note, and it will not distribute any offering memorandum or advertisement in relation to any offer of Notes, in New Zealand, unless the minimum subscription price payable for Notes is at least NZ\$ 500,000 (disregarding any amount lent by the offeror, the relevant Issuer or any associated person of the offeror or relevant Issuer) and the minimum holding of Notes is at least NZ\$ 500,000, or that offer, sale or delivery is in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

Each Dealer has represented and agreed that, in relation to any Note issues by an Issuer, it has not offered or sold, and will not offer or sell, any Notes to persons whom it believes to be persons to whom any amounts payable on the Notes are or would be subject to New Zealand resident withholding tax, unless such persons certify that they hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the relevant Issuer or to a Paying Agent).

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the “**SFA**”).

Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person, as defined in Section 275(2) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with, the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of any other applicable provision of the SFA.

Investors should note that any subsequent sale of the Notes acquired pursuant to an offer in this Base Prospectus and the Final Terms made under exemptions (i) or (ii) above, within a period of six months from the date of initial acquisition, is restricted to (a) institutional investors, (b) relevant persons as defined in Section 275(2) of the SFA, and (c) persons pursuant to an offer referred to in Section 275(1A) of the SFA.

Each Dealer has further represented, warranted and agreed to notify (whether through the distribution of this Base Prospectus, the Final Terms or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes or otherwise) and hereby notifies each of the following relevant persons specified in Section 276 of the SFA which subscribes or purchases Notes from or through that Dealer, namely a person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor under Section 274 of the SFA or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA;
- (2) (in the case of a corporation) where the transfer arises from an offer referred to in section 275(1A) or (in the case of a trust) where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- (3) where no consideration is or will be given for the transfer; or
- (4) where the transfer is by operation of law.

Switzerland

Only securities dealers registered under the Securities Trading Act of 24 March 1995 ("**SESTA**") are entitled to offer securities to the public in Switzerland.

The relevant selling restrictions applicable in Switzerland will be included in the relevant Final Terms or in a Swiss supplement to the Base Prospectus.

Turkey

Each Dealer has acknowledged that pursuant to Article 15 of Decree No. 32 containing the Foreign Exchange Rules of Turkey, the purchase and sale of any Notes issued in a foreign jurisdiction to persons resident in Turkey are permitted and are not subject to restrictions, except that the transfers relating to the purchase or sale of such Notes should be made through authorised banks or intermediary institutions authorised to carry out securities transactions according to the Capital Market Legislation of Turkey. Each Dealer has represented, warranted and agreed that it is not permitted to distribute any disclosure documents relating to the issue of any Notes in Turkey without observing the provisions of the Communiqué III, No. 20 of the Capital Market Board regarding the Sale of Foreign Capital Market Instruments in Turkey

United States of America

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, or the Fiscal Agent or, in the case of X/N Notes, the Domiciliary 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.

GENERAL

Except for those countries or jurisdictions where a public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted on the basis of (i) the approval by the CSSF of this Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg and (ii) the certificates of approval as provided by the CSSF to the competent authorities in such relevant countries or jurisdictions, no action has been or will be taken in any country or jurisdiction by the Issuers, the Guarantor or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified by the agreement of the relevant Issuer, the Guarantor (in the case of Notes issued by Fortis Luxembourg) and the Dealers following a change in, or in the interpretation or application of, a relevant law, regulation or directive. Any such supplement or modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

Each of the Dealers, the relevant Issuer and (in the case of Notes issued by Fortis Luxembourg) 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 Base Prospectus 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 country or jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any other offering material, in all cases at its own expense.

FORMS OF FINAL TERMS

FORM OF FINAL TERMS 1

FORM OF FINAL TERMS TO BE USED FOR ISSUANCES OF NOTES WITH A DENOMINATION OF LESS THAN €50,000 TO BE LISTED AND ADMITTED TO TRADING ON A REGULATED MARKET AND/OR OFFERED TO THE PUBLIC IN ONE OR MORE COUNTRIES OF THE EUROPEAN ECONOMIC AREA

Final Terms dated [•]

[Fortis Bank nv-sa

(incorporated as a public company with limited liability (naamloze vennootschap/société anonyme) under the laws of Belgium, having its registered office in Montagne du Parc 3, B-1000 Brussels, and registered with the register of legal entities of Brussels under enterprise No. 0403.199.702]

[Fortis Luxembourg Finance S.A.

(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under No. B 24.784)]

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

[Guaranteed by FORTIS BANK nv-sa]

under the EUR 30,000,000,000

Euro Medium Term Note Programme

[[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 40 of Part A below, provided such person is one of the persons mentioned in Paragraph 40 of Part A below and that such offer is made during the Offer Period specified for such purposes therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]¹⁰.

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligations arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]¹¹]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 9 July 2007 [and the supplement to the Base Prospectus dated [•]] which [together]

¹⁰ Include this legend where a non-exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated.

¹¹ Include this legend where only an exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated.

constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented] (together, the “**Base Prospectus**”).

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus*] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange] and copies may be obtained from Fortis Luxembourg Finance S.A. at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and Fortis Bank nv-sa at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, Fortis Banque Luxembourg S.A. at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands, Fortis Banque (Suisse) S.A. at 20, boulevard des Philosophes CH-1211 Geneva and Citibank, N.A. at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [*]]. This document contains the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [*]] (together, the “**Base Prospectus**”) which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [*]] and are attached hereto.

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus*] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange] and copies may be obtained from Fortis Luxembourg Finance S.A. at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and Fortis Bank nv-sa at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, Fortis Banque Luxembourg S.A. at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands, Fortis Banque (Suisse) S.A. at 20, boulevard des Philosophes CH-1211 Geneva and Citibank, N.A. at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

These Final Terms do 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 these Final Terms in any jurisdiction where such action is required.

An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors included in the Base Prospectus and any complementary risk considerations included in these Final Terms prior to investing in the Notes. Each prospective investor should also carefully consider the tax considerations relating to the Notes included in the Base Prospectus and any other up-to-date tax considerations that would be relevant for such prospective investor.

Moreover, prospective investors and purchasers of Notes must inform themselves about all the relevant applicable and up-to-date restrictions, including but not limited to, selling and transfer restrictions relating to the Notes, prior to investing in the Notes.

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, prospective investors should consult a specialised financial advisor or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on its own independent review of the information included in the Base Prospectus and in this Final Terms.

* Only include details of a supplement to the Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

[Risk Warning¹²

Investment in the Notes is directed at sophisticated investors who are conversant with the considerable risks involved in credit derivatives, who are willing to assume such risks, and who can absorb a partial or complete loss of principal and interest. The Notes carry various risks including, without limitation, the insolvency risk of the Issuer and the Guarantor and the insolvency, payment default and credit risk of the Reference [Entity/Entities]. There may be little or no secondary market for the Notes.

If a Credit Event occurs, the principal amount of the Notes will be reduced in accordance with the provisions hereof. Accordingly, the amount payable to investors on redemption may be substantially less than the initial principal amount of the Notes, and may even be zero. Consequently, you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.]

[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 guidance for completing the Final Terms.]

[When completing any final terms or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

Unless stated otherwise, include all the items listed in Part A – Contractual Terms of these Final Terms in connection with all Notes.

- | | | | |
|----|--------|--|--|
| 1. | [(i)] | Issuer: | Fortis Bank nv-sa/Fortis Luxembourg Finance S.A. |
| | [(ii)] | Guarantor: | Fortis Bank nv-sa] |
| 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: | [•] [(being equivalent of [•] Units)] |
| 4. | | Form: | [Bearer Notes][Exchangeable Bearer Notes][Registered Notes] |
| 5. | | Principal Amount of Tranche: | |
| | [(i)] | Series: | [•] |
| | [(ii)] | Tranche: | [•] |
| 6. | | 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)] |
| 7. | | Specified Denominations and Units: | |
| | [(i)] | Specified Denomination(s): | [•] |

¹² to be inserted in the case of an issuance of Credit-linked Notes or Cash-Settled Credit Linked Notes.

[Notes issued under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms “regulated market” and “offer to the public” are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency)]

[EUR 50,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 99,000. No notes in definitive form will be issued with a denomination above EUR 99,000.]

(ii) Calculation Amount: [•]

[The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations, the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).]

[(iii) Trading in Units: [Applicable/Not Applicable]

[If Trading in Units is specified as being Applicable then the Notes will be tradeable (only whilst such Notes are in global form and interests therein are reflected in the records of the relevant clearing systems) by reference to the number of Notes being traded (each having the Specified Denomination) as opposed to the aggregate principal amount of Notes being traded. [Trading in Units may only be specified as being Applicable if the Notes have a single Specified Denomination.]]

8. [(i) Issue Date: [•]

[(ii) Interest Commencement Date: [•]]

9. 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 or nearest to [specify month and year]]

[The Notes are Junior Subordinated Notes and accordingly have no Maturity Date]

[If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]

10. Interest Basis: [[•] per cent. Fixed Rate]
[[specify reference rate] +/-
[•] per cent. Floating Rate]
[Zero Coupon]
[Variable Coupon Amount]
[Index-Linked Interest]
[Equity-Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
11. Redemption Amount: [Principal Amount]
[Index-Linked Redemption]
[Equity-Linked Redemption]
[Variable-Linked Redemption]
[specify other]
(further particulars specified below)
12. Change of Interest or Redemption Amount: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
13. Terms of redemption at the option of the Issuer/Noteholders or other Issuer's/Noteholders' option: [•]
[(further particulars specified below)]
14. [(i)] Status of the Notes: [Senior/Senior Subordinated/Junior Subordinated¹³]
[(ii)] Status of the Guarantee: [Senior/Senior Subordinated/Junior Subordinated/Not applicable]¹⁴

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Interest Rate[s]: [•] per cent. per annum [payable
[annually/semiannually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iii) Interest Period Dates: [•]
- (iv) Fixed Coupon Amount[(s)]: [•] per Calculation Amount [Do not specify a Fixed Coupon Amount for Cash-Settled Credit Linked Notes]
- (v) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (vi) Day Count Fraction: [30/360/Actual/Actual (ICMA)/other]

¹³ In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.

¹⁴ Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee (delete accordingly where the Issuer is Fortis Bank nv-sa:) Date of [Fortis Luxembourg Finance S.A.'s Board and Guarantor's Fortis Bank nv-sa's Management Committee approval for issuance of Notes [and Guarantee] obtained: [•] [and [•], respectively]

	(vii) Other terms relating to the method of calculating interest for Fixed Interest Rate Notes:	[Not Applicable/give details]
16.	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Interest Payment Date(s):	[•]
	(ii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
	(iii) Additional Business Centre(s):	[•] <i>[Note that this item relates to the definition of "Relevant Business Day" (Condition 5(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)).]</i>
	(iv) Reference Banks:	[specify four]
	(v) Spread (if applicable):	[•] per cent. per annum
	(vi) Spread Multiplier (if applicable)	[•]
	(vii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]):	[•]
	(viii) Relevant Time (if applicable)	[•]
	(ix) Screen Rate Determination:	
	– Benchmark:	[EURO BBA LIBOR, EURIBOR or other benchmark]
	– Interest Determination Date(s):	[[•] Business Days in [specify city] prior to] [the first day in each Interest Period/each Interest Payment Date]
	– Relevant Screen Page:	[•] [For example, Reuters LIBOR 01/EURIBOR 01]
	– Relevant Financial Centre:	[•] [For example, London/Euro-zone (where Euro-zone means the region comprised of countries whose lawful currency is the euro)]
	(x) ISDA Determination:	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]

	– Reset Date:	[•]
(xi)	Minimum Interest Rate:	[•] per cent. per annum
(xii)	Maximum Interest Rate:	[•] per cent. per annum
(xiii)	Day Count Fraction:	[•]
(xiv)	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:	[•]
17.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>	
(i)	<i>Amortisation Yield (Zero Coupon/High Interest/Low Interest Note):</i>	[•] per cent. per annum
(ii)	Reference Price (Zero Coupon/High Interest/Low Interest Note):	[•]
(iii)	Any other formula/basis of determining amount payable:	[•]
18.	Index-Linked Interest Note/Equity-Linked Interest Note/other variable-linked interest Note Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>	
(i)	Index/Formula/other variable:	[give or annex details]
(ii)	Calculation Agent responsible for calculating the interest due:	[•]
(iii)	Provisions for determining coupon where calculated by reference to Index and/or Formula and/or other variable:	[•]
(iv)	Determination Date(s)	[•]
(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[•]

[Need to include a description of market disruption or settlement disruption events and adjustment provision]

- | | | |
|--|--|--|
| (vi) | Interest or Calculation Period Dates/Interest Payment Dates: | [•] |
| (vii) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)] |
| (viii) | Additional Business Centre(s): | [•] |
| <i>[Note that this item relates to the definition of "Relevant Business Day" (Condition 5(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)).]</i> | | |
| (ix) | Minimum Interest Rate: | [•] per cent. per annum |
| (x) | Maximum Interest Rate: | [•] per cent. per annum |
| (xi) | Day Count Fraction: | [•] |
| (xii) | Description of any market disruption or settlement disruption events that affect the underlying: | [•] |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|---|---|-----------------------------|
| 19. | Redemption at the option of the Issuer or other Issuer's option | [Applicable/Not Applicable] |
| <i>[In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.]</i> | | |
| <i>[If not applicable, delete the remaining sub-paragraphs of this paragraph]</i> | | |
| (i) | Issuer's Option Period: | [•] |
| <i>[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]</i> | | |
| (ii) | Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [•] per Calculation Amount |
| <i>[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]</i> | | |
| (iii) | If redeemable in part: | |
| | – minimum redemption amount: | [•] per Calculation Amount |
| | – maximum redemption amount: | [•] per Calculation Amount |

20. Redemption at the option of the Noteholder or other Noteholder's option [Applicable/Not Applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Noteholder's Option Period: [•]
- [Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]
- (ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
21. Final Redemption Amount of each Note [[•] per Calculation Amount]
- [For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]
- In cases where the Final Redemption Amount is linked to an index, shares or other variable-linked:
- (i) Index/formula/variable: [•]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount [give or annex details]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
- [(iv) Determination Date(s): [•]]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) Payment Date: [•]
- (vii) Minimum Final Redemption Amount: [•]
- (viii) Maximum Final Redemption Amount: [•]
22. Early Redemption Amount

- (i) Early redemption for taxation reasons and method of calculating the same (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
- (a) Early Redemption Amount of each Note payable on redemption: [specify amount/Not Applicable]
[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]
- (b) Method of calculating (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
[The Issuer will not pay any additional amount in case of tax changes.]
[specify other method/arrangements]
- (ii) Early redemption on event of default and method of calculating the same (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
- (a) Early Redemption Amount of each Note payable on redemption: [specify amount/Not Applicable]
[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]
- (b) Method of calculating (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
[The Early Redemption Amount will be determined by the Calculation Agent. An amount shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) to have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer under the Notes (including, but not limited to, taking into consideration the obligation of the Issuer to make payments of interest under the Notes and the cost to the Issuer [or the Guarantor] of unwinding any contractual or swap arrangements.
- For the purposes of determining the Early Redemption Amount, the Calculation Agent shall, for avoidance of doubt, act as an independent expert and not as an agent for the Issuer or the Noteholders.
- All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the Noteholders.
- The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.]
- [specify other method/arrangements]

- (iii) Early redemption for other reasons (*specify*) and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
- (a) Early Redemption Amount of each Note payable on redemption: [Applicable/Not Applicable]
[specify amount]
[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]
- (b) Method of calculating (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
[specify method/arrangements]
23. Instalment Date(s) (if applicable): [•]
24. Instalment Amount(s) (if applicable): [•]
25. Unmatured Coupons to become void upon early redemption: [•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes: Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes 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 in the limited circumstances specified in the Permanent Global Note]. *[Insert this option for Notes issued by Fortis Bank nv-sa and cleared through the X/N System.]*

[Registered Notes]
27. New Global Note: [Applicable/Not Applicable]

[If "Not Applicable" is specified, ensure that "Not Applicable" is also specified for Eurosystem eligibility in the relevant paragraph of section 10 of Part B of these Final Terms, and if "Applicable" is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem eligibility.]
28. Business Day Jurisdictions for Condition 7(g) and any special provisions relating to payment dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iii) and 18(viii) relate]
29. 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]

- | | | |
|-----|---|--|
| 30. | Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made: | [Not Applicable/ <i>give details</i>] |
| 31. | Consolidation provisions: | [Not Applicable/The provisions annexed to these Final Terms apply] |
| 32. | Exchange for Definitive Notes at the request of the holder at the expense of: | [the Issuer/Holder] |

INDEX LINKED NOTES PROVISIONS

- | | | |
|-----|-------------------------|---|
| 33. | Index Linked Provisions | [Applicable/Not Applicable]

<i>[If "Not Applicable" delete remaining sections of this paragraph]</i> |
|-----|-------------------------|---|

[The following provisions in items (i) to (xv) apply to Notes linked to a single index only (delete all of these items if not applicable):

- | | | |
|--------|---------------------------|---|
| (i) | Averaging Dates: | [specify dates or delete if not applicable] |
| (ii) | Barrier Level: | [[•] per cent. of Initial Index Level (or delete if not applicable)] |
| (iii) | Business Day: | [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]] |
| (iv) | Exchange(s): | [specify relevant exchange if "Non-Multi Exchange Index" is specified below, otherwise delete] |
| (v) | Expiration Date: | [specify date or delete if not applicable] |
| (vi) | Index: | [specify] |
| (vii) | Index Sponsor: | [specify or delete if fallback provisions in Part 2A to apply] |
| (viii) | Initial Index Level: | [specify the Index Level on the Strike Date or delete if not applicable] |
| (ix) | Multi-Exchange Index: | [Yes/No] |
| (x) | Non Multi-Exchange Index: | [Yes/No] |
| (xi) | Observation Date(s): | [specify or delete if not applicable] |
| (xii) | Observation Period: | [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable] |
| (xiii) | Strike Date: | [specify or delete if not applicable] |
| (xiv) | Strike Price: | [specify or delete if not applicable] |
| (xv) | Other: | [insert any other relevant terms] |

[The following provisions in items (i) to (xiii) apply to Notes linked to a basket of indices only (delete all of these items if not applicable):

- | | | |
|-----|------------------|---|
| (i) | Averaging Dates: | [specify dates or delete if not applicable] |
|-----|------------------|---|

- (ii) Barrier Level: [[•] per cent. of Initial Index Level (or delete if not applicable)]
- (iii) Basket: [specify names of Indices and their respective weightings]
[indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices]
- (iv) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]
- (v) Exchange(s): [specify relevant exchange if “Non-Multi Exchange Index” is specified below, otherwise delete]
- (vi) Expiration Date: [specify date or delete if not applicable]
- (vii) Index Sponsor: [specify or delete if fallback provisions impart 2B to apply]
- (viii) Initial Index Level: [specify the Index Level on the Strike Date or delete if not applicable]
- (ix) Observation Date(s): [specify date or delete if not applicable]
- (x) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xi) Strike Date: [specify or delete if not applicable]
- (xii) Strike Price: [specify or delete if not applicable]
- (xiii) Other [insert any other relevant terms]]

EQUITY LINKED NOTES PROVISIONS

34. Equity Linked Provisions [Applicable/Not Applicable]
[If “Not Applicable” delete remaining sections of this paragraph]

[The following provisions in items (i) to (xx) apply to Notes linked to a single share only (delete all of these items if not applicable)]

- (i) Averaging Dates: [specify dates or delete if not applicable]
- (ii) Barrier Level: [[•] per cent. of Initial Index Level (or delete if not applicable)]
- (iii) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]
- (iv) Constant Monitoring: [specify as applicable and delete “Valuation Time Only” below, or delete if not applicable]
- (v) Exchange: [specify]
- (vi) Expiration Date: [specify date or delete if not applicable]
- (vii) Final Share Price: [specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable]
- (viii) Initial Share Price: [specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable]

- (ix) Observation Date(s): [specify date(s) or delete if not applicable]
- (x) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xi) Share Amount: [specify formula or delete if not applicable]
- (xii) Share Currency: [specify]
- (xiii) Share Delivery: [specify as applicable or delete if no applicable]
- [if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)]
- [if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes]
- (xiv) Share Delivery Date: [[specify date], subject to Condition 6(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (or delete if not applicable)]
- (xv) Share Issuer: [specify]
- (xvi) Shares: [provide name and short description of type of shares issued by the Share Issuer]
- (ISIN: [•])
- (xvii) Strike Date: [specify or delete if not applicable]
- (xviii) Strike Price: [specify or delete if not applicable]
- (xix) Valuation Time Only: [specify as applicable and delete “Constant Monitoring” above, or delete if not applicable]
- (xx) Other: [Insert any other relevant terms]]

[The following provisions at items (i) to (xx) apply to Notes linked to a Basket of Shares only (delete all of these items if not applicable):

- (i) Averaging Dates: [specify dates or delete if not applicable]
- (ii) Barrier Level: [[•] per cent. of Initial Index Level (or delete if not applicable)]
- (iii) Basket: “**Basket**” means a basket composed of Shares in the relative [proportions/numbers of Shares] of each Share Issuer specified below:
- [Insert details of:
- * Share Issuer
- * [Proportion/number of Shares]
- * ISIN number
- * Exchange]

- (iv) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]
- (v) Constant Monitoring: [specify as applicable and delete “Valuation Time Only” below or delete if not applicable]
- (vi) Expiration Date: [specify date or delete if not applicable]
- (vii) Final Share Price: [specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable]
- (viii) Initial Share Price: [specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable]
- (ix) Observation Date(s): [specify date(s) or delete if not applicable]
- (x) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xi) Share Amount: [specify formula or delete if not applicable]
- (xii) Share Currency: [specify]
- (xiii) Share Delivery: [specify as applicable or delete if no applicable]

[if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)]

[if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes]
- (xiv) Share Delivery Date: [[specify date], subject to Condition 6(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (or delete if not applicable)]
- (xv) Share Issuer: [specify]
- (xvi) Shares: [provide name and a short description of type of shares issued by the Share Issuer]

(ISIN: [•])
- (xvii) Strike Date: [specify or delete if not applicable]
- (xviii) Strike Price: [specify or delete if not applicable]
- (xix) Valuation Time Only: [specify as applicable and delete “Constant Monitoring” above or delete if not applicable]
- (xx) Other terms: [insert any other relevant terms]]

CREDIT LINKED NOTE PROVISIONS

- 35. Credit Linked Note Provisions: [Not Applicable/Applicable]

[If “Not Applicable” delete remaining sections of this paragraph]
- (i) First-to-Default Credit Linked Notes with Physical Settlement [Part 4A shall apply / Not Applicable]

[specify all the relevant data of the CDS Confirmation and review and amend Part 4A as applicable]

- | | | |
|-------|---|---|
| (ii) | First-to-Default Credit Linked Notes with Cash Settlement | [Part 4B shall apply / Not Applicable]

<i>[specify all the relevant data of the CDS Confirmation and review and amend Part 4B as applicable]</i> |
| (iii) | Credit Linked Notes with a static portfolio of reference entities as underlying | [Part 4C shall apply / Not Applicable]

<i>[specify all the relevant data of the CDS Confirmation including the Reference Portfolio and review and amend Part 4C as applicable]</i> |
36. Other terms or special conditions: *Include a condition to permit the early redemption in whole or in part of the Notes upon the designation of an Event Determination Date (as defined in Part 4A, 4B or 4C as applicable). Consider (i) suspension of maturity date for potential or unsettled credit events; (ii) timing of the cessation of interest and (iii) procedures for physical delivery to Noteholders where applicable.*
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)*

DISTRIBUTION

- | | | |
|-----|--|---|
| 37. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | [Not Applicable/give names and addresses and underwriting commitments]

<i>(include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)</i> |
| | (ii) Stabilising Manager (if any): | [Not Applicable/give name] |
| | (iii) Date of Subscription Agreement: | [•] |
| | (iv) Total commission and concession: | [•] per cent. of the Principal Amount of Tranche |
38. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
39. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable]
40. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and *[specify, if applicable]*] other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* ("**Public Offer Jurisdictions**") during the period from *[specify date]* until *[specify date]* ("**Offer Period**"). See further Paragraph 11 of Part B below.]
41. Additional selling restrictions: [Not Applicable/give details]

ADMISSION TO TRADING

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdiction and to list and have admitted to trading the Notes described herein pursuant to the EUR

30,000,000,000 Euro Medium Term Note Programme of Fortis Bank nv-sa and Fortis Luxembourg Finance S.A. guaranteed by Fortis Bank nv-sa.

RESPONSIBILITY

The Issuer [and the Guarantor][†] accept responsibility for the information contained in these Final Terms.

[[•] has been extracted from [•]. [Each of the/The]^{*} Issuer [and the Guarantor]^{*} confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by^{**} [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

[Signed on behalf of the Guarantor:

By:

Duly authorised][†]

[†] Delete where the Issuer is Fortis Bank nv-sa.

^{*} Delete in each case as applicable.

^{**} Include where any information sourced from a third party has been reproduced, and provide necessary details.

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing:
- [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [listing on the official list and to trading on the Luxembourg Stock Exchange/trading on [•]] with effect from [•].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to [listing on the official list and to trading on the Luxembourg Stock Exchange/trading on [•]] with effect from [•].]
- [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

2. RATINGS

- Ratings:
- The Notes to be issued have been rated:
- [S & P: [•]]
- [Moody's: [•]]
- [Other]: [•]]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3. [NOTIFICATION

The Luxembourg *Commission de Surveillance du Secteur Financier* [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the *[include names of competent authorities of host Member States]* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as disclosed in “Plan of Distribution”, so far as the Issuer [and the Guarantor] [is/are] aware, no person involved in the offer of the Notes has an interest material to the offer”

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer [•]

(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(ii) Estimated net proceeds: [•].

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) Estimated total expenses: [•].

[Include breakdown of expenses.]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

6. [Fixed Rate Notes only – YIELD

Indication of yield: [•].

Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. [Floating Rate Notes only – HISTORIC INTEREST RATES]

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

8. [Index-linked or other variable-linked Notes only – **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING (TO BE INCLUDED FOR DERIVATIVE SECURITIES TO WHICH ANNEX XII TO THE PROSPECTIVE DIRECTIVE REGULATIONS APPLIES)**

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex X11 of the Prospectus Directive Regulation.]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

(i) [Name of index/share] [specify]

(ii) [Description of index (if composed by Issuer)/share:] [specify]

(iii) [Information on index (if not composed by Issuer)/share:] [specify]

- (iv) The underlying is a security/share: [name of the issuer of the security/share]
[ISIN Code or other identification code]
- (v) The underlying is a basket of underlyings: [disclosure of relevant weightings of each underlying in the basket]

9. [Dual Currency Notes only – **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

10. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if "Yes" selected in which case the Notes must be issued in NGN form]

- (iv) X/N Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "Yes" simply means that the X/N Notes are intended upon issue to be deposited with the National Bank of Belgium and does not necessarily mean that such X/N Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if "Yes" selected]

- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): [X/N System/Not Applicable/give name(s) and number(s)]

* Only applicable in relation to X/N Notes issued by Forties Bank nv-sa

- | | | |
|--------|---|--|
| (vi) | Delivery: | Delivery [against/free of] payment |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | [•] |
| (viii) | Name and address of Calculation Agent: | [Fortis Banque Luxembourg S.A./Fortis Bank nv-sa/the Dealer/any other third party] |

11. TERMS AND CONDITIONS OF THE OFFER

- | | | |
|--------|--|--|
| (i) | Offer Price: | [Issue Price] <i>[specify]</i> |
| (ii) | Conditions to which the offer is subject: | [Not Applicable/ <i>give details</i>] |
| (iii) | Description of the application process: | [Not Applicable/ <i>give details</i>] |
| (iv) | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not Applicable/ <i>give details</i>] |
| (v) | Details of the minimum and/or maximum amount of application: | [Not Applicable/ <i>give details</i>] |
| (vi) | Details of the method and time limits for paying up and delivering the Notes: | [Not Applicable/ <i>give details</i>] |
| (vii) | Manner in and date on which results of the offer are to be made to the public: | [Not Applicable/ <i>give details</i>] |
| (viii) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/ <i>give details</i>] |
| (ix) | Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: | [Not Applicable/ <i>give details</i>] |
| (x) | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made; | [Not Applicable/ <i>give details</i>] |
| (xi) | Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not Applicable/ <i>give details</i>] |
| (xii) | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. | [None/ <i>give details</i>] |

FORM OF FINAL TERMS 2

FORM OF FINAL TERMS TO BE USED FOR ISSUANCES OF NOTES WITH A DENOMINATION OF AT LEAST €50,000 TO BE LISTED AND ADMITTED TO TRADING ON AN EU REGULATED MARKET

Final Terms dated [•]

[Fortis Bank nv-sa

(incorporated as a public company with limited liability (naamloze vennootschap/société anonyme) under the laws of Belgium, having its registered office in Montagne du Parc 3, B-1000 Brussels, and registered with the register of legal entities of Brussels under enterprise No. 0403.199.702]

[Fortis Luxembourg Finance S.A.

(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under No. B 24.784)]

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

[Guaranteed by FORTIS BANK nv-sa]

under the EUR 30,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms 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 Base Prospectus dated 9 July 2007. These Final Terms of the Notes and must be read in conjunction with such Base Prospectus.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Base Prospectus dated [original date]. These Final Terms of the Notes and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [•] save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto.]

These Final Terms do 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 these Final Terms in any jurisdiction where such action is required.

An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors included in the Base Prospectus and any complementary risk considerations included in these Final Terms prior to investing in the Notes. Each prospective investor should also carefully consider the tax considerations relating to the Notes included in the Base Prospectus and any other up-to-date tax considerations that would be relevant for such prospective investor.

Moreover, prospective investors and purchasers of Notes must inform themselves about all the relevant applicable and up-to-date restrictions, including but not limited to, selling and transfer restrictions relating to the Notes, prior to investing in the Notes.

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, prospective investors should consult a specialised financial advisor or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on its own independent review of the information included in the Base Prospectus and in this Final Terms.

[Risk Warning]¹⁵

Investment in the Notes is directed at sophisticated investors who are conversant with the considerable risks involved in credit derivatives, who are willing to assume such risks, and who can absorb a partial or complete loss of principal and interest. The Notes carry various risks including, without limitation, the insolvency risk of the

¹⁵ to be inserted in the case of an issuance of Credit-linked Notes or Cash-Settled Credit Linked Notes.

If a Credit Event occurs, the principal amount of the Notes will be reduced in accordance with the provisions hereof. Accordingly, the amount payable to investors on redemption may be substantially less than the initial principal amount of the Notes, and may even be zero. Consequently, you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.]

[When completing any final terms or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. [(i)] Issuer: Fortis Bank nv-sa/Fortis Luxembourg Finance S.A.

2. [(i)] Series Number: [.]

[If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible]

4. Form: [Bearer Notes]
[Exchangeable Bearer Notes]
[Registered Notes]

[(i)] Series: [•]

6. 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)]

[(i)] Specified Denomination(s): [•]

[Notes issued under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms “regulated market” and “offer to the public” are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency)]

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- (ii) Calculation Amount: [•]
- [The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations or the circumstances referred to in Note 6 above apply (e.g. Specified Denominations of €50,000 and multiples of €1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified , the highest common factor of those Specified Denomination Denominations).]*
- [(iii) Trading in Units: [Applicable/Not Applicable]
- [If Trading in Units is specified as being Applicable then the Notes will be tradeable (only whilst such Notes are in global form and interests therein are reflected in the records of the relevant clearing systems) by reference to the number of Notes being traded (each having the Specified Denomination) as opposed to the aggregate principal amount of Notes being traded. [Trading in Units may only be specified as being Applicable if the Notes have a single Specified Denomination.]]*
8. [(i) Issue Date: [•]
- [(ii) Interest Commencement Date: [•]]
9. 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 or nearest to [specify month and year]] [The Notes are Junior Subordinated Notes and accordingly have no Maturity Date]
- [If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]*
10. Interest Basis: [[•] per cent. Fixed Rate]
[[specify reference rate] +/-
[•] per cent. Floating Rate]
[Zero Coupon]
[Variable Coupon Amount]
[Index-Linked Interest]
[Equity-Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
11. Redemption Amount: [Principal Amount]
[Index-Linked Redemption]
[Equity-Linked Redemption]
[Variable-Linked Redemption]
[specify other]
(further particulars specified below)
12. Change of Interest or Redemption Amount: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]

13. Terms of redemption at the option of the Issuer/Noteholders or other Issuer's/Noteholders' option: [•]
 [(further particulars specified below)]
14. [(i)] Status of the Notes: [Senior/Senior Subordinated/Junior Subordinated¹⁶]
 [(ii)] Status of the Guarantee: [Senior/Senior Subordinated/Junior Subordinated/Not applicable]¹⁷

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Interest Rate[s]: [•] per cent. per annum [payable annually/semiannually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"]/not adjusted]
- (iii) Interest Period Dates: [•]
- (iv) Fixed Coupon Amount[(s)]: [•] per [•] Calculation Amount [Do not specify a Fixed Coupon Amount for Cash-Settled Credit Linked Notes]
- (v) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (vi) Day Count Fraction: [30/360/Actual/Actual (ICMA)/other]
- (vii) Other terms relating to the method of calculating interest for Fixed Interest Rate Notes: [Not Applicable/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Interest Payment Date(s): [•]
- (ii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iii) Additional Business Centre(s): [•]
[Note that this item relates to the definition of "Relevant Business Day" (Condition 5(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)).]

¹⁶ In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.

¹⁷ Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee (delete accordingly where the Issuer is Fortis Bank nv-sa:) Date of [Fortis Luxembourg Finance S.A.'s Board and Guarantor's Fortis Bank nv-sa's Management Committee approval for issuance of Notes [and Guarantee] obtained: [•] [and [•], respectively]

- | | | |
|--------|--|---|
| (iv) | Reference Banks: | [specify four] |
| (v) | Spread (if applicable): | [•] per cent. per annum |
| (vi) | Spread Multiplier (if applicable) | [•] |
| (vii) | Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]): | [•] |
| (viii) | Relevant Time (if applicable) | [•] |
| (ix) | Screen Rate Determination: | |
| | – Benchmark: | [EURO BBA LIBOR, EURIBOR or other benchmark] |
| | – Interest Determination Date(s): | [[•] Business Days in [specify city] prior to] [the first day in each Interest Period/each Interest Payment Date] |
| | – Relevant Screen Page: | [•] |
| | – Relevant Financial Centre: | [•] |
| | | [For example, London/Euro-zone (where Euro-zone means the region comprised of countries whose lawful currency is the euro)] |
| (x) | ISDA Determination: | |
| | – Floating Rate Option: | [•] |
| | – Designated Maturity: | [•] |
| | – Reset Date: | [•] |
| (xi) | Minimum Interest Rate: | [•] per cent. per annum |
| (xii) | Maximum Interest Rate: | [•] per cent. per annum |
| (xiii) | Day Count Fraction: | [•] |
| (xiv) | 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: | [•] |
| 17. | Zero Coupon Note Provisions | [Applicable/Not Applicable] |
| | | (If not applicable, delete the remaining sub-paragraphs 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:	[•]
18.		Index-Linked Interest Note/Equity-Linked Interest Note/other variable-linked interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Index/Formula/other variable:	<i>[give or annex details]</i>
	(ii)	Calculation Agent responsible for calculating the interest due:	[•]
	(iii)	Provisions for determining coupon where calculated by reference to Index and/or Formula and/or other variable:	[•]
	(iv)	Determination Date(s)	[•]
	(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[•]
			<i>[Need to include a description of market disruption or settlement disruption events and adjustment provision]</i>
	(vi)	Interest or calculation Period Dates/Interest Payment Dates:	[•]
	(vii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
	(viii)	Additional Business Centre(s):	[•]
			<i>[Note that this item relates to the definition of "Relevant Business Day" (Condition 5(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)).]</i>
	(ix)	Minimum Interest Rate:	[•] per cent. per annum
	(x)	Maximum Interest Rate:	[•] per cent. per annum
	(xi)	Day Count Fraction:	[•]
	(xii)	Description of any market disruption or settlement disruption events that affect the underlying:	[•]

PROVISIONS RELATING TO REDEMPTION

19. Redemption at the option of the Issuer or other Issuer's option [Applicable/Not Applicable]
- [In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.]*
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Issuer's Option Period: [•]
- [Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*
- (ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount.
- [For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]*
- (iii) If redeemable in part:
- minimum redemption amount: [•] per Calculation Amount.
- maximum redemption amount: [•] per Calculation Amount.
20. Redemption at the option of the Noteholder or other Noteholder's option [Applicable/Not Applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Noteholder's Option Period: [•]
- [Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*
- (ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount.
21. Final Redemption Amount of each Note [[•] per Calculation Amount.
- [For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]*
- In cases where the Final Redemption Amount is linked to an index, shares or other variable-linked:
- (i) Index/formula/variable: [•]

- | | | |
|--------|--|-------------------------|
| (ii) | Calculation Agent responsible for calculating the Final Redemption Amount | [give or annex details] |
| (iii) | Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: | [•] |
| [(iv)] | Determination Date(s): | [•] |
| (v) | Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | [•] |
| (vi) | Payment Date: | [•] |
| (vii) | Minimum Final Redemption Amount: | [•] |
| (viii) | Maximum Final Redemption Amount: | [•] |
22. Early Redemption Amount
- | | | |
|------|---|---|
| (i) | Early redemption for taxation reasons and method of calculating the same (if required or if different from that set out in the Conditions): | [Applicable/Not Applicable] |
| (a) | Early Redemption Amount of each Note payable on redemption: | [specify amount/Not Applicable]

<i>[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]</i> |
| (b) | Method of calculating (if required or if different from that set out in the Conditions): | [Applicable/Not Applicable]

[The Issuer will not pay any additional amount in case of tax changes.]

[specify other method/arrangements] |
| (ii) | Early redemption on event of default and method of calculating the same (if required or if different from that set out in the Conditions): | [Applicable/Not Applicable] |
| (a) | Early Redemption Amount of each Note payable on redemption: | [specify amount/Not Applicable]

<i>[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]</i> |

	(b) Method of calculating (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable]
		<p>[The Early Redemption Amount will be determined by the Calculation Agent. An amount shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) to have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer under the Notes (including, but not limited to, taking into consideration the obligation of the Issuer to make payments of interest under the Notes and the cost to the Issuer [or the Guarantor] of unwinding any contractual or swap arrangements.</p> <p>For the purposes of determining the Early Redemption Amount, the Calculation Agent shall, for avoidance of doubt, act as an independent expert and not as an agent for the Issuer or the Noteholders.</p> <p>All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the Noteholders.</p> <p>The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.]</p> <p>[specify other method/arrangements]</p>
	(iii) Early redemption for other reasons (<i>specify</i>) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable]
	(a) Early Redemption Amount of each Note payable on redemption:	[Applicable/Not Applicable]
		[specify amount]
		[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]
	(b) Method of calculating (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable]
		[specify method/arrangements]
23.	Instalment Date(s) (if applicable):	[*]
24.	Instalment Amount(s) (if applicable):	[*]
25.	Unmatured Coupons to become void upon early redemption:	[*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26.	Form of Notes:	Bearer Notes:
		[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes 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 in the limited circumstances specified in the Permanent Global Note].

[Insert this option for Notes issued by Fortis Bank nv-sa and cleared through the X/N System.]

[Registered Notes]

27. New Global Note:

[Applicable/Not Applicable]

[If "Not Applicable" is specified, ensure that "Not Applicable" is also specified for Eurosystem eligibility in the relevant paragraph of section 10 of Part B of these Final Terms, and if "Applicable" is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem eligibility.]

28. Business Day Jurisdictions for Condition 7(g) and any special provisions relating to payment dates:

[Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iii) and 18(viii) relate]

29. 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]

30. Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made:

[Not Applicable/give details]

31. Consolidation provisions:

[Not Applicable/The provisions annexed to these Final Terms apply]

32. Exchange for Definitive Notes at the request of the holder at the expense of:

[the Issuer/Holder]

INDEX LINKED NOTES PROVISIONS

33. Index Linked Provisions

[Applicable/Not Applicable]

[If "Not Applicable" delete remaining sections of this paragraph]

[The following provisions in items (i) to (xv) apply to Notes linked to a single index only (delete all of these items if not applicable):

(i) Averaging Dates:

[specify dates or delete if not applicable]

(ii) Barrier Level:

[[•] per cent. of Initial Index Level (or delete if not applicable)]

(iii) Business Day:

[A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]

(iv) Exchange(s):

[specify relevant exchange if "Non-Multi Exchange Index" is specified below, otherwise delete]

(v) Expiration Date:

[specify date or delete if not applicable]

(vi) Index:

[specify]

- (vii) Index Sponsor: [specify or delete if fallback provisions in Part 2A to apply]
- (viii) Initial Index Level: [specify the Index Level on the Strike Date or delete if not applicable]
- (ix) Multi-Exchange Index: [Yes/No]
- (x) Non Multi-Exchange Index: [Yes/No]
- (xi) Observation Date(s): [specify or delete if not applicable]
- (xii) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xiii) Strike Date: [specify or delete if not applicable]
- (xiv) Strike Price: [specify or delete if not applicable]
- (xv) Other: [insert any other relevant terms]]

[The following provisions in items (i) to (xiii) apply to Notes linked to a basket of indices only (delete all of these items if not applicable):

- (i) Averaging Dates: [specify dates or delete if not applicable]
- (ii) Barrier Level: [[•] per cent. of Initial Index Level (or delete if not applicable)]
- (iii) Basket: [specify names of Indices and their respective weightings]

[indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices]
- (iv) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]
- (v) Exchange(s): [specify relevant exchange if “Non-Multi Exchange Index” is specified below, otherwise delete]
- (vi) Expiration Date: [specify date or delete if not applicable]
- (vii) Index Sponsor: [specify or delete if fallback provisions impart 2B to apply]
- (viii) Initial Index Level: [specify the Index Level on the Strike Date or delete if not applicable]
- (ix) Observation Date(s): [specify date or delete if not applicable]
- (x) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xi) Strike Date: [specify or delete if not applicable]
- (xii) Strike Price: [specify or delete if not applicable]
- (xiii) Other [insert any other relevant terms]]

EQUITY LINKED NOTES PROVISIONS

34. Equity Linked Provisions [Applicable/Not Applicable]

[If “Not Applicable” delete remaining sections of this paragraph]

[The following provisions in items (i) to (xx) apply to Notes linked to a single share only (delete all of these items if not applicable)]

- | | | |
|---------|----------------------|---|
| (i) | Averaging Dates: | <i>[specify dates or delete if not applicable]</i> |
| (ii) | Barrier Level: | <i>[[•] per cent. of Initial Index Level (or delete if not applicable)]</i> |
| (iii) | Business Day: | <i>[A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]</i> |
| (iv) | Constant Monitoring: | <i>[specify as applicable and delete “Valuation Time Only” below, or delete if not applicable]</i> |
| (v) | Exchange: | <i>[specify]</i> |
| (vi) | Expiration Date: | <i>[specify date or delete if not applicable]</i> |
| (vii) | Final Share Price: | <i>[specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable]</i> |
| (viii) | Initial Share Price: | <i>[specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable]</i> |
| (ix) | Observation Date(s): | <i>[specify date(s) or delete if not applicable]</i> |
| (x) | Observation Period: | <i>[The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]</i> |
| (xi) | Share Amount: | <i>[specify formula or delete if not applicable]</i> |
| (xii) | Share Currency: | <i>[specify]</i> |
| (xiii) | Share Delivery: | <i>[specify as applicable or delete if no applicable]</i>

<i>[if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)]</i>

<i>[if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes]</i> |
| (xiv) | Share Delivery Date: | <i>[[specify date], subject to Condition 6(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (or delete if not applicable)]</i> |
| (xv) | Share Issuer: | <i>[specify]</i> |
| (xvi) | Shares: | <i>[provide name and short description of type of shares issued by the Share Issuer]</i>

<i>(ISIN: [•])</i> |
| (xvii) | Strike Date: | <i>[specify or delete if not applicable]</i> |
| (xviii) | Strike Price: | <i>[specify or delete if not applicable]</i> |
| (xix) | Valuation Time Only: | <i>[specify as applicable and delete “Constant Monitoring” above, or delete if not applicable]</i> |
| (xx) | Other: | <i>[Insert any other relevant terms]</i> |

[The following provisions at items (i) to (xx) apply to Notes linked to a Basket of Shares only (delete all of these items if not applicable):

- (i) Averaging Dates: *[specify dates or delete if not applicable]*
- (ii) Barrier Level: *[[•] per cent. of Initial Index Level (or delete if not applicable)]*
- (iii) Basket: **"Basket"** means a basket composed of Shares in the relative [proportions/numbers of Shares] of each Share Issuer specified below:

[Insert details of:

** Share Issuer*

** [Proportion/number of Shares]*

** ISIN number*

** Exchange]*
- (iv) Business Day: *[A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]*
- (v) Constant Monitoring: *[specify as applicable and delete "Valuation Time Only" below or delete if not applicable]*
- (vi) Expiration Date: *[specify date or delete if not applicable]*
- (vii) Final Share Price: *[specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable]*
- (viii) Initial Share Price: *[specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable]*
- (ix) Observation Date(s): *[specify date(s) or delete if not applicable]*
- (x) Observation Period: *[The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]*
- (xi) Share Amount: *[specify formula or delete if not applicable]*
- (xii) Share Currency: *[specify]*
- (xiii) Share Delivery: *[specify as applicable or delete if no applicable]*

[if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)]

[if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes]
- (xiv) Share Delivery Date: *[[specify date], subject to Condition 6(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (or delete if not applicable)]*
- (xv) Share Issuer: *[specify]*
- (xvi) Shares: *[provide name and a short description of type of shares issued by the Share Issuer]*

(ISIN: [•])

- (xvii) Strike Date: [specify or delete if not applicable]
- (xviii) Strike Price: [specify or delete if not applicable]
- (xix) Valuation Time Only: [specify as applicable and delete "Constant Monitoring" above or delete if not applicable]
- (xx) Other terms: [insert any other relevant terms]]

CREDIT LINKED NOTE PROVISIONS

35. Credit Linked Note Provisions: [Not Applicable/Applicable]
- [If "Not Applicable" delete remaining sections of this paragraph]
- (i) First-to-Default Credit Linked Notes with Physical Settlement [Part 4A shall apply / Not Applicable]
- [specify all the relevant data of the CDS Confirmation and review and amend Part 4A as applicable]
- (ii) First-to-Default Credit Linked Notes with Cash Settlement [Part 4B shall apply / Not Applicable]
- [specify all the relevant data of the CDS Confirmation and review and amend Part 4B as applicable]
- (iii) Credit Linked Notes with a static portfolio of reference entities as underlying [Part 4C shall apply / Not Applicable]
- [specify all the relevant data of the CDS Confirmation including the Reference Portfolio and review and amend Part 4C as applicable]
36. Other terms or special conditions: *Include a condition to permit the early redemption in whole or in part of the Notes upon the designation of an Event Determination Date (as defined in Part 4A, 4B or 4C as applicable). Consider (i) suspension of maturity date for potential or unsettled credit events; (ii) timing of the cessation of interest and (iii) procedures for physical delivery to Noteholders where applicable.*
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)*

DISTRIBUTION

37. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names]
- (include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)]*
- (ii) Stabilising Manager (if any): [Not Applicable/give name]
- (iii) Total commission and concession: [•] per cent. of the Principal Amount of Tranche
38. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
39. U.S. Selling Restrictions: [Reg. S. Compliance Category; TEFRA C/ TEFRA D/ TEFRA not applicable]

40. Additional selling restrictions: [Not Applicable/*give details*]

ADMISSION TO TRADING

These Final Terms comprise the final terms required to list and have admitted to trading the Notes described herein pursuant to the EUR 30,000,000,000 Euro Medium Term Note Programme of Fortis Bank nv-sa and Fortis Luxembourg Finance S.A. guaranteed by Fortis Bank nv-sa.

RESPONSIBILITY

The Issuer [and the Guarantor][†] accept responsibility for the information contained in these Final Terms.

[[•] has been extracted from [•]. [Each of the/The][†] Issuer [and the Guarantor]^{*} confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading (not required where Notes will not be admitted to trading on a regulated market and/or offered to the public in the European Economic Area).]^{**}

Signed on behalf of the Issuer:

By:
Duly authorised

[Signed on behalf of the Guarantor:

By:
Duly authorised][†]

[†] Delete where the Issuer is Fortis Bank nv-sa.

^{*} Delete in each case as applicable.

^{**} Include where any information sourced from a third party has been reproduced, and provide necessary details.

PART B – OTHER INFORMATION

[For Notes which are not to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area only parts 1(i), 1(ii), 5(ii) and the paragraph under “Operational Information” should be included in “Part B – Other Information”]

1. LISTING

- (i) Listing: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [listing on the official list and to trading on the Luxembourg Stock Exchange/trading on [•]] with effect from [•].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to [listing on the official list and to trading on the Luxembourg Stock Exchange/trading on [•]] with effect from [•].]
- [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
- (ii) Estimates of total expenses related to admission to trading: [•]

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- [S & P: [•]]
- [Moody's: [•]]
- [[Other]: [•]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3. [NOTIFICATION]

The Luxembourg Commission de Surveillance du Secteur Financier [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the *[include names of competent authorities of host Member States]* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as discussed in "Plan of Distribution", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer [•]
- (See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*
- [(ii)] Estimated net proceeds: [•].
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- [(iii)] Estimated total expenses: [•].
- [Include breakdown of expenses.]*
- (If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*
6. [Fixed Rate Notes only – **YIELD**
- Indication of yield:** [•].
- Calculated as [include details of method of calculation in summary form] on the Issue Date. (Insert for retail issue only)*
- As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*
7. [Floating Rate Notes only – **HISTORIC INTEREST RATES** *[Include Item 7 for a retail issue only]*
- Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]*
8. *[Index-linked or other variable-linked Notes only –* **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, [REQUIRED FOR RETAIL ISSUES ONLY – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING (TO BE INCLUDED FOR DERIVATIVE SECURITIES TO WHICH ANNEX XII TO THE PROSPECTIVE DIRECTIVE REGULATIONS APPLIES)**
- Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident] (text in square brackets not required for wholesale issues). [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraphs 4.2 of the Prospectus Directive Regulations.]*
- (When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*
- The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].
- (i) [Name of index/share] [specify]

- | | | |
|-------|---|--|
| (ii) | [Description of index (if composed by Issuer)/share:] | [specify] |
| (iii) | [Information on index (if not composed by Issuer)/share:] | [specify] |
| (iv) | The underlying is a security/share: | [name of the issuer of the security/share]
[ISIN Code or other identification code] |
| (v) | The underlying is a basket of underlyings: | [disclosure of relevant weightings of each underlying in the basket] |

9. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

10. **OPERATIONAL INFORMATION**

- | | | |
|-------|---|-------------------------|
| (i) | ISIN Code: | [•] |
| (ii) | Common Code: | [•] |
| (iii) | New Global Note intended to be held in a manner which would allow Eurosystem eligibility: | [Not Applicable/Yes/No] |

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]*

- | | | |
|------|--|-------------------------|
| (iv) | X/N Note intended to be held in a manner which would allow Eurosystem eligibility: | [Not Applicable/Yes/No] |
|------|--|-------------------------|

[Note that the designation "Yes" simply means that the X/N Notes are intended upon issue to be deposited with the National Bank of Belgium and does not necessarily mean that such X/N Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected]*

* Only applicable in relation to X/N Notes issued by Forties Bank nv-sa

(v)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s):	[X/N System/Not Applicable/ <i>give name(s) and number(s)</i>]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(viii)	Name and address of Calculation Agent:	[Fortis Banque Luxembourg S.A./Fortis Bank nv-sa/the Dealer/any other third party]
(ix)	Conditions to which the offer is subject:	[The Issuer reserves the right to withdraw the present offer, if the minimum amount is not placed or if there are market or other disruptions not enabling a smooth settlement of the Notes, as determined by the Issuer in its sole discretion/ <i>Not Applicable</i> /[<i>other</i>]]
(x)	Total amount of the offer:	[•] <i>(If the amount is not fixed, provide a description of the arrangements and time for announcements to the public the amount of the offer)</i>
(xi)	An offer to the public:	[An offer to the public will be made in [<i>specify</i>] from (and including) [<i>date</i>] to (and including) [<i>date</i>]/Not Applicable]. [<i>other details</i>]
(xii)	Minimum and/or maximum amount of application:	[[•]/Not Applicable]
(xiii)	Method and time limits for paying for the securities and for the delivery of the securities:	[[•]/Not Applicable]
(xiv)	Manner and date in which results of the offer are to be made public:	[[•]/Not Applicable]
(xv)	Categories of potential investors to which the securities are offered:	[[•]/Not Applicable]
(xvi)	Process for notification to applicants of amount allotted:	[[•]/Not Applicable]
(xvii)	Expected price and method of determination:	[[•]/Not Applicable]
(xviii)	Expenses and taxes charged to the subscriber/purchaser:	[[•]/Not Applicable]

FORM OF FINAL TERMS 3

FORM OF FINAL TERMS TO BE USED FOR ISSUANCES OF UNLISTED NOTES THE PLACEMENT OF WHICH DOES NOT REQUIRE THE PUBLICATION OF A PROSPECTUS PURSUANT TO THE PROSPECTUS DIRECTIVE 2003/71/EC

Final Terms dated [-]

[Fortis Bank nv-sa

(incorporated as a public company with limited liability (naamloze vennootschap/société anonyme) under the laws of Belgium, having its registered office in Montagne du Parc 3, B-1000 Brussels, and registered with the register of legal entities of Brussels under enterprise No. 0403.199.702)]

[Fortis Luxembourg Finance S.A.

(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under No. B 24.784)]

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

**[Guaranteed by FORTIS BANK nv-sa]
under the EUR 30,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms 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 Base Prospectus dated 9 July 2007. These Final Terms of the Notes and must be read in conjunction with such Base Prospectus.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Base Prospectus dated [original date]. These Final Terms of the Notes and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [-]], save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto.]

These Final Terms do 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 these Final Terms in any jurisdiction where such action is required.

An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors included in the Base Prospectus and any complementary risk considerations included in these Final Terms prior to investing in the Notes. Each prospective investor should also carefully consider the tax considerations relating to the Notes included in the Base Prospectus and any other up-to-date tax considerations that would be relevant for such prospective investor.

Moreover, prospective investors and purchasers of Notes must inform themselves about all the relevant applicable and up-to-date restrictions, including but not limited to, selling and transfer restrictions relating to the Notes, prior to investing in the Notes.

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, prospective investors should consult a specialised financial advisor or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on its own independent review of the information included in the Base Prospectus and in this Final Terms.

[Risk Warning]¹⁸

Investment in the Notes is directed at sophisticated investors who are conversant with the considerable risks involved in credit derivatives, who are willing to assume such risks, and who can absorb a partial or complete loss of principal and interest. The Notes carry various risks including, without limitation, the insolvency risk of the

¹⁸ to be inserted in the case of an issuance of Credit-link Notes or Cash-Settled Linked Notes.

If a Credit Event occurs, the principal amount of the Notes will be reduced in accordance with the provisions hereof. Accordingly, the amount payable to investors on redemption may be substantially less than the initial principal amount of the Notes, and may even be zero. Consequently, you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.]

Unless stated otherwise, include all the items listed in Part A – Contractual Terms of these Final Terms in connection with all Notes.

- UK/1198371/10

[If Trading in Units is specified as being Applicable then the Notes will be tradeable (only whilst such Notes are in global form and interests therein are reflected in the records of the relevant clearing systems) by reference to the number of Notes being traded (each having the Specified Denomination) as opposed to the aggregate principal amount of Notes being traded. [Trading in Units may only be specified as being Applicable if the Notes have a single Specified Denomination.]]

8.

[(i)]	Issue Date:	[•]
[(ii)]	Interest Commencement Date:	[•]
9. 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 or nearest to [specify month and year]] [The Notes are Junior Subordinated Notes and accordingly have no Maturity Date]

[If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]
10. Interest Basis:

[[•] per cent. Fixed Rate] [[specify reference rate] +/- [•] per cent. Floating Rate] [Zero Coupon] [Variable Coupon Amount] [Index-Linked Interest] [Equity-Linked Interest] [Non Interest Bearing] [specify other] (further particulars specified below)

11. Redemption Amount:

[Principal Amount] [Index-Linked Redemption] [Equity-Linked Redemption] [Variable-Linked Redemption] [specify other] (further particulars specified below)

12. Change of Interest or Redemption Amount:

[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
--
13. Terms of redemption at the option of the Issuer/Noteholders or other Issuer's/Noteholders' option:

[•] [(further particulars specified below)]
--
14.

[(i)]	Status of the Notes:	[Senior/Senior Subordinated/Junior Subordinated ¹⁹]
[(ii)]	Status of the Guarantee:	[Senior/Senior Subordinated/Junior Subordinated/Not applicable] ²⁰

¹⁹ In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Interest Rate[s]: [•] per cent. per annum [payable annually/semiannually/quarterly/monthly] in arrear]
 - (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"/not adjusted]
 - (iii) Interest Period Dates: [•]
 - (iv) Fixed Coupon Amount[(s)]: [•] per Calculation Amount [Do not specify a Fixed Coupon Amount for Cash-Settled Credit Linked Notes]
 - (v) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•].
 - (vi) Day Count Fraction: [30/360/Actual/Actual (ICMA)/other]
 - (vii) Other terms relating to the method of calculating interest for Fixed Interest Rate Notes: [Not Applicable/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Payment Date(s): [•]
 - (ii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
 - (iii) Additional Business Centre(s): [•]
- [Note that this item relates to the definition of "Relevant Business Day" (Condition 5(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)).]*
- (iv) Reference Banks: [specify four]
 - (v) Spread (if applicable): [•] per cent. per annum
 - (vi) Spread Multiplier (if applicable) [•]

²⁰ Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee (delete accordingly where the Issuer is Fortis Bank nv-sa:) Date of [Fortis Luxembourg Finance S.A.'s Board and Guarantor's Fortis Bank nv-sa's Management Committee approval for issuance of Notes [and Guarantee] obtained: [•] [and [•], respectively]

(vii)	Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]):	[•]
(viii)	Relevant Time (if applicable)	[•]
(ix)	Screen Rate Determination:	
	– Benchmark:	[EURO BBA LIBOR, EURIBOR or other benchmark]
	– Interest Determination Date(s):	[[•] Business Days in [specify city] prior to] [the first day in each Interest Period/each Interest Payment Date]
	– Relevant Screen Page:	[•]
	– Relevant Financial Centre:	[For example, Reuters LIBOR 01/EURIBOR 01] [For example, London/Euro-zone (where Euro-zone means the region comprised of countries whose lawful currency is the euro)]
(x)	ISDA Determination:	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
(xi)	Minimum Interest Rate:	[•] per cent. per annum
(xii)	Maximum Interest Rate:	[•] per cent. per annum
(xiii)	Day Count Fraction:	[•]
(xiv)	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:	[•]
17.	Zero Coupon Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs 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:	[•]

18.	Index-Linked Interest Note/Equity-Linked Interest Note/other variable-linked interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Index/Formula/other variable:	[give or annex details]
(ii)	Calculation Agent responsible for calculating the interest due:	[•]
(iii)	Provisions for determining coupon where calculated by reference to Index and/or Formula and/or other variable:	[•]
(iv)	Determination Date(s)	[•]
(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[•]
		<i>[Need to include a description of market disruption or settlement disruption events and adjustment provision]</i>
(vi)	Interest or Calculation Period Dates/Interest Payment Dates:	[•]
(vii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(viii)	Additional Business Centre(s):	[•] <i>[Note that this item relates to the definition of "Relevant Business Day" (Condition 5(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)).]</i>
(ix)	Minimum Interest Rate:	[•] per cent. per annum
(x)	Maximum Interest Rate:	[•] per cent. per annum
(xi)	Day Count Fraction:	[•]
(xii)	Description of any market disruption or settlement disruption events that affect the underlying:	[•]

PROVISIONS RELATING TO REDEMPTION

19.	Redemption at the option of the Issuer or other Issuer's option	[Applicable/Not Applicable] <i>[In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.]</i>
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		<i>[If not applicable, delete the remaining sub-paragraphs of this paragraph]</i>
	(i) Issuer's Option Period:	[•]
		<i>[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]</i>
	(ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount. <i>[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]</i>
	(iii) If redeemable in part:	
	– minimum redemption amount:	[•] per Calculation Amount.
	– maximum redemption amount:	[•] per Calculation Amount.
20.	Redemption at the option of the Noteholder or other Noteholder's option	[Applicable/Not Applicable] <i>[If not applicable, delete the remaining sub-paragraphs of this paragraph]</i>
	(i) Noteholder's Option Period:	[•]
		<i>[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]</i>
	(ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount.
21.	Final Redemption Amount of each Note	[•] per Calculation Amount. <i>[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]</i>
	In cases where the Final Redemption Amount is linked to an index, shares or other variable-linked:	
	(i) Index/formula/variable:	[•]
	(ii) Calculation Agent responsible for calculating the Final Redemption Amount	<i>[give or annex details]</i>
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[•]
	[(iv) Determination Date(s):	[•]]

- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (vi) Payment Date: [•]
 - (vii) Minimum Final Redemption Amount: [•] per Calculation Amount.
 - (viii) Maximum Final Redemption Amount: [•] per Calculation Amount.
22. Early Redemption Amount
- (i) Early redemption for taxation reasons and method of calculating the same (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
 - (a) Early Redemption Amount of each Note payable on redemption: [specify amount/Not Applicable]
 [For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]
 - (b) Method of calculating (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
 [The Issuer will not pay any additional amount in case of tax changes.]
 [specify other method/arrangements]
 - (ii) Early redemption on event of default and method of calculating the same (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
 - (a) Early Redemption Amount of each Note payable on redemption: [specify amount/Not Applicable]
 [For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]
 - (b) Method of calculating (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
 [The Early Redemption Amount will be determined by the Calculation Agent. An amount shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) to have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer under the Notes (including, but not limited to, taking into consideration the obligation of the Issuer to make payments of interest under the Notes and the cost to the Issuer [or the Guarantor] of unwinding any contractual or swap arrangements.]

For the purposes of determining the Early Redemption Amount, the Calculation Agent shall, for avoidance of doubt, act as an independent expert and not as an agent for the Issuer or the Noteholders.

All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the Noteholders.

The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.]

[specify other method/arrangements]

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| (iii) | Early redemption for other reasons (<i>specify</i>) and/or the method of calculating the same (if required or if different from that set out in the Conditions): | [Applicable/Not Applicable] |
| (a) | Early Redemption Amount of each Note payable on redemption: | <p>[Applicable/Not Applicable]</p> <p>[specify amount]</p> <p>[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]</p> |
| (b) | Method of calculating (if required or if different from that set out in the Conditions): | <p>[Applicable/Not Applicable]</p> <p>[specify method/arrangements]</p> |
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- | | | |
|-----|---|-----|
| 23. | Instalment Date(s) (if applicable): | [•] |
| 24. | Instalment Amount(s) (if applicable): | [•] |
| 25. | Unmatured Coupons to become void upon early redemption: | [•] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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|-----|------------------|--|
| 26. | Form of Notes: | <p>Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on in the limited circumstances specified in the Permanent Global Note.]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.]</p> <p>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note].
 <i>[Insert this option for Notes issued by Fortis Bank nv-sa and cleared through the X/N System.]</i></p> <p>[Registered Notes]</p> |
| 27. | New Global Note: | [Applicable/Not Applicable] |

[If “Not Applicable” is specified, ensure that “Not Applicable” is also specified for Eurosystem eligibility in the relevant paragraph of section 10 of Part B of these Final Terms, and if “Applicable” is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem eligibility.]

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| 28. | Business Day Jurisdictions for Condition 7(g) and any special provisions relating to payment dates: | [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iii) and 18(viii) relate] |
| 29. | 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] |
| 30. | Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made: | [Not Applicable/give details] |
| 31. | Consolidation provisions: | [Not Applicable/The provisions annexed to these Final Terms apply] |
| 32. | Exchange for Definitive Notes at the request of the holder at the expense of: | [the Issuer/Holder] |

INDEX LINKED NOTES PROVISIONS

- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|---------------------------|---|-----|------------------|---|------|----------------|--|-------|---------------|---|------|--------------|--|-----|------------------|--|------|--------|-----------|-------|----------------|--|--------|----------------------|--|------|-----------------------|----------|-----|---------------------------|----------|------|----------------------|---------------------------------------|
| 33. | Index Linked Provisions | <p>[Applicable/Not Applicable]</p> <p><i>[If “Not Applicable” delete remaining sections of this paragraph]</i></p> <p><i>[The following provisions in items (i) to (xv) apply to Notes linked to a single index only (delete all of these items if not applicable):</i></p> <table border="0"> <tr> <td style="vertical-align: top; padding-right: 20px;">(i)</td> <td style="vertical-align: top; padding-right: 20px;">Averaging Dates:</td> <td style="vertical-align: top;">[specify dates or delete if not applicable]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(ii)</td> <td style="vertical-align: top; padding-right: 20px;">Barrier Level:</td> <td style="vertical-align: top;">[[•] per cent. of Initial Index Level (or delete if not applicable)]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(iii)</td> <td style="vertical-align: top; padding-right: 20px;">Business Day:</td> <td style="vertical-align: top;">[A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(iv)</td> <td style="vertical-align: top; padding-right: 20px;">Exchange(s):</td> <td style="vertical-align: top;">[specify relevant exchange if “Non-Multi Exchange Index” is specified below, otherwise delete]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(v)</td> <td style="vertical-align: top; padding-right: 20px;">Expiration Date:</td> <td style="vertical-align: top;">[specify date or delete if not applicable]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(vi)</td> <td style="vertical-align: top; padding-right: 20px;">Index:</td> <td style="vertical-align: top;">[specify]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(vii)</td> <td style="vertical-align: top; padding-right: 20px;">Index Sponsor:</td> <td style="vertical-align: top;">[specify or delete if fallback provisions in Part 2A to apply]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(viii)</td> <td style="vertical-align: top; padding-right: 20px;">Initial Index Level:</td> <td style="vertical-align: top;">[specify the Index Level on the Strike Date or delete if not applicable]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(ix)</td> <td style="vertical-align: top; padding-right: 20px;">Multi-Exchange Index:</td> <td style="vertical-align: top;">[Yes/No]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(x)</td> <td style="vertical-align: top; padding-right: 20px;">Non Multi-Exchange Index:</td> <td style="vertical-align: top;">[Yes/No]</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">(xi)</td> <td style="vertical-align: top; padding-right: 20px;">Observation Date(s):</td> <td style="vertical-align: top;">[specify or delete if not applicable]</td> </tr> </table> | (i) | Averaging Dates: | [specify dates or delete if not applicable] | (ii) | Barrier Level: | [[•] per cent. of Initial Index Level (or delete if not applicable)] | (iii) | Business Day: | [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]] | (iv) | Exchange(s): | [specify relevant exchange if “Non-Multi Exchange Index” is specified below, otherwise delete] | (v) | Expiration Date: | [specify date or delete if not applicable] | (vi) | Index: | [specify] | (vii) | Index Sponsor: | [specify or delete if fallback provisions in Part 2A to apply] | (viii) | Initial Index Level: | [specify the Index Level on the Strike Date or delete if not applicable] | (ix) | Multi-Exchange Index: | [Yes/No] | (x) | Non Multi-Exchange Index: | [Yes/No] | (xi) | Observation Date(s): | [specify or delete if not applicable] |
| (i) | Averaging Dates: | [specify dates or delete if not applicable] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (ii) | Barrier Level: | [[•] per cent. of Initial Index Level (or delete if not applicable)] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (iii) | Business Day: | [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (iv) | Exchange(s): | [specify relevant exchange if “Non-Multi Exchange Index” is specified below, otherwise delete] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (v) | Expiration Date: | [specify date or delete if not applicable] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (vi) | Index: | [specify] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (vii) | Index Sponsor: | [specify or delete if fallback provisions in Part 2A to apply] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (viii) | Initial Index Level: | [specify the Index Level on the Strike Date or delete if not applicable] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (ix) | Multi-Exchange Index: | [Yes/No] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (x) | Non Multi-Exchange Index: | [Yes/No] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (xi) | Observation Date(s): | [specify or delete if not applicable] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

- (xii) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xiii) Strike Date: [specify or delete if not applicable]
- (xiv) Strike Price: [specify or delete if not applicable]
- (xv) Other: [insert any other relevant terms]]

[The following provisions in items (i) to (xiii) apply to Notes linked to a basket of indices only (delete all of these items if not applicable):

- (i) Averaging Dates: [specify dates or delete if not applicable]
- (ii) Barrier Level: [[•] per cent. of Initial Index Level (or delete if not applicable)]
- (iii) Basket: [specify names of Indices and their respective weightings]
[indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices]
- (iv) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]
- (v) Exchange(s): [specify relevant exchange if “Non-Multi Exchange Index” is specified below, otherwise delete]
- (vi) Expiration Date: [specify date or delete if not applicable]
- (vii) Index Sponsor: [specify or delete if fallback provisions impart 2B to apply]
- (viii) Initial Index Level: [specify the Index Level on the Strike Date or delete if not applicable]
- (ix) Observation Date(s): [specify date or delete if not applicable]
- (x) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xi) Strike Date: [specify or delete if not applicable]
- (xii) Strike Price: [specify or delete if not applicable]
- (xiii) Other [insert any other relevant terms]]

EQUITY LINKED NOTES PROVISIONS

34. Equity Linked Provisions [Applicable/Not Applicable]
[If “Not Applicable” delete remaining sections of this paragraph]

[The following provisions in items (i) to (xx) apply to Notes linked to a single share only (delete all of these items if not applicable)

- (i) Averaging Dates: [specify dates or delete if not applicable]
- (ii) Barrier Level: [[•] per cent. of Initial Index Level (or delete if not applicable)]

- (iii) Business Day: [A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]
- (iv) Constant Monitoring: [specify as applicable and delete “Valuation Time Only” below, or delete if not applicable]
- (v) Exchange: [specify]
- (vi) Expiration Date: [specify date or delete if not applicable]
- (vii) Final Share Price: [specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable]
- (viii) Initial Share Price: [specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable]
- (ix) Observation Date(s): [specify date(s) or delete if not applicable]
- (x) Observation Period: [The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
- (xi) Share Amount: [specify formula or delete if not applicable]
- (xii) Share Currency: [specify]
- (xiii) Share Delivery: [specify as applicable or delete if no applicable]
- [if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)]
- [if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes]
- (xiv) Share Delivery Date: [[specify date], subject to Condition 6(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (or delete if not applicable)]
- (xv) Share Issuer: [specify]
- (xvi) Shares: [provide name and short description of type of shares issued by the Share Issuer]
- (ISIN: [•])
- (xvii) Strike Date: [specify or delete if not applicable]
- (xviii) Strike Price: [specify or delete if not applicable]
- (xix) Valuation Time Only: [specify as applicable and delete “Constant Monitoring” above, or delete if not applicable]
- (xx) Other: [Insert any other relevant terms]
- [The following provisions at items (i) to (xx) apply to Notes linked to a Basket of Shares only (delete all of these items if not applicable):
- (i) Averaging Dates: [specify dates or delete if not applicable]
- (ii) Barrier Level: [[•] per cent. of Initial Index Level (or delete if not applicable)]

(iii)	Basket:	<p>“Basket” means a basket composed of Shares in the relative [proportions/numbers of Shares] of each Share Issuer specified below:</p> <p><i>[Insert details of:</i></p> <p><i>* Share Issuer</i></p> <p><i>* [Proportion/number of Shares]</i></p> <p><i>* ISIN number</i></p> <p><i>* Exchange]</i></p>
(iv)	Business Day:	[A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Business Day]]
(v)	Constant Monitoring:	<i>[specify as applicable and delete “Valuation Time Only” below or delete if not applicable]</i>
(vi)	Expiration Date:	<i>[specify date or delete if not applicable]</i>
(vii)	Final Share Price:	<i>[specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable]</i>
(viii)	Initial Share Price:	<i>[specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable]</i>
(ix)	Observation Date(s):	<i>[specify date(s) or delete if not applicable]</i>
(x)	Observation Period:	[The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] <i>[or delete if not applicable]</i>
(xi)	Share Amount:	<i>[specify formula or delete if not applicable]</i>
(xii)	Share Currency:	<i>[specify]</i>
(xiii)	Share Delivery:	<p><i>[specify as applicable or delete if no applicable]</i></p> <p><i>[if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)]</i></p> <p><i>[if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes]</i></p>
(xiv)	Share Delivery Date:	<i>[[specify date], subject to Condition 6(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (or delete if not applicable)]</i>
(xv)	Share Issuer:	<i>[specify]</i>
(xvi)	Shares:	<p><i>[provide name and a short description of type of shares issued by the Share Issuer]</i></p> <p>(ISIN: [•])</p>
(xvii)	Strike Date:	<i>[specify or delete if not applicable]</i>
(xviii)	Strike Price:	<i>[specify or delete if not applicable]</i>
(xix)	Valuation Time Only:	<i>[specify as applicable and delete “Constant Monitoring” above or delete if not applicable]</i>

(xx)	Other terms:	<i>[insert any other relevant terms]</i>
CREDIT LINKED NOTE PROVISIONS		
35.	Credit Linked Note Provisions:	[Not Applicable/Applicable] <i>[If "Not Applicable" delete remaining sections of this paragraph]</i>
(i)	First-to-Default Credit Linked Notes with Physical Settlement	[Part 4A shall apply / Not Applicable] <i>[specify all the relevant data of the CDS Confirmation and review and amend Part 4A as applicable]</i>
(ii)	First-to-Default Credit Linked Notes with Cash Settlement	[Part 4B shall apply / Not Applicable] <i>[specify all the relevant data of the CDS Confirmation and review and amend Part 4B as applicable]</i>
(iii)	Credit Linked Notes with a static portfolio of reference entities as underlying	[Part 4C shall apply / Not Applicable] <i>[specify all the relevant data of the CDS Confirmation including the Reference Portfolio and review and amend Part 4C as applicable]</i>
36.	Other terms or special conditions:	<i>Include a condition to permit the early redemption in whole or in part of the Notes upon the designation of an Event Determination Date (as defined in Part 4A, 4B or 4C as applicable). Consider (i) suspension of maturity date for potential or unsettled credit events; (ii) timing of the cessation of interest and (iii) procedures for physical delivery to Noteholders where applicable.</i> <i>(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
DISTRIBUTION		
37.	(i) If syndicated, names of Managers:	[Not Applicable/give names (include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)]
	(ii) Stabilising Manager (if any):	[Not Applicable/give name]
	(iii) Total commission and concession:	[•] per cent. of the Principal Amount of Tranche
38.	If non-syndicated, name and address of Dealer:	[Not Applicable/give name and address]
39.	Additional selling restrictions:	[Not Applicable/give details]

RESPONSIBILITY

The Issuer [and the Guarantor][†] accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

[Signed on behalf of the Guarantor:

By:
Duly authorised][†]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing: None.

(ii) Admission to trading: None.

2. ESTIMATED NET PROCEEDS

Estimated net proceeds: [•].

3. OPERATIONAL INFORMATION

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if “Yes” selected in which case the Notes must be issued in NGN form]*

(iv) X/N Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation “Yes” simply means that the X/N Notes are intended upon issue to be deposited with the National Bank of Belgium and does not necessarily mean that such X/N Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if “Yes” selected]*

(v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s): [X/N System/Not Applicable/give name(s) and number(s)]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): [•]

* Only applicable in relation to X/N Notes issued by Forties Bank nv-sa

(viii) Name and address of Calculation Agent: [Fortis Banque Luxembourg S.A./Fortis Bank
nv-sa/the Dealer/any other third party]

BRIEF EXPLANATION OF THE MEANING OF THE RATINGS

Some Tranches of Notes issued under the Programme may be assigned a specific rating that will not necessarily be the same as the rating assigned to the Programme, as mentioned in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the relevant assigning rating agency. The definitions below can be updated by the rating agencies from time to time. These definitions can be found on the websites of the rating agencies (www.moodys.com; www.standardandpoors.com; www.fitchibca.com). The definitions below have been extracted from the websites of the rating agencies and have been reproduced by the Issuers in this Base Prospectus.

MOODY'S

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honoured as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Moody's assigns long-term ratings to individual debt securities issued from medium-term note (MTN) programs, in addition to indicating ratings to MTN programs themselves. Notes issued under MTN programs with such indicated ratings are rated at issuance at the rating applicable to all pari passu notes issued under the same program, at the program's relevant indicated rating, provided such notes do not exhibit any of the characteristics listed below:

- Notes containing features that link interest or principal to the credit performance of any third party or parties (i.e., credit-linked notes);
- Notes allowing for negative coupons, or negative principal;
- Notes containing any provision that could obligate the investor to make any additional payments;
- Notes containing provisions that subordinate the claim.

For notes with any of these characteristics, the rating of the individual note may differ from the indicated rating of the program.

For credit-linked securities, Moody's policy is to "look through" to the credit risk of the underlying obligor. Moody's policy with respect to non-credit linked obligations is to rate the issuer's ability to meet the contract as stated, regardless of potential losses to investors as a result of non-credit developments. In other words, as long as the obligation has debt standing in the event of bankruptcy, we will assign the appropriate debt class level rating to the instrument.

Market participants must determine whether any particular note is rated, and if so, at what rating level. Moody's encourages market participants to contact Moody's Ratings Desks or visit www.moodys.com directly if they have questions regarding ratings for specific notes issued under a medium-term note program. Unrated notes issued under an MTN program may be assigned an NR (not rated) symbol.

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honoured as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Rating Definitions:

Aaa

Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

Aa

Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A

Obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa

Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Ba

Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

B

Obligations rated B are considered speculative and are subject to high credit risk.

Caa

Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Ca

Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C

Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

STANDARD & POOR'S

A Standard & Poor's issue credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium-term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The issue credit rating is not a recommendation to purchase, sell, or hold a financial obligation, in as much as it does not comment as to market price or suitability for a particular investor.

Issue credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Issue credit ratings can be either long term or short term. Short-term ratings are generally assigned to those obligations considered short-term in the relevant market. In the U.S., for example, that means obligations with an original maturity of no more than 365 days—including commercial paper. Short-term ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. The result is a dual rating, in which the short-term rating addresses the put feature, in addition to the usual long-term rating.

Medium-term notes are assigned long-term ratings.

Long-Term Issue Credit Ratings

Issue credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment—capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation;
- Nature of and provisions of the obligation;
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights. The issue rating definitions are expressed in terms of default risk. As such, they pertain to senior obligations of an

entity. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above. (Such differentiation applies when an entity has both senior and subordinated obligations, secured and unsecured obligations, or operating company and holding company obligations.) Accordingly, in the case of junior debt, the rating may not conform exactly with the category definition.

Rating Definitions:

AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated 'AA' differs from the highest-rated obligations only in small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

BB, B, CCC, CC, and C

Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB

An obligation rated 'BB' is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

B

An obligation rated 'B' is more vulnerable to non-payment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

CCC

An obligation rated 'CCC' is currently vulnerable to non-payment and is dependent upon favourable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

CC

An obligation rated 'CC' is currently highly vulnerable to non-payment.

C

The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on this obligation are being continued.

D

An obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Plus (+) or minus (-)

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

c

The 'c' subscript is used to provide additional information to investors that the bank may terminate its obligation to purchase tendered bonds if the long-term credit rating of the issuer is below an investment-grade level and/or the issuer's bonds are deemed taxable.

p

The letter 'p' indicates that the rating is provisional. A provisional rating assumes the successful completion of the project financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful, timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of or the risk of default upon failure of such completion. The investor should exercise his own judgment with respect to such likelihood and risk.

Continuance of the ratings is contingent upon Standard & Poor's receipt of an executed copy of the escrow agreement or closing documentation confirming investments and cash flows.

r

The 'r' highlights derivative, hybrid, and certain other obligations that Standard & Poor's believes may experience high volatility or high variability in expected returns as a result of non-credit risks. Examples of such obligations are securities with principal or interest return indexed to equities, commodities, or currencies; certain swaps and options; and interest-only and principal-only mortgage securities. The absence of an 'r' symbol should not be taken as an indication that an obligation will exhibit no volatility or variability in total return.

N.R.

Not rated.

Debt obligations of issuers outside the United States and its territories are rated on the same basis as domestic corporate and municipal issues. The ratings measure the creditworthiness of the obligor but do not take into account currency exchange and related uncertainties.

FITCH'S

Fitch's credit ratings provide an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Credit ratings are used by investors as indications of the likelihood of receiving their money back in accordance with the terms on which they invested. Fitch's credit ratings cover the global spectrum of corporate, sovereign (including supranational and subnational), financial, bank, insurance, municipal and other public finance entities and the securities or other obligations they issue, as well as structured finance securities backed by receivables or other financial assets.

The use of credit ratings defines their function: "investment grade" ratings (international Longterm 'AAA' — 'BBB-' categories; Short-term 'F1' — 'F3') indicate relatively low to moderate credit risk, while those in the "speculative" or "non investment grade" categories (international Long-term 'BB+' — 'D'; Short-term 'B' — 'D') either signal a higher level of credit risk or that a default has already occurred. Credit ratings express risk in relative rank order, which is to say they are ordinal measures of credit risk and are not predictive of a specific frequency of default or loss.

Depending on their application, credit ratings address benchmark measures of probability of default as well relative expectations of loss given default. For example, issuers are typically assigned Issuer Default Ratings that are relative measures of default probability. Similarly, short-term credit ratings give primary consideration to

the likelihood that obligations will be met on a timely basis. Securities, however, are rated taking into consideration probability of default and loss given default. As a result, for entities such as corporations security ratings may be rated higher, lower or the same as the issuer rating to reflect expectations of the security's relative recovery prospects, as well as differences in ability and willingness to pay. While recovery analysis plays an important role throughout the ratings scale, it becomes a more critical consideration for below investment-grade securities and obligations, particularly at the lower end of the non-investment-grade ratings scale where Fitch often publishes actual Recovery Ratings, that are complementary to the credit ratings. Structured finance ratings typically are assigned to each individual security or tranche in a transaction, and not to an issuer. Each structured finance tranche is rated on the basis of various stress scenarios in combination with its relative seniority, prioritization of cash flows and other structural mechanisms.

Rating Definitions:

Investment Grade

AAA

Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA

Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A

High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

BBB

Good credit quality. 'BBB' ratings indicate that there is currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.

Speculative Grade

BB

Speculative. 'BB' ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

B

Highly speculative.

For issuers and performing obligations, 'B' ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favourable business and economic environment.

For individual obligations, may indicate distressed or defaulted obligations with potential for extremely high recoveries. Such obligations would possess a Recovery Rating of 'R1' (outstanding).

CCC

For issuers and performing obligations, default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favourable business or economic conditions.

For individual obligations, may indicate distressed or defaulted obligations with potential for average to superior levels of recovery. Differences in credit quality may be denoted by plus/minus distinctions. Such obligations typically would possess a Recovery Rating of 'R2' (superior), or 'R3' (good) or 'R4' (average).

CC

For issuers and performing obligations, default of some kind appears probable.

For individual obligations, may indicate distressed or defaulted obligations with a Recovery Rating of 'R4' (average) or 'R5' (below average).

C

For issuers and performing obligations, default is imminent.

For individual obligations, may indicate distressed or defaulted obligations with potential for below-average to poor recoveries. Such obligations would possess a Recovery Rating of 'R6' (poor).

RD

Indicates an entity that has failed to make due payments (within the applicable grace period) on some but not all material financial obligations, but continues to honour other classes of obligations. .

D

Indicates an entity or sovereign that has defaulted on all of its financial obligations. Default generally is defined as one of the following:

- failure of an obligor to make timely payment of principal and/or interest under the contractual terms of any financial obligation;
- the bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor; or
- the distressed or other coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.

Default ratings are not assigned prospectively; within this context, non-payment on an instrument that contains a deferral feature or grace period will not be considered a default until after the expiration of the deferral or grace period.

Issuers will be rated 'D' upon a default. Defaulted and distressed obligations typically are rated along the continuum of 'C' to 'B' ratings categories, depending upon their recovery prospects and other relevant characteristics. Additionally, in structured finance transactions, where analysis indicates that an instrument is irrevocably impaired such that it is not expected to meet pay interest and/or principal in full in accordance with the terms of the obligation's documentation during the life of the transaction, but where no payment default in accordance with the terms of the documentation is imminent, the obligation may be rated in the 'B' or 'CCC-C' categories.

Default is determined by reference to the terms of the obligations' documentation. Fitch will assign default ratings where it has reasonably determined that payment has not been made on a material obligation in accordance with the requirements of the obligation's documentation, or where it believes that default ratings consistent with Fitch's published definition of default are the most appropriate ratings to assign.

Notes to International Long-Term and Short-Term ratings:

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-term rating category, to categories below 'CCC', or to Short-term ratings other than 'F1'. (The +/- modifiers are only used to denote issues within the CCC category, whereas issuers are only rated CCC without the use of modifiers.)

Rating Watch: Ratings are placed on Rating Watch to notify investors that there is a reasonable probability of a rating change and the likely direction of such change. These are designated as "Positive", indicating a potential upgrade, "Negative", for a potential downgrade, or "Evolving", if ratings may be raised, lowered or maintained. Rating Watch is typically resolved over a relatively short period.

Rating Outlook: An Outlook indicates the direction a rating is likely to move over a one to two-year period. Outlooks may be positive, stable or negative. A positive or negative Rating Outlook does not imply a rating change is inevitable. Similarly, ratings for which outlooks are 'stable' could be upgraded or downgraded before an outlook moves to positive or negative if circumstances warrant such an action. Occasionally, Fitch Ratings may be unable to identify the fundamental trend. In these cases, the Rating Outlook may be described as evolving.

Program ratings (such as the those assigned to MTN shelf registrations) relate only to standard issues made under the program concerned; it should not be assumed that these ratings apply to every issue made under the program. In particular, in the case of non-standard issues, i.e. those that are linked to the credit of a third party or linked to the performance of an index, ratings of these issues may deviate from the applicable program rating.

Variable rate demand obligations and other securities which contain a short-term 'put' or other similar demand feature will have a dual rating, such as AAA/F1+. The first rating reflects the ability to meet long-term principal and interest payments, whereas the second rating reflects the ability to honour the demand feature in full and on time.

Interest Only: Interest Only ratings are assigned to interest strips. These ratings do not address the possibility that a security holder might fail to recover some or all of its initial investment due to voluntary or involuntary principal repayments.

Principal Only: Principal Only ratings address the likelihood that a security holder will receive their initial principal investment either before or by the scheduled maturity date.

Rate of Return: Ratings also may be assigned to gauge the likelihood of an investor receiving a certain predetermined internal rate of return without regard to the precise timing of any cash flows.

'PIF'

Paid-in-Full; denotes a security that is paid-in-full, matured, called, or refinanced.

'NR' indicates that Fitch Ratings does not rate the issuer or issue in question.

'Withdrawn': A rating is withdrawn when Fitch Ratings deems the amount of information available to be inadequate for rating purposes, or when an obligation matures, is called, or refinanced, or for any other reason Fitch Ratings deems sufficient.

GENERAL INFORMATION

1. Application has been made for Notes issued under the Programme to be (i) admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, and/or (ii) admitted to listing and trading on Eurolist by Euronext and admitted to trading on Euronext Brussels and/or (iii) admitted to listing and trading on Eurolist by Euronext and admitted to trading on Euronext Amsterdam and/or (iv) admitted to the AIAF and/or (v) admitted to listing and trading on the regulated market of the GPW S.A. Application will be made to the Swiss Exchange ("**SWX**") for Notes issued under the Programme to be admitted to listing and/or trading on SWX. Application may also be made for Notes issued under the Programme to be admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system. Notes may be issued pursuant to the Programme which will not be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange nor be admitted to listing, trading and/or quotation on any other competent authority, stock exchange and/or quotation system, or which will be admitted to listing, trading and/or quotation on such competent authority, stock exchange or quotation system as the Issuers and the relevant Dealers may agree.

2. The update of the Programme and the issue of Notes thereunder was authorised by resolutions of the Management Committee of Fortis Bank and the Boards of Directors of Fortis Luxembourg passed on 14 May 2007 and on 5 July 2007 and the guarantee of the Notes was confirmed and authorised by a resolution of the Management Committee of the Guarantor passed on 14 May 2007.

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. Bearer Notes and Exchangeable Bearer Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Notes issued by Fortis Bank have been accepted for clearance through the book entry clearance and settlement system operated by the NBB (the "X/N System"). The Common Code given by the X/N System or Euroclear and Clearstream, Luxembourg, as the case may be, together with the relevant ISIN number for each Series of Notes will be set out in the relevant Final Terms.

5. The basis for any statements in this Base Prospectus made by the Issuers regarding their competitive position originate from the Issuers' evaluation of market trends and generally reflect market views.

6. Each set of Final Terms 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 Euroclear 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 admitted to listing, trading and/or quotation by a competent authority stock exchange, and/or quotation system and, if so, the relevant competent authority, stock exchange and/or quotation system;
- (xvi) the name of any Stabilising Manager;
- (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 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 the Final Terms relating to a Series of Notes which is to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be made freely available at the office of the Listing Agent in Luxembourg.

Electronic copies of the Base Prospectus or any future Base Prospectus together with any supplement thereto, as well as the relevant Final Terms relating to any Notes which are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be available on its website.

7. 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 offices of the Issuers and the Guarantor, and at the office of the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the Paying Agents: AVI.4.1

- (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 Issuers and the Guarantor;
- (v) the latest audited annual accounts of the Issuers and the Guarantor, for the years ended 31 December 2006 and 2005 together with any explanatory notes and auditors' or, as the case may be, statutory auditors' report accompanying such accounts. The Guarantor publishes consolidated and non-consolidated accounts;
- (vi) the Final Terms relating to any Notes which are admitted to listing on the official list and trading on the regulated market of the Luxembourg Stock Exchange or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system; and

- (vii) a copy of this Base Prospectus or any further Base Prospectus together with any supplement thereto.

Copies of the most recent interim reports of the Fortis group for the year 2007, can be obtained free of charge at Fortis Bank, Montagne du Parc 3, 1000 Brussels, telephone: +322 565 85 35 or on the website: www.fortis.com.

8. The business address of all members of the Board of Directors of Fortis Luxembourg is c/o Fortis Intertrust (Luxembourg) S.A., 65, Boulevard Grande-Duchesse Charlotte L-1331, Luxembourg. The business address of all members of the Board of Directors of Fortis Bank is Montagne du Parc 3 B-1000 Brussels, Belgium.

9. The financial statements of Fortis Luxembourg for the years ended 31 December 2006 and 2005 have been audited without qualification by KPMG Audit, S.à r.l., 31, Allée Scheffer, L-2520 Luxembourg (RC. 103590). KPMG Audit, as statutory auditor of Fortis Luxembourg, have given their written consent to the inclusion of their comfort letter on Fortis Luxembourg's cash flow statements in respect of the year ended 31 December 2006 on page 154 of the Base Prospectus for the purposes of paragraph 16.1 of Annex IV of Regulation (EC) No. 809/2004. KPMG Audit, the statutory auditors of Fortis Luxembourg, have no material interest in Fortis Luxembourg. As far as Fortis Luxembourg and the Guarantor is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The financial statements for the years ending 31 December 2006 and 2005 of Fortis Bank have been audited without qualification by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C.R.L., Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Brussels and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile, represented by Olivier Macq, Partner, Avenue du Bourget 40, B-1130 Brussels, in accordance with the laws of Belgium. All are members of Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Enterprises.

10. The Articles of Association of Fortis Luxembourg have been amended several times since its incorporation on 24 September 1986, were last amended on 7 February 2005 and published in the "*Mémorial, Recueil Spécial des Sociétés et Associations*" on 7 March 2005. The Articles of Association of Fortis Bank have been amended several times since its incorporation and were last amended on 26 April 2007 (this amendment was published in the Moniteur belge on 16 May 2007).

11. This Base Prospectus, the documents incorporated by reference herein and the final terms of any tranches issued under this Prospectus and admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, will be available on the website of the Luxembourg Stock Exchange, www.bourse.lu.

12. Each of the Issuers do not intend to provide post-issuance information in relation to the underlying assets under paragraph 7.5 of Annex XII of Regulation (EC) No. 809/2004, except as otherwise stated in the relevant Final Terms.

13. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

REGISTERED OFFICE OF THE ISSUERS

Fortis Bank nv-sa
Montagne du Parc 3
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Belgium

Fortis Luxembourg Finance S.A.
65, Boulevard Grande-Duchesse Charlotte
L-1331 Luxembourg

REGISTERED OFFICE OF THE GUARANTOR

Fortis Bank nv-sa
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Belgium

DEALERS

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250 Bishopsgate
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Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

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92 920 Paris La Défense Cedex
France

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United Kingdom

Lehman Brothers International (Europe)
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London E14 5LE
United Kingdom

Société Générale
29 boulevard Haussmann
75009 Paris
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Banco Bilbao Vizcaya Argentaria, S.A.
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28033 Madrid
Spain

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**Citigroup Global
Markets Limited**
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Canary Wharf
London E14 5LB
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Goldman Sachs International
Peterborough Court
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J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ
United Kingdom

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

**FISCAL AGENT, REGISTRAR, PRINCIPAL PAYING AGENT, TRANSFER AGENT
AND CALCULATION AGENT**

Fortis Banque Luxembourg S.A.
50, avenue J.F. Kennedy
L-2951 Luxembourg

ALTERNATIVE PRINCIPAL PAYING AGENT

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Belgium

PAYING AND TRANSFER AGENTS

Fortis Bank (Nederland) N.V.
Rokin 55
1012 KK Amsterdam
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Citibank, N.A.
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Fortis Banque (Suisse) S.A.
20, boulevard des Philosophes
CH-1211 Geneva
Switzerland

DOMICILIARY AGENT

Fortis Bank nv-sa
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LEGAL ADVISERS

to the Dealers

in respect of English law
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10 Upper Bank Street
London E14 5JJ
United Kingdom

in respect of Belgian law
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Avenue Louise 65,
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in respect of Luxembourg law
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4, place de Paris
L-2314 Luxembourg

AUDITORS TO FORTIS LUXEMBOURG FINANCE S.A.

KPMG Audit
Société Civile
31, Allée Scheffer
L-2520 Luxembourg

AUDITORS TO THE GUARANTOR

PricewaterhouseCoopers,
Réviseurs d'Entreprises S.C.C.R.L.
Represented by
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Woluwedal 18
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Brussels
Belgium

Klynveld Peat Marwick Goerdeler,
Réviseurs d'Entreprises S.C.R.L. Civile
Represented by
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LUXEMBOURG LISTING AGENT

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