

**SUPPLEMENT NUMBER 1 DATED 3 OCTOBER 2008 TO THE BASE PROSPECTUS  
DATED 23 SEPTEMBER 2008**



**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 with limited liability (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*

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 23 September 2008 (the "**Base Prospectus**") prepared by Fortis Bank NV/SA and Fortis Luxembourg Finance S.A. (the "**Issuers**" and each an "**Issuer**") in connection with the Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to Euro 30,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg. This Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive.

## IMPORTANT NOTICES

Each of the Issuers accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Each of the Issuers will, at its registered office and at the specified offices of the Paying Agents, provide, free of charge, upon oral or written request, a copy of this Supplement. In addition, this Supplement will be available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and of Fortis ([www.fortis.com](http://www.fortis.com)).

An investor which has agreed, prior to the date of publication of this Supplement, to purchase or subscribe for Notes issued under the Programme may withdraw its acceptance before the end of the period of two working days beginning with the first working day after the date on which this Supplement is published (such publication being expected to be done 3 October 2008) in accordance with Article 16.2 of the Prospectus Directive.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

### Recent developments

■ On September 29, 2008, Fortis published the following press release:

#### **“Fortis / Governments of Belgium, Luxembourg and the Netherlands invest EUR 11.2 billion in Fortis.**

Concerted action of the three governments and the respective supervisory authorities to support Fortis

- Governments of Belgium, Luxembourg and the Netherlands invest EUR 11.2 billion in the respective Fortis bank institutions in each country
- Fortis will sell its interest in ABN AMRO (RFS Holdings)
- Maurice Lippens resigns from the Fortis Board of Directors
- Due to the change in strategy, the deteriorated business environment and the decision to further de-risk the balance sheet, total value adjustments are expected of around EUR 5 billion after tax in the third quarter
- Above measures lead to an estimated Fortis core equity of around EUR 30 billion. This results in a EUR 9.5 billion excess core equity for Fortis and a Bank core equity ratio of above 9% (Basel I) at end of the third quarter 2008. This translates into a total regulatory capital ratio for Fortis Bank of 13%
- The announced sale of the participation in RFS Holdings will trigger an impairment, potentially negatively impacting core equity

Fortis and the Governments of Belgium, the Netherlands and Luxembourg announce that they have entered into an agreement, whereby the Government of Belgium has agreed to invest EUR 4.7 billion in Fortis Bank (Belgium), the Government of the Netherlands has agreed to invest EUR 4.0 billion in Fortis Bank Nederland (Holding) N.V., and the Government of Luxembourg will invest EUR 2.5 billion in Fortis Banque Luxembourg SA.

*‘The actions taken by the Belgian, Luxembourg and Dutch governments are a sign of confidence in Fortis and of comfort to customers and all other stakeholders alike,’ reacts Fortis CEO elect Filip Dierckx. ‘These actions ensure the financial strength and stability of our company going forward.’*

### **Divestment of ABN AMRO activities**

The sale of the stake in RFS Holdings will represent the acquired activities of ABN AMRO, excluding Asset Management (already transferred in the 2<sup>nd</sup> quarter of 2008).

This sale, at a price below the acquisition price of EUR 24 billion will lead to an impairment. This impairment will not impact total regulatory capital. However, a sales price below EUR 12 billion would, for that difference, negatively impact core equity.

#### **Expected value adjustments in the third quarter**

Due to the change in strategy, the deteriorated business environment and the decision to further de-risk the balance sheet, total value adjustments are expected of around EUR 5 billion after tax in the third quarter, related to, among others, the deferred tax assets, goodwill on the separately managed asset managers and the structured credit portfolio.

Within the CDO origination portfolio, the high grade assets are anticipated to be written down to 25% and the mezzanine and warehouse positions to 10%. On average 78% of the total CDO origination portfolio is written down. The remaining net exposure on the CDO origination portfolio is expected to amount to EUR 1.1 billion, subject to approval of the external auditors. In addition to the impairments on the CDO origination portfolio, further impairments are expected to be taken on the remainder of the structured credit portfolio.

In addition, Fortis will impair EUR 1.2 billion of US deferred tax assets.

#### **Fortis Capital position after the announced measures**

All the measures announced will lead to a core equity for Fortis of around EUR 30 billion, EUR 9.5 billion above target. Fortis Bank Core Tier 1 ratio is estimated at above 9% (Basel I), well in excess of regulatory minimum. The total regulatory capital ratio of Fortis Bank under Basel II is estimated to be around 13%.

#### **Governance changes**

Maurice Lippens decided to step down from the Fortis Board of Directors. The new Chairman will be recruited from outside the company in consultation with the Belgian government. In addition, the governments of Belgium, the Netherlands and Luxembourg will receive significant board representation in the respective Fortis banks

#### **Structure of Capital injection:**

The terms of the investment by the respective governments are as follows:

- The Government of Belgium has agreed to invest EUR 4.7 billion in Fortis Bank NV/SA (Belgium) in exchange for a 49% share in the common equity of this entity
- The Government of the Netherlands invests EUR 4.0 billion in Fortis Bank Nederland (Holding) N.V. in exchange for a 49% ownership in this entity
- The Government of Luxembourg invests EUR 2.5 billion in Fortis Banque Luxembourg SA in the form of a mandatory convertible loan. Next to other rights, Luxembourg will be entitled, upon conversion, to 49% of Fortis Banque Luxembourg.

Fortis Bank Nederland (Holding) N.V. and Fortis Banque Luxembourg SA are subsidiaries of Fortis Bank NV/SA.

The capital investment by the Dutch government will be made against the issue by FBN(H) to DNB of a new category of shares to be created through an amendment of the articles of association to such effect. This new category will not be entitled to

receive the proceeds of any sale of the stake held by FBN(H) in RFS Holdings B.V., either by way of dividend distribution or otherwise.

Where necessary, regulatory and shareholder approval will be requested.

- On September 30, 2008, Fortis published the following press release:

**“Fortis statement on Fortis Ping An asset management partnership**

In order to provide clarity to the market and in the context of the current severe market disruption and the ongoing uncertainty in the global capital markets, Fortis announces that it expects not to be able to complete the asset management partnership with Ping An.

Fortis Investments will remain, as at present, 100% owned by Fortis group. Fortis Investments has expanded both its investment capabilities and its operational platforms, successfully integrating ABN AMRO Asset Management in the second quarter of 2008. It is now one of the world's leading asset managers in terms of both size and investment offering. Fortis Investments already has a substantial presence in Asia and will continue to follow its existing growth plan for the region.”

- On October 1, 2008, Fortis published the following press release:

**“Fortis statement on DNB decision for EC Remedies sale**

Fortis has been informed by De Nederlandsche Bank (DNB), the Dutch central bank, that the decision for approval of the sale of several ABN AMRO assets to Deutsche Bank will not be made until further notice, following further review. DNB referred to the exceptional circumstances on international financial markets, the uncertainty with regard to the future shareholder in ABN AMRO Bank and the implications of this uncertainty for all parties involved.”

**Erratum**

- Clause 1 (a) and (b) of page 23 of the Base Prospectus is amended as follows:

- (a) *Risk Factors*: set out on pages 11 to 19 of the Registration Document ;
- (b) *Description of Fortis Bank*: set out on pages 48 to 56 of the Registration Document under the heading "*Description of Fortis Bank NV/SA*" and including the relevant portions of the description of Fortis under the heading "*Description of Fortis - Business Overview*" incorporated therein (themselves set out on pages 27 to 31 of the Registration Document), including:

	Page reference of the Registration Document
1. Persons responsible	48
2. Statutory auditors	48
3. Risk factors	48
4. Information about Fortis Bank	48
5. Business overview	49
6. Organisational structure	50
7. Trend information	50
8. Profit forecasts or estimates	50
9. Administrative, management and supervisory bodies	50-52
10. Major shareholders	52
11. Financial information concerning the Fortis Bank's assets and liabilities, financial position and profits and losses	53-56
12. Material contracts	56
13. Third party information and statement by experts and declarations of any interest	56
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■ the first sentence of Clause 2 (b) of page 24 of the Base Prospectus is amended as follows:

*“(b) Description of Fortis Luxembourg: set out on pages 72 to 79 of the Registration Document under the heading "Description of Fortis Luxembourg Finance S.A." and including the relevant portions of the description of Fortis under the heading "Description of Fortis - Business Overview" incorporated therein (themselves set out on pages 27 -31 of the Registration Document), including:”*

## **Summary**

*This summary is a summary of the Supplement No 1 (dated 3 October 2008) to the Base Prospectus of Fortis Bank NV/SA and Fortis Luxembourg Finance SA dated 23 September 2008. Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as supplemented, as a whole, including the documents incorporated by reference. The Base prospectus and this Supplement are available in electronic form on the website of the Luxembourg Stock Exchange*

*(www.bourse.lu) and of Fortis (www.fortis.com). An investor which has agreed, prior to the date of publication of this Supplement, to purchase or subscribe for Notes issued under the Programme may withdraw its acceptance before the end of the period of two working days beginning with the first working day after the date on which this Supplement is published (such publication being expected to be done 3 October 2008) in accordance with the Prospectus Directive.*

“On September 29, 2008, Fortis published a press release relating to the investment of 11.2 billion in Fortis by the governments of Belgium, Luxembourg and the Netherlands as well as the divestment of ABN AMRO activities, the expected value adjustments in the third quarter, Fortis capital position after the announced measures and governance changes. On September 30, 2008, Fortis published a press release announcing that it expected not to be able to complete the asset management partnership with Ping An. On October 1, 2008, Fortis published a press release announcing that it had been informed by the De Nederlandsche Bank (DNB) that the decision for approval of the sale of several ABN AMRO assets to Deutsche Bank will not be made until further notice, following further review.”