



Fortis Bank nv-sa
€1,000,000,000
4.625% Directly Issued Perpetual Securities
(par value of €50,000 each)

having the benefit of a support agreement entered into by
Fortis SA/NV
(incorporated with limited liability under the laws of
Belgium with its registered office in Brussels, Belgium)
and
Fortis N.V.
(incorporated with limited liability under the laws of
The Netherlands with its registered office in Utrecht, The Netherlands)

The 4.625% Directly Issued Perpetual Securities (the “Securities”) are directly-issued, unsecured and deeply subordinated obligations of Fortis Bank nv-sa (“Fortis Bank”), a company with limited liability (*société anonyme/naamloze vennootschap*) and a bank incorporated under the laws of Belgium.

The securities will have the benefit of a support agreement entered into by Fortis Bank’s parent companies, Fortis SA/NV and Fortis N.V.

Coupons on the Securities will be payable from October 27, 2004 (i) annually in arrears on October 27 of each year, at a fixed rate per annum on their outstanding principal amount equal to 4.625%, commencing on October 27, 2005 and ending on October 27, 2014, and (ii) thereafter quarterly in arrears on January 27, April 27, July 27 and October 27 of each year, at a variable rate per annum on their outstanding principal amount equal to 1.70% above the three-month Euro Reference Rate.

(Continued on inside front cover)

Investing in the 4.625% Directly Issued Perpetual Securities of Fortis Bank involves certain risks. See “Investment Considerations” beginning on page 37.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. THE SECURITIES ARE BEING OFFERED AND SOLD IN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A AND IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

Joint Bookrunners

UBS Investment Bank

Fortis Bank

Co-Lead Managers

Credit Suisse First Boston

Goldman Sachs International

HSBC

Lehman Brothers

Merrill Lynch & Co.

This offering memorandum is a prospectus as referred to in Article 1 of the Listing and Issuing Rules (*Fondsenreglement*) of Euronext Amsterdam.

The date of this offering memorandum is October 19, 2004.

(Continued from front cover)

If Fortis Bank gives a notice stating that it will satisfy any coupon in accordance with the Alternative Coupon Payment Method described in this offering memorandum (an “Alternative Coupon Notice”), then the Alternative Coupon shall be payable, subject to a Postponement Event, on the Alternative Coupon Satisfaction Date (each as defined herein). Fortis Bank may give an Alternative Coupon Notice in its sole discretion (except in the case of a Mandated Election (as defined herein) in which case Fortis Bank is required to give an Alternative Coupon Notice), but if a Trigger Event (as defined herein) has occurred and is continuing or would occur on a Regular Coupon Date (as defined herein), Fortis Bank is required to give an Alternative Coupon Notice.

Subject to certain exceptions, coupons payable following any payment of dividends or other distributions on Ordinary Shares or Parity Securities (each as defined herein) of Fortis Bank or either parent company or any redemption, repurchase or other acquisition by Fortis Bank or either parent company of its Ordinary Shares and Parity Securities will have the benefit of the Support Agreement from the parent companies.

The Securities have no stated maturity. The Securities are not redeemable at the option of the holders at any time and are not redeemable at the option of Fortis Bank prior to October 27, 2014 (the “First Call Date”), except in certain circumstances described herein. Subject to compliance with applicable regulatory requirements, the Securities may be redeemed at the option of Fortis Bank, in whole (and not in part), on the First Call Date or on any subsequent Regular Coupon Date. The redemption price for such redemptions will be the Base Redemption Price (as defined herein). Upon the occurrence of certain events, Fortis Bank may redeem the Securities, in whole (and not in part), (i) at any time before the First Call Date at a redemption price equal to the greater of the Make Whole Amount and the Base Redemption Price or (ii) at any time on or after the First Call Date at a redemption price equal to the Base Redemption Price, in each case as described in this offering memorandum.

In addition, upon the occurrence of certain events (as described herein), including any event resulting in a general *concurso creditorum* on the assets of Fortis Bank (as defined herein), the Securities shall be converted into *parts bénéficiaires/winstbewijzen* (or Conversion Profit-Sharing Certificates) (as defined herein), as described in this offering memorandum.

All payment obligations of Fortis Bank under the Securities will be deeply subordinated obligations ranking behind the claims of holders of Senior and Subordinated Indebtedness of Fortis Bank, before the claims of holders of Fortis Bank ordinary shares, preference shares or profit-sharing certificates (each as defined herein) and claims for payment of any indebtedness or obligation that, expressly or by applicable law, is subordinated to the Securities, and equally with the claims of creditors that, expressly or by applicable law, are *pari passu* with the Securities.

The Securities will be evidenced by one or more global certificates in bearer form, which will be deposited with the National Bank of Belgium (the “NBB”), as operator of the X/N book-entry clearance and settlement system (the “X/N System”), as described in this offering memorandum. Ownership of beneficial interests in the Securities will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by the X/N System, Euroclear Bank SA/NV, Clearstream Banking, *société anonyme*, Luxembourg, and their respective participants. For additional information on clearance and settlement, investors should turn to the section entitled “General Listing Information — Clearing Systems and Settlement” on page 255.

Application has been made to list the Securities on Euronext Amsterdam.

ISSUE PRICE 99.155%

The Securities issued by Fortis Bank will be represented by global certificates which are expected to be deposited with the NBB, as operator of the X/N System, on the Closing Date, October 27, 2004.

Each of Fortis Bank, Fortis N.V. and Fortis SA/NV, having made all reasonable inquiries, confirms that this offering memorandum contains all information with regard to each of them and the Securities that is material in the context of the issue and offering of the Securities, that the information contained in this document is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which would make this document or any of such information or the expression of any such opinions or intentions materially misleading. Each of Fortis Bank, Fortis N.V. and Fortis SA/NV accepts responsibility for the information contained in this document.

In making an investment decision, investors must rely on their own examination of each of Fortis Bank, Fortis N.V. and Fortis SA/NV and the terms of the offering, including the merits and risks involved. This offering is being made on the basis of this offering memorandum and any decision to purchase the Securities in this offering must be based on the information contained herein. No representation is made to any offeree or purchaser of the Securities regarding the legality of an investment therein by such offeree or purchaser under any applicable investment or similar laws or regulations. The contents of this offering memorandum are not legal, business or tax advice. Each prospective investor should consult his or her advisors as to legal, business and tax advice.

Each of UBS Investment Bank, Fortis Bank, Credit Suisse First Boston, Goldman Sachs International, HSBC, Lehman Brothers and Merrill Lynch & Co. (together the “managers”) reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the full amount of the Securities offered hereby.

This offering memorandum has been prepared solely for use in connection with the placement of the Securities and for the listing of the Securities on Euronext Amsterdam and constitutes a prospectus for the purpose of the Listing and Issuing Rules of Euronext Amsterdam. This offering memorandum is not an offer to sell or a solicitation of an offer to buy any of the Securities to any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

No person has been authorized to give any information or to make any representations other than those contained in this offering memorandum and, if given or made, such information or representations must not be relied upon as having been authorized. This offering memorandum is not an offer to sell or a solicitation of any offer to buy any securities other than the Securities. Neither the delivery of this offering memorandum nor any sale hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of Fortis Bank, Fortis N.V., Fortis SA/NV or the Fortis Group (as defined herein) since the date hereof or that the information contained herein is correct as of any time after its date.

The Securities described herein have not been and will not be registered under the Securities Act or under any State securities laws and may not be offered or sold in the United States or to, or for the account or benefit of US Persons, unless registered under the Securities Act or an exemption from the registration requirements is available. This offering memorandum has not been recommended or approved by the United States Securities and Exchange Commission (the “SEC”) nor any other regulatory authority and neither the SEC nor any other regulatory authority has passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

In connection with this offering, UBS Limited, on behalf of the managers, may, in accordance with applicable law, over-allot or engage in transactions which stabilize or maintain the market price of the Securities at levels which might not otherwise prevail. Such stabilizing, if commenced, may be discontinued at any time. Any stabilizing activity will, in any event, be discontinued no later than 30 days after the issue date of the Securities.

It is Fortis Bank’s intention to redeem the Securities in whole only to the extent that Fortis Bank or any of its subsidiaries has raised funds in the period of six months preceding such redemption by the issuance and sale of any ordinary shares or equivalent securities, in an aggregate amount equal to or greater than the aggregate principal amount of the Securities, but there is no obligation to do so nor any guarantee of future behavior.

The distribution of this offering memorandum and the offering and sale of the Securities in certain jurisdictions may be restricted by law. For information on such restrictions investors should turn to the section entitled “*Subscription and Sale — Selling Restrictions*” on page 247 and “*Transfer Restrictions*” on page 250.

Additional information relating to the listing of the Securities on Euronext Amsterdam is set out under “*General Listing Information*” on page 254.

Presentation of Financial Information

Fortis is not a legal entity but collectively refers to Fortis SA/NV and Fortis N.V. and the group of companies owned and/or controlled by Fortis SA/NV and Fortis N.V. In this offering memorandum “Fortis Group” and “Fortis” refer to Fortis SA/NV, Fortis N.V. and such companies, including Fortis Bank.

Consolidated Financial Statements

Fortis has opted for consortium accounting through which the financial statements of Fortis SA/NV and Fortis N.V. are consolidated. The consolidated financial statements are prepared in accordance with the applicable legal and regulatory requirements in Belgium, hereinafter referred to as “GAAP in accordance with Belgian law”. Fortis has, as described in the footnotes and the description of the accounting principles included in its consolidated financial statements, both in terms of presentation and content, applied a number of options applicable in the law for consortium by taking into account Article 117 §2 of the Belgian Code of Companies, in order to reflect in the most reliable manner in those financial statements its bank and insurance activities. GAAP in accordance with Belgian law differs in certain significant respects from US generally accepted accounting principles. See “*Summary of Material Differences Between GAAP in Accordance with Belgian Law and US GAAP*”.

Fortis publishes its financial statements in euros. References to “€”, “euro”, “EUR” and “Euro” are to the euro, the single unified currency that was introduced in Belgium and The Netherlands and nine other member states of the European Union on January 1, 1999.

Fortis SA/NV Financial Statements

Fortis SA/NV prepares financial statements that reflect its share in Fortis. In these financial statements, Fortis SA/NV accounts for its share in Fortis on a cost basis. Fortis SA/NV’s financial statements are prepared in accordance with generally accepted accounting principles in Belgium (“Belgian GAAP”). The consolidated financial statements are an important part of Fortis SA/NV’s financial statements.

Fortis N.V. Financial Statements

Fortis N.V. prepares financial statements that reflect its share in Fortis. In these financial statements, Fortis N.V. accounts for its share in Fortis on a cost basis. Fortis N.V.’s financial statements are prepared in accordance with generally accepted accounting principles in The Netherlands (“Dutch GAAP”). The consolidated financial statements are an important part of Fortis N.V.’s financial statements.

FORWARD-LOOKING INFORMATION

There are statements in this offering memorandum, such as statements that include the words or phrases “will likely result”, “are expected to”, “will continue”, “is anticipated”, “estimate”, “project”, or similar expressions, that are “forward-looking statements”. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those suggested by these statements due to risks or uncertainties associated with Fortis’ expectations with respect to, among others, its market risk evaluations or potential acquisitions, potential cost and revenue synergies associated with acquisitions, or with respect to expansion and premium growth and investment income or cash flow projections and, more generally, to general economic conditions, including changes in interest rates and the performance of the financial markets, changes in domestic and foreign laws, regulations and taxes, changes in competition and pricing environments, regional or general changes in asset valuations, the occurrence of significant natural disasters, the inability to reinsure certain risks economically, the adequacy of technical provisions, as well as general market conditions, competition, pricing and restructurings. See “*Investment Considerations*” for further discussion of risks and uncertainties which could impact the Fortis Group’s business.

Some figures in this offering memorandum may not sum due to rounding. Some percentages in this offering memorandum have been calculated using rounded figures.

Some financial information in this offering memorandum is presented on a geographic basis. Unless otherwise stated, Fortis has prepared information in respect of 2003, 2002 and 2001 based on the locus of the activity.

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Summary of Terms and Conditions of the Securities

This summary of certain terms and conditions of the Securities is subject to and qualified in its entirety by reference to the “Description of the Securities”, “Description of the Support Agreement”, “Description of the Conversion Profit-Sharing Certificates”, “Description of the Contingent Guarantee Agreement” and “Certain Definitions” contained elsewhere in this offering memorandum, and the Indenture, Calculation Agency Agreement, Support Agreement and Contingent Guarantee Agreement relating thereto. Terms which are defined in other sections of the offering memorandum have the same meaning when used herein.

Issuer	Fortis Bank nv-sa, a bank incorporated under the laws of Belgium (“ Fortis Bank ”).
The Parent Companies	Fortis SA/NV, a listed company with limited liability incorporated under the laws of Belgium, having its registered office in Brussels (“ Fortis SA/NV ”) and Fortis N.V., a listed company with limited liability incorporated under the laws of The Netherlands, having its corporate seat in Utrecht (“ Fortis N.V. ”).
Securities Offered	4.625% Directly Issued Perpetual Securities directly issued by Fortis Bank in an aggregate principal amount of €1,000,000,000 (the “ Securities ”).
Coupons	<p>Coupons on the Securities will be payable from October 27, 2004, (i) annually in arrears on October 27 of each year, at a fixed rate per annum on their outstanding principal amount (which, solely for the purpose of calculating coupons, will be deemed to include the aggregate amount of any unpaid Elective Alternative Coupons (as defined below)) equal to 4.625%, commencing on October 27, 2005 and ending on October 27, 2014 (calculated on an Actual/Actual Basis), and (ii) thereafter quarterly in arrears on January 27, April 27, July 27 and October 27 of each year, at a variable rate per annum on their outstanding principal amount (which, solely for the purpose of calculating coupons, will be deemed to include the aggregate amount of any unpaid Elective Alternative Coupons) equal to the Euro Reference Rate plus a margin of 1.70% (calculated on an Actual/360 Basis) determined on the second TARGET Settlement Day prior to the commencement of the related Coupon Period (as defined below) (each a “Determination Date” for such Coupon Period). Each such date is a “Regular Coupon Date”. If any Regular Coupon Date is not a business day, coupons will be payable on the next business day unless during the Floating Coupon Period (as defined below), if such business day would fall in the next calendar month, in which case coupons will be payable on the preceding business day.</p> <p>Each period from and including a Regular Coupon Date or the date of initial issuance, as applicable, to but not including the next Regular Coupon Date until October 27, 2014 is called a “Fixed Coupon Period”. The period from and including October 27, 2014, to but excluding the following Regular Coupon Date, and each successive period from and including a Regular Coupon Date to, but excluding, the next succeeding Regular Coupon Date is called a “Floating Coupon Period”. The Fixed Coupon Period and the Floating Coupon Period are each referred to as a “Coupon Period”.</p> <p>If and to the extent that a Trigger Event (as defined below) has occurred and is continuing or would occur on a Regular Coupon Date, including after giving effect to any coupon on the Securities otherwise payable on such Regular Coupon Date or otherwise, the coupons on the Securities will be payable on the Alternative</p>

Coupon Satisfaction Date (as defined below) and Fortis Bank will give an Alternative Coupon Notice (as defined below). If Fortis Bank is making payment of a coupon on a Regular Coupon Date following partial payment of a coupon on Fortis Bank's 6.50% Redeemable Perpetual Cumulative Coupon Debt Securities (the "**6.50% Perpetual Securities**"), such payment shall be made using the Alternative Coupon Payment Method (as defined below) and shall be deemed an Exceptional Alternative Coupon (as defined below) for all purposes. If Fortis Bank has given an Alternative Coupon Notice with respect to an Elective Alternative Coupon (as defined below) and subsequent to delivery of such notice and prior to the Regular Coupon Date, a Trigger Event has occurred and is continuing or would occur on such Regular Coupon Date, such coupon shall be deemed an Exceptional Alternative Coupon.

If on any Regular Coupon Date no Trigger Event has occurred or is continuing, Fortis Bank may give an Alternative Coupon Notice, in which case a full coupon will be payable on such Regular Coupon Date using the Alternative Coupon Payment Method, subject to a Postponement Event (as defined below); *provided that* (x) if such Regular Coupon Date is not a Supported Coupon Date (as defined below) and (y) no Trigger Event has occurred and is continuing on such date, Fortis Bank shall be obligated to use the Alternative Coupon Payment Method to pay the coupon due on such Regular Coupon Date (the "**Mandated Election**"). See "*Alternative Coupon Payment Method — Notice*".

Coupons that are paid using the Alternative Coupon Payment Method due to the occurrence of a Trigger Event or following partial payment of a coupon on the 6.50% Perpetual Securities are referred to herein as "**Exceptional Alternative Coupons**". Coupons that are paid using the Alternative Coupon Payment Method in the circumstances described in the immediately preceding paragraph are referred to herein as "**Elective Alternative Coupons**".

"**Non-Consolidated Trigger Event**" means, (i) a decline in the net assets of Fortis Bank to below the sum of its paid-in capital and non-distributable reserves, as determined in accordance with, or applying the computation method provided in, Article 617 of the Belgian Code of Companies, (ii) the amount of total capital of Fortis Bank declines below the minimum amount required by solvency requirements for credit institutions as provided by the current and any future European banking regulations and Basel guidelines, as currently translated by Article 82 § 1, 3° of the Decree of December 5, 1995 of the Belgian Banking, Finance and Insurance Commission ("**BFIC**") on the regulation of own funds of credit institutions (the "**1995 Decree**") (which currently requires a total capital ratio of 8%), (iii) the amount of Tier 1 capital (*fonds propres sensu stricto/eigen vermogen sensu stricto*) of Fortis Bank declines below 5/8 of the amount of total capital as required from time to time by Article 82 § 1, 3° of the 1995 Decree, (iv) Article 633 of the Belgian Code of Companies becomes applicable by virtue of Fortis Bank's net assets falling below 50% of Fortis Bank's capital as a result of losses incurred, (v) Article 23 of the Belgian Law of March 22, 1993 applies by virtue of Fortis Bank's capital falling below €6.2 million or (vi) at the discretion of the BFIC, in the event that Article 57 § 1 of the

Belgian Law of March 22, 1993 becomes applicable due to the special measures imposed by the BFIC in application thereof.

“**Net assets**” are to be understood as the total assets as they appear on the non-consolidated balance sheet of Fortis Bank prepared in accordance with generally accepted accounting principles used to prepare such balance sheet for Fortis Bank’s primary regulator, after deduction of provisions, debts (including, for the avoidance of doubt, the Securities), formation expenses not yet written off and research and development costs not yet written off.

“**Consolidated Trigger Event**” means the amount of Tier 1 capital (*fonds propres sensu stricto/eigen vermogen sensu stricto*) of Fortis Bank as recorded in the consolidated financial statements of Fortis Bank declines below 5% of the risk-weighted assets of Fortis Bank, calculated in accordance with the 1995 Decree. Consolidated Trigger Event together with Non-Consolidated Trigger Event shall be collectively referred to as “**Trigger Event**”.

Subordination

The payment obligations of Fortis Bank under the Securities constitute unsecured subordinated obligations of Fortis Bank and will rank (i) behind (junior to) the claims of holders of Senior and Subordinated Indebtedness, (ii) *pari passu* with Other Pari Passu Claims and (iii) before (senior to) (x) the claims for payment of any obligation that, expressly or by applicable law, is subordinated to the Securities, (y) the claims of holders of preference shares or profit-sharing certificates of Fortis Bank and (z) the claims of holders of Bank Ordinary Shares. Upon the occurrence of certain events, the Securities will be converted automatically into Conversion Profit-Sharing Certificates in the manner described under “*Mandatory Conversion*”.

“**Other Pari Passu Claims**” means claims of creditors of Fortis Bank which are subordinated so as to rank *pari passu* with claims in respect of the Securities, including, for the avoidance of doubt, the 6.50% Perpetual Securities.

“**Senior and Subordinated Indebtedness**” means all deposits and other liabilities of Fortis Bank (including those in respect of bonds, notes and debentures (whether senior or subordinated)), and instruments constituting “upper Tier 2” or “lower Tier 2” capital of Fortis Bank under Applicable Banking Regulations, other than liabilities of Fortis Bank under the Securities.

Dividend Stopper; Supported

Coupons

Dividend Stopper. Fortis Bank will agree in the Indenture, and the Parent Companies will each agree in the Support Agreement, that, in the case of any Exceptional Alternative Coupon, beginning on the day Fortis Bank gives an Alternative Coupon Notice, and in the case of any Elective Alternative Coupon, beginning on the relevant Regular Coupon Date relating to such coupon if the Elective Alternative Coupon is not paid on such Regular Coupon Date, and in each case continuing until all Alternative Coupons (as defined below) are paid in full, (A) each of Fortis Bank and the Parent Companies (i) will not propose to its shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of any dividend, distribution or other payment on its Ordinary Shares or Parity Securities and (ii) will not redeem, repurchase or otherwise acquire any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition) and (B) each of the Parent

Companies (i) will not declare or pay, and to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of, any dividend, distribution or other payment on its Ordinary Shares or Parity Securities and (ii) agrees that it will not vote, or will cause that no vote is made by any of its subsidiaries, in favor of any of the actions of Fortis Bank described in clauses (A)(i) and (ii) above; *provided* that the foregoing restriction shall not apply (i) to a dividend, distribution, payment or redemption in respect of any Exempt Share Class or (ii) to a dividend, distribution or other payment on any Parity Securities that is required to be paid, pursuant to the terms of such Parity Securities, solely as a result of a dividend, distribution, payment or redemption in respect of any Exempt Share Class.

“Bank Parity Securities” means, (i) any preferred or preference shares or profit-sharing certificates (*parts bénéficiaires/ winstbewijzen*) of Fortis Bank, including for the avoidance of doubt, any profit-sharing certificates that may be issued on conversion of the 6.50% Perpetual Securities, and any securities which are expressly stated to rank *pari passu* with the Securities (collectively, **“Bank Parity Shares”**) or any securities which are expressly stated to rank junior to the Securities (**“Bank Junior Securities”**), (ii) guarantees by Fortis Bank (whether through an agreement or instrument labeled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of preferred securities or preferred or preference shares issued by any of Fortis Bank’s subsidiaries, which guarantees are expressly stated to rank *pari passu* with the Securities or rank *pari passu* with Bank Parity Shares (collectively, **“Bank Parity Guarantees”**) or which guarantees are expressly stated to rank junior to the Securities or rank junior to the Bank Parity Shares (**“Bank Junior Guarantees”**) and (iii) securities issued by any subsidiary of Fortis Bank that are guaranteed under any Bank Parity Guarantee or Bank Junior Guarantee.

“Parent Company Parity Securities” means, (i) any preferred or preference shares and any securities of either Parent Company which are expressly stated to rank *pari passu* with the Securities (**“Parent Company Parity Shares”**) or any securities of either Parent Company which are expressly stated to rank junior to the Securities (**“Parent Company Junior Securities”**), (ii) guarantees by either or both Parent Companies (whether through an agreement or instrument labeled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of any preferred securities or preferred or preference shares issued by any of either Parent Company’s subsidiaries (including Fortis Bank), which guarantees are expressly stated to rank *pari passu* with the Securities or rank *pari passu* with Parent Company Parity Shares (**“Parent Company Parity Guarantees”**) or which guarantees are expressly stated to rank junior to the Securities or rank junior to the Parent Company Parity Shares (**“Parent Company Junior Guarantees”**) and (iii) securities issued by any subsidiary of either Parent Company (including Fortis Bank) that are guaranteed under any Parent Company Parity Guarantee or Parent Company Junior Guarantee.

Parent Company Parity Securities and Bank Parity Securities are collectively referred to as **“Parity Securities”**, Parent Company Parity Shares and Bank Parity Shares are collectively referred to as

“**Parity Shares**”, Parent Company Junior Securities and Bank Junior Securities are collectively referred to as “**Junior Securities**”, Parent Company Parity Guarantees and Bank Parity Guarantees are collectively referred to as “**Parity Guarantees**” and Parent Company Junior Guarantees and Bank Junior Guarantees are collectively referred to as “**Junior Guarantees**”.

“**Bank Ordinary Shares**” means ordinary shares of Fortis Bank. “**Parent Company Ordinary Shares**” means ordinary shares of either of the Parent Companies or any ordinary share equivalent that may replace or be substituted for the ordinary shares of either or both Parent Companies. Bank Ordinary Shares and Parent Company Ordinary Shares are referred to collectively as “**Ordinary Shares**”.

Supported Coupons. If Fortis Bank or either Parent Company (A) pays any dividend or makes any distribution or other payment on any of its Ordinary Shares or Parity Securities (other than a partial payment on the 6.50% Perpetual Securities) or (B) redeems, repurchases or otherwise acquires any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition), then, as necessary, the Parent Companies will, subject to the terms of the Support Agreement, jointly and severally contribute or cause to be contributed to the capital of Fortis Bank or otherwise make available such funds as may be necessary to permit Fortis Bank to pay in full the coupon payable on each Regular Coupon Date occurring during the Relevant Period (a “**Supported Coupon**”), each such date a “**Supported Coupon Date**”; *provided* that if a Trigger Event shall have occurred prior to such Regular Coupon Date and is continuing on such Regular Coupon Date, the Supported Coupon Date shall be such date as provided for in clause (i) of the definition of Alternative Coupon Satisfaction Date (defined below). Fortis Bank will be permitted, but shall not be required, to satisfy its obligation to pay the coupon payable on a Supported Coupon Date in accordance with the Alternative Coupon Payment Method; *provided, however*, that if a Trigger Event has occurred and is continuing on such Supported Coupon Date, Fortis Bank will be required to satisfy its obligation to pay such coupon payable on a Supported Coupon Date in accordance with the Alternative Coupon Payment Method.

For purposes of the foregoing, “**Relevant Period**” means:

- for any Relevant Period commencing on or before October 27, 2014, one year; *provided* that if such Relevant Period commences after October 27, 2013, it shall end on and include October 27, 2014; and
- for any Relevant Period commencing after October 27, 2014
 - one year, in the case of (A) any dividend on Ordinary Shares, (B) any dividend, distribution or other payment on Parity Securities that have annual scheduled payments or (C) any redemption, repurchase or other acquisition of Ordinary Shares or Parity Securities,
 - six months, in the case of any dividend, distribution or other payment on Parity Securities that have semi-annual scheduled payments, and

- three months, in the case of any dividend, distribution or other payment on Parity Securities that have quarterly (or more frequent) scheduled payments;

provided in each case that such Relevant Period (unless it commences after October 27, 2013 and ends on and includes October 27, 2014) shall commence on and include the day of the relevant dividend, distribution, payment or redemption, repurchase or other acquisition but shall not include the corresponding day of the third, sixth or twelfth month thereafter, as the case may be.

Exempt Share Classes. The following classes of shares (each, an “**Exempt Share Class**”) shall be exempt from the dividend stopper and Supported Coupon provisions to the extent described above:

- the currently authorized number of 1,820 million cumulative preference shares in the capital of Fortis N.V. or any successor thereto of €0.42 each; and
- any preference shares that are not, or would not be, included as Tier 1 capital of Fortis Bank (“**Replacement Preference Shares**”) to be created or issued by Fortis Bank or either Parent Company in connection with the merger, consolidation, amalgamation or other combination of an entity with and into Fortis Bank or such Parent Company in which Fortis Bank or such Parent Company is the surviving entity, for the purpose of replacing preference shares issued or authorized by such other entity at the time of the transaction.

Fortis Bank and the Parent Companies will each agree not to authorize unilaterally or to propose to its shareholders that they authorize any additional preference shares (other than Replacement Preference Shares) unless such additional preference shares are subject to the dividend stopper and Supported Coupon provisions described above.

Alternative Coupon Payment

Method

General. Fortis Bank shall be required to satisfy its obligation to pay any Alternative Coupon on an Alternative Coupon Satisfaction Date in accordance with the procedure described below (the “**Alternative Coupon Payment Method**”).

Notice. In respect of any coupon which Fortis Bank will pay using the Alternative Coupon Payment Method, Fortis Bank shall give notice (an “**Alternative Coupon Notice**”) that Fortis Bank will satisfy the Elective Alternative Coupon or Exceptional Alternative Coupon (collectively, “**Alternative Coupon**”) payable on the applicable Regular Coupon Date using the Alternative Coupon Payment Method. Alternative Coupon Notices shall be given at least 16 business days prior to the applicable Regular Coupon Date or, if a Trigger Event should occur at any time prior to a Regular Coupon Date, as soon as practicable following the occurrence of such Trigger Event and, in the case of an Exceptional Alternative Coupon, any such notice shall also set forth, subject to a Postponement Event, the Alternative Coupon Satisfaction Date (as defined below). In respect of an Elective Alternative Coupon, Fortis Bank may give an Alternative Coupon Notice in its sole discretion and for any reason except in the case of a Mandated Election. Each Alternative Coupon Notice shall be given by mail and facsimile to the Trustee, the Calculation Agent, the National Bank of Belgium or any successor as operator of the

X/N System (the “NBB”), Euroclear and Clearstream and, if required, shall be published in an Authorized Newspaper.

Alternative Coupons are mandatorily payable with the Alternative Coupon Payment Method and shall be payable on the Alternative Coupon Satisfaction Date.

“**Alternative Coupon Satisfaction Date**” shall be a date, subject to a Postponement Event, which is (i) in the case of an Exceptional Alternative Coupon or a Supported Coupon where a Trigger Event occurs, or has occurred and is continuing, on the applicable Regular Coupon Date, the later of 90 business days following the date on which such Trigger Event first occurred or the next Regular Coupon Date following the date on which such Trigger Event first occurred; *provided* that during any Floating Coupon Period such date shall be a Regular Coupon Date or (ii) in the case of an Elective Alternative Coupon or a Supported Coupon with respect to which Fortis Bank elects to use the Alternative Coupon Payment Method, the relevant Regular Coupon Date.

If any Postponement Event has occurred, the Alternative Coupon Satisfaction Date shall be the date notified to the Trustee, the NBB, any paying agent, the Calculation Agent and the holders of the Securities, which shall be a date no later than 20 business days following the date on which, in the opinion of Fortis Bank and the Parent Companies, a Postponement Event is no longer continuing; provided that during any Floating Coupon Period, such date shall be the next Regular Coupon Date following the date on which, in the opinion of Fortis Bank and the Parent Companies, a Postponement Event is no longer continuing.

Issuance, Exchange and Sale Procedure. Fortis Bank’s obligation to pay Alternative Coupons on the Alternative Coupon Satisfaction Date relating to such coupon in accordance with the Alternative Coupon Payment Method will be satisfied as follows:

- (i) Fortis Bank will give an Alternative Coupon Notice to the Trustee, the NBB, any paying agent, the Calculation Agent and the holders of the Securities of the forthcoming Alternative Coupon Satisfaction Date, including if the Alternative Coupon Payment Method will be used to satisfy a coupon payable on a Regular Coupon Date or Supported Coupon Date, as the case may be;
- (ii) on or before the 7th business day preceding such Alternative Coupon Satisfaction Date, Fortis Bank will issue (subject to compliance with the procedure for contribution in kind under applicable Belgian law) to the Trustee (or its custodian), acting on behalf of the holders of the Securities, Bank Ordinary Shares having, in the judgment of the Calculation Agent, an aggregate fair market value equal to the aggregate amount of Alternative Coupons that will be payable on such Alternative Coupon Satisfaction Date, plus, subject to the proviso below, any expenses to be borne by Fortis Bank or the Parent Companies in connection with using the Alternative Coupon Payment Method (including, without limitation, claims for the costs, fees and expenses of the Calculation Agent and the Trustee); *provided* that for purposes of the foregoing calculation, such expenses shall not be included in such calculation or contributed as a claim for reimbursement against Fortis Bank or either Parent Company, to the extent that such expenses are otherwise paid or

provided for by Fortis Bank or either Parent Company, as the case may be, on or before the 8th business day preceding such Alternative Coupon Satisfaction Date;

- (iii) as soon thereafter as reasonably practicable, the Trustee (or its custodian), acting on behalf of the holders of the Securities, will contribute such Bank Ordinary Shares to the capital of Fortis SA/NV and/or Fortis N.V. (as instructed by the Parent Companies and, in each case, subject to compliance with the procedure for contribution in kind under applicable Belgian and Dutch law), in equal proportions in exchange for Fortis Shares (as defined below) having, in the judgment of the Calculation Agent, an aggregate fair market value equal to the aggregate amount of Alternative Coupons that will be payable on such Alternative Coupon Satisfaction Date, plus, subject to the proviso below, any expenses to be borne by Fortis Bank or the Parent Companies in connection with using the Alternative Coupon Payment Method (including, without limitation, claims for the costs, fees and expenses of the Calculation Agent and the Trustee); *provided* that for purposes of the foregoing calculation, such expenses shall not be included in such calculation or contributed as a claim for reimbursement against Fortis Bank or either Parent Company, to the extent that such expenses are otherwise paid or provided for by Fortis Bank or either Parent Company, as the case may be, on or before the 8th business day preceding such Alternative Coupon Satisfaction Date;
- (iv) as soon thereafter as reasonably practicable, the Calculation Agent will use reasonable endeavors on normal market terms to procure purchasers for such Fortis Shares which, when sold, are intended to provide enough cash to enable the Trustee to make full payment of the Alternative Coupons then payable. The Trustee (or its custodian) will then transfer such Fortis Shares as instructed by the Calculation Agent, and the Trustee (or any paying agent) will collect any sales proceeds; and
- (v) on such Alternative Coupon Satisfaction Date, the Trustee (or any paying agent) will apply such sales proceeds first, towards the payment of any expenses to be borne by Fortis Bank or the Parent Companies in connection with the use of the Alternative Coupon Payment Method (including without limitation, claims for the costs, fees and expenses of the Calculation Agent and the Trustee) and then, towards the payment of the Alternative Coupons then payable.

In connection with the payment of Exceptional Alternative Coupons on an Alternative Coupon Satisfaction Date, the completion of the foregoing steps (i) through (v) will be in full satisfaction of Fortis Bank's obligation to pay such Exceptional Alternative Coupons, without regard to whether the net sales proceeds ultimately delivered to the holders of the Securities are equal to the amount of the Exceptional Alternative Coupons payable on such Alternative Coupon Satisfaction Date. For the avoidance of doubt, Exceptional Alternative Coupons include coupons for which an Alternative Coupon Notice has been delivered regarding an Elective Alternative Coupon but where subsequent to the delivery of such notice and prior to the Regular Coupon Date a Trigger Event shall occur and be continuing.

If the net sales proceeds from the sale of Fortis Shares available for distribution to holders of Securities are less than the full amount of the Alternative Coupon, holders of Securities will be paid ratably in any distribution of such proceeds, in proportion to the full amount of the Alternative Coupon on such holder's Securities.

In connection with the payment of Elective Alternative Coupons, on an Alternative Coupon Satisfaction Date, if the net sales proceeds from the sale of Fortis Shares are insufficient to pay the full amount of the coupon, then Fortis Bank shall make such additional payments as shall be necessary to ensure the coupon is paid in full and, in the case of any Supported Coupon Date, if Fortis Bank is unable to make such payments the Parent Companies shall make such additional payments in accordance with the Support Agreement described below.

As used herein, the “**fair market value**” of one Fortis Share shall be calculated by the Calculation Agent and notified to the Trustee and the Parent Companies and shall be equal to the Volume Weighted Average Price on the first Stock Exchange Business Day preceding the eighth business day preceding the applicable Alternative Coupon Satisfaction Date. In the event that the Volume Weighted Average Price is not available on such date, “fair market value” shall be the first available Volume Weighted Average Price in the seven Stock Exchange Business Days immediately preceding such eighth business day preceding such Alternative Coupon Satisfaction Date. In the event that the Volume Weighted Average Price is not available during such period, then the fair market value shall be determined by the Parent Companies in conjunction with two investment banks (unaffiliated with the Parent Companies) of international repute selected by the Parent Companies.

“**Fortis Share**” means a unit comprising one ordinary share in the capital of Fortis N.V. twinned with one ordinary share in the capital of Fortis SA/NV, or any successor ordinary share issued by either.

“**Volume Weighted Average Price**” means the average of the volume weighted average price of a Fortis Share as traded on the relevant exchange for each of the five preceding Stock Exchange Business Days to and including the date of calculation. For so long as the Fortis Share is traded on both Euronext Brussels and Euronext Amsterdam, the volume weighted average price shall be the arithmetic average of such volume weighted average prices.

Sufficiency of Ordinary Shares. Fortis Bank will be able to pay Alternative Coupons in accordance with the Alternative Coupon Payment Method only to the extent that (i) Fortis Bank has enough authorized and unissued Bank Ordinary Shares and (ii) the Parent Companies have enough authorized and unissued Fortis Shares. The Parent Companies will jointly and severally undertake in the Support Agreement to use all reasonable efforts to ensure that Fortis Bank has sufficient authorized and unissued Bank Ordinary Shares and that each of the Parent Companies have sufficient authorized and unissued Parent Company Ordinary Shares for this purpose; *provided* that the Parent Companies shall not be required to acquire any issued and outstanding Fortis Shares. See “*Support Agreement — Alternative Coupon Payment Method*”.

The Trustee, the Calculation Agent and the holders of the Securities will agree that Fortis Bank will be entitled to pay coupons on any Regular Coupon Date, whether or not such Regular Coupon Date is an Alternative Coupon Satisfaction Date or a Supported Coupon Date, in accordance with the Alternative Coupon Payment Method.

Fortis Bank may pay Alternative Coupons on the Alternative Coupon Satisfaction Date with respect to such coupon by issuing profit-sharing certificates (instead of Bank Ordinary Shares) in accordance with the Alternative Coupon Payment Method unless, before or after the issuance of such profit-sharing certificates, Fortis Bank would not be in compliance with the Regulatory Limits.

“**Regulatory Limits**” means that any profit-sharing certificates to be issued in accordance with the Alternative Coupon Payment Method when taken together with any other profit-sharing certificates or non-voting shares issued by Fortis Bank and other instruments which constitute capital of Fortis Bank under Applicable Banking Regulations, shall not exceed one-third of Fortis Bank’s capital including issue premiums.

Postponement Event Any Alternative Coupon shall be payable on an Alternative Coupon Satisfaction Date. However, if any Postponement Event shall occur, Fortis Bank’s obligation to make payment using the Alternative Coupon Payment Method shall be deferred until a Postponement Event is no longer continuing.

For these purposes, “**Postponement Event**” shall mean:

- a Market Disruption Event (as defined below) exists on or after the 15th business day preceding any Alternative Coupon Satisfaction Date,
- if, notwithstanding the actions taken by Fortis Bank and the Parent Companies as described under “*Alternative Coupon Payment Method — Sufficiency of Ordinary Shares*”, the available Ordinary Shares of Fortis Bank or either Parent Company are not sufficient to pay any amount of the Alternative Coupons that would otherwise be payable on an Alternative Coupon Satisfaction Date, then the Alternative Coupon Satisfaction Date with respect to any such unpaid amount will be postponed until such time as the shareholders of Fortis Bank and/or the Parent Companies approve resolutions authorizing the issuance of sufficient Ordinary Shares,
- the Parent Companies are subject to a “blackout” period which, under applicable securities laws or Parent Company policies then in place, would not permit the Parent Companies to issue Fortis Shares until the release of information which has resulted in the commencement of such blackout period or such blackout period has otherwise terminated, or
- as a result of any covenant, undertaking, guarantee or other similar provision in any Senior and Subordinated Indebtedness and/or Parity Securities (other than Junior Securities and Junior Guarantees), either Fortis Bank or the Parent Companies would not be permitted to pay any Alternative Coupon because Fortis Bank or the Parent Companies has not satisfied its obligations under such Senior and Subordinated Indebtedness and/or Parity

Securities (other than Junior Securities and Junior Guarantees), as the case may be.

For all purposes of these terms and conditions, if any Postponement Event has occurred, the Alternative Coupon Satisfaction Date shall be the date notified to the Trustee, the NBB, any paying agent, the Calculation Agent and the holders of the Securities, which shall be a date no later than 20 business days following the date on which, in the opinion of Fortis Bank and the Parent Companies, a Postponement Event is no longer continuing; *provided* that during any Floating Coupon Period, such date shall be the next Regular Coupon Date following the date on which, in the opinion of Fortis Bank and the Parent Companies, a Postponement Event is no longer continuing.

“Market Disruption Event” means (i) the occurrence or existence of any material suspension of or limitation on trading or on settlement procedures for transactions in Fortis Shares through the primary stock exchange or exchanges on which Fortis Shares are then traded or the principal central securities depository through which Fortis Shares are then cleared which are material in the context of the Fortis Shares or (ii) the existence of any prohibition or material restriction imposed by applicable law (or by order, decree or regulation of any governmental entity, stock exchange or self-regulating body having jurisdiction) on the ability of either Parent Company to issue and/or transfer Fortis Shares.

Fortis Bank shall agree to use its reasonable best efforts to complete the steps described in clauses (i) and (ii) under *“Alternative Coupon Payment Method — Issuance, Exchange and Sale Procedure”*, notwithstanding the occurrence of a Postponement Event, to the extent it can do so without violation of any applicable law and in compliance with any covenant, undertaking, guarantee or other similar provision in any Senior and Subordinated Indebtedness and/or Parity Securities (other than Junior Securities and Junior Guarantees).

Additional Amounts All payments in respect of the Securities will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, or other governmental charges of whatever nature imposed or levied by or on behalf of Belgium or any political subdivision thereof or any authority or agency therein or thereof having the power to tax (**“Relevant Tax”**), unless the withholding or deduction is required by law. If at any time Fortis Bank is required to withhold or deduct any Relevant Tax with respect to any payments on the Securities, Fortis Bank will be required to pay such additional amounts (**“Additional Amounts”**) as shall be required so that the net amount received by each holder of Securities after the withholding or deduction of any such Relevant Tax (such Relevant Tax determined after the payment of any indemnity due by the NBB to such holder pursuant to the Belgian Law of August 6, 1993 relating to transactions with certain securities) will not be less than the amount then otherwise receivable by each holder of Securities in the absence of such withholding or deduction. However, Fortis Bank will not be required to pay Additional Amounts, (i) to the extent that the Relevant Tax is imposed or levied because the holder of the Securities (or the beneficial owner of such Securities) has some connection with Belgium, other than being a holder (or beneficial owner) of the Securities, (ii) to the extent that the Relevant Tax is imposed or levied because that holder (or

beneficial owner) has not made a declaration of non-residence in, or other lack of connection with, Belgium or any similar claim for exemption to the relevant tax authority, *provided* that such declaration or claim is required by law, regulations or the relevant tax treaty and Fortis Bank or its agent has given the holder or beneficial owner at least 60 days' prior written notice of and opportunity to make the declaration or claim, (iii) to the extent that the Relevant Tax is imposed or levied because that holder (or beneficial owner) is not an Eligible Investor (meaning an investor referred to in Article 4 of the Belgian Royal Decree of May 26, 1994 as being eligible to hold an "X" account in the X/N System) or is an Eligible Investor but is not holding the Securities in an exempt securities account with a qualifying clearing system as defined in Article 1, paragraph 1 of the Belgian Law of August 6, 1993 relating to transactions with certain securities, (iv) where such Relevant Tax is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any other Directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or (v) in respect of any coupon or Security presented for payment by or on behalf of a holder who would have been able to avoid such Relevant Tax by having such coupon or Security paid by another paying agent in a member state of the European Union.

Each reference herein to payments in respect of the Securities (including, without limitation, Alternative Coupons and Supported Coupons, if any) shall be deemed to include Additional Amounts, if any.

Optional Redemption The Securities are not redeemable at the option of the holders thereof at any time and are not redeemable at the option of Fortis Bank prior to October 27, 2014 (the "**First Call Date**"), except in certain circumstances upon the occurrence of a Tax Event or a Tier 1 Disqualification Event. See "*Redemption Upon Certain Events*".

The Securities may be redeemed at the option of Fortis Bank, in whole (and not in part), on the First Call Date or on any subsequent Regular Coupon Date; *provided* that Fortis Bank will give notice to holders of Securities not less than 60 business days but not more than 90 business days prior to any such redemption on the First Call Date and not less than 30 days but not more than 60 days prior to any such redemption on any subsequent Regular Coupon Date. This notice will be published in accordance with the notice provisions described under "*General Listing Information — Notices*".

The redemption price for any such redemptions will be (i) 100% of the aggregate principal amount of the Securities, plus (ii) an amount equal to unpaid coupons, if any, thereon with respect to the then-current Coupon Period accrued on a daily basis through the date fixed for redemption, plus (iii) an amount equal to unpaid Alternative Coupons, if any (the "**Base Redemption Price**").

Any optional redemption of Securities is subject to compliance with applicable regulatory requirements, including the prior approval of the BFIC. In any event, no redemption of Securities will be permitted if, before or after giving effect to such redemption, a Trigger Event has occurred and is continuing.

Redemption Upon Certain Events . . . *Tax Event.* Upon the occurrence of a Tax Event other than as a result of a Tax Law Change, subject to the conditions set forth below, Fortis Bank will have the right, (i) at any time before the First Call Date, to redeem the Securities in whole (and not in part) at a redemption price equal to the greater of (x) the Make Whole Amount and (y) the Base Redemption Price or (ii) at any time on or after the First Call Date, to redeem the Securities in whole (and not in part) at the Base Redemption Price.

Upon the occurrence of a Tax Event as a result of a Tax Law Change, subject to the conditions set forth below, Fortis Bank will have the right at any time to redeem the Securities in whole (and not in part) at a redemption price equal to the Base Redemption Price.

For purposes of the foregoing, “**Tax Event**” means the receipt by Fortis Bank of an opinion of a nationally recognized law firm or other tax advisor (which may be an accounting firm) in Belgium experienced in such matters to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of Belgium or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any Administrative Action, (iii) any amendment to, clarification of, or change in the official position on the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to any Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change, interpretation or pronouncement is made known, which amendment, clarification or change is effective or which interpretation or pronouncement is announced on or after the date of issuance of the Securities (sub-clauses (i), (ii) and (iii) above are collectively referred to as a “**Tax Law Change**”) or (iv) other than as a result of a Tax Law Change, there is more than an insubstantial risk that (A) Fortis Bank is or will be required to pay any Additional Amounts or (B) any interest deduction or other similar direct or indirect tax benefit available to Fortis Bank in respect of the Securities is eliminated, reduced or otherwise adversely affected in any material respect.

Tier 1 Disqualification Event. Upon the occurrence of a Tier 1 Disqualification Event, and subject to the conditions set forth below, Fortis Bank will have the right, (i) at any time before the First Call Date, to redeem the Securities in whole (and not in part) at a redemption price equal to the greater of (x) the Make Whole Amount and (y) the Base Redemption Price or (ii) at any time on or after the First Call Date, to redeem the Securities in whole (and not in part) at the Base Redemption Price.

For purposes of the foregoing, “**Tier 1 Disqualification Event**” means the receipt by Fortis Bank of an opinion, declaration, rule or decree of the BFIC to the effect that there has been either (i) a change in the law or regulation or (ii) the interpretation thereof, resulting in more than an insubstantial risk that the Securities (or any portion thereof) will not be eligible to be included in calculating the Tier 1 capital of Fortis Bank, other than as a result of such Securities exceeding the permitted basket for innovative hybrid securities for inclusion as Tier 1 capital.

Any redemption of Securities upon the occurrence of a Tax Event or a Tier 1 Disqualification Event is subject to compliance with applicable regulatory requirements, including the prior approval of the BFIC. In any event, no redemption of Securities will be permitted if and to the extent that, before or after giving effect to such redemption, a Trigger Event has occurred and is continuing.

“Make Whole Amount” means an amount, as determined by a Quotation Agent, equal to the sum of (i) the present value of the aggregate principal amount of the Securities discounted from the First Call Date, (ii) the present values of scheduled annual coupons on the Securities from the Special Event Redemption Date to the First Call Date (assuming in each case that coupons will be paid in full on the relevant Regular Coupon Date), and (iii) any unpaid Alternative Coupons. The present values calculated in (i) and (ii) above shall be calculated by discounting the relevant amounts to the Special Event Redemption Date on an annual basis at the Adjusted Yield.

For purposes of determining the Make Whole Amount:

“Adjusted Yield” means the Bond Yield plus 0.20%;

“Bond Yield” means the rate per annum equal to the annual yield to maturity of the Comparable Bond Issue, assuming a price equal to the Comparable Bond Price for the Calculation Date;

“Calculation Date” means the third TARGET Settlement Day prior to the Special Event Redemption Date;

“Comparable Bond Issue” means, with respect to any Special Event Redemption Date, the euro benchmark security selected by the Quotation Agent that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities from the Special Event Redemption Date to the First Call Date.

“Comparable Bond Price” means, (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Quotation Agent obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

“Primary Bond Dealer” means any credit institution or financial services institution that regularly deals in bonds and other debt securities.

“Quotation Agent” means Cazenove & Co. Ltd and its successors, provided, however, that if the foregoing shall cease to be a Primary Bond Dealer in London, Fortis Bank will be entitled to appoint another Quotation Agent unaffiliated with Fortis Bank or the Parent Companies that is a Primary Bond Dealer in London;

“Reference Bond Dealer” means (a) the Quotation Agent or (b) any other Primary Bond Dealer selected by the Quotation Agent after consultation with Fortis Bank;

“Reference Bond Dealer Quotations” means the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Bond Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the

Quotation Agent by such Reference Bond Dealer at 11:00 a.m. (London time) on the Calculation Date; and

“**Special Event Redemption Date**” means, with respect to the Securities, a redemption date that occurs before the First Call Date in connection with the occurrence of a Tax Event or a Tier 1 Disqualification Event.

Mandatory Conversion Upon the occurrence of any of the events described in clauses (ii) through (vi) (inclusive) of the definition of Non-Consolidated Trigger Event, or any event resulting in a general *concurso creditorum* on the assets of Fortis Bank, the Securities will be automatically converted into Conversion Profit-Sharing Certificates (“**Mandatory Conversion**”) having a total nominal value equal to (i) the aggregate principal amount of the Securities, plus (ii) accrued and unpaid coupons, if any, thereon with respect to the then-current Coupon Period, plus (iii) unpaid Alternative Coupons, if any (the “**Mandatory Conversion Amount**”). However, the Conversion Profit-Sharing Certificates will not provide investors with any rights of participation with the holders of Ordinary Shares. See “*Description of the Conversion Profit-Sharing Certificates*” for a detailed description thereof.

Limitation on Remedies A “**Remedies Event**” occurs if

- (1) Fortis Bank fails to pay any Alternative Coupons due and payable on the Alternative Coupon Satisfaction Date with respect thereto and such failure continues for a period of 30 days or
- (2) Fortis Bank fails to pay any Supported Coupons due and payable on the Supported Coupon Date with respect thereto and such failure continues for a period of 30 days.

Consequences of a Remedies Event. If a Remedies Event occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in aggregate principal amount of the Securities then outstanding, by written notice to Fortis Bank (and to the Trustee if the notice is given by the holders), may, and the Trustee at the request of such holders shall, institute proceedings to obtain the payment of the amounts due or compliance with the defaulted covenant or agreement or to obtain the bankruptcy of Fortis Bank (or any analogous proceeding which may be available from time to time under the laws of Belgium). Neither the Trustee nor the holders may declare the principal amount of the Securities due and payable. No remedy against Fortis Bank, other than the institution of the proceedings referred to above or resulting in the dissolution and liquidation of Fortis Bank, shall be available to the holders of the Securities in respect of any Remedies Event.

Support Agreement *General.* Under the Support Agreement, the Parent Companies will jointly and severally agree to perform the obligations described below. Holders of the Securities are intended to be third-party beneficiaries of the Support Agreement and will be able to exercise enforcement rights either directly or through the Trustee.

Supported Coupons. The Parent Companies will jointly and severally contribute or cause to be contributed to the capital of Fortis Bank or otherwise make available such funds as may be necessary to permit Fortis Bank, taking into account the computation methods as provided for under Article 617 of the Belgian Code of Companies, to pay any coupon on the Securities

that is payable on a Supported Coupon Date. No such contribution to the capital of Fortis Bank or other payment will be payable (i) if the coupon payable on the Supported Coupon Date shall have become an Exceptional Alternative Coupon due to the occurrence of a Trigger Event to be satisfied using the Alternative Coupon Payment Method, (ii) if and to the extent that, before or after giving effect to such contribution or payment, a Net Assets Deficiency Event has occurred and is continuing with respect to both Parent Companies, or (iii) if and to the extent that following the contribution or payment, the Parent Companies would not be solvent or would be in a situation of cessation of payment; *provided* that, notwithstanding the occurrence of any Net Assets Deficiency Event with respect to both Parent Companies, such contributions to the capital of Fortis Bank or other payments will be mandatorily payable on or before any Supported Coupon Date or any Alternative Coupon Satisfaction Date that is triggered by dividends, distributions, payments or redemptions, repurchases or other acquisitions in respect of Fortis Shares or Parent Company Parity Securities (in the circumstances described under “*Dividend Stopper; Supported Coupons — Supported Coupons*”).

“**Net Assets Deficiency Event**” means the net assets of a Parent Company are less than the sum of its respective paid-in capital and non-distributable reserves, as determined in accordance with, or applying the computation method provided in Article 617 of the Belgian Code of Companies with respect to Fortis SA/NV and in accordance with Article 2:105 of the Dutch Civil Code with respect to Fortis N.V.

“**Net assets**” of a Parent Company are to be understood as the total assets as they appear on the non-consolidated balance sheet of such Parent Company prepared in accordance with generally accepted accounting principles used in reporting as required by the applicable stock exchange, after deduction of provisions, debts, formation expenses not yet written off and research and development costs not yet written off.

Alternative Coupon Payment Method. In order that Fortis Bank is able to pay Alternative Coupons on any Alternative Coupon Satisfaction Date in accordance with the Alternative Coupon Payment Method, the Parent Companies will jointly and severally undertake to use all reasonable efforts to ensure that Fortis Bank has sufficient authorized and unissued Bank Ordinary Shares and that the Parent Companies have sufficient authorized and unissued Parent Company Ordinary Shares to permit the issuance of Fortis Shares for this purpose; *provided* that this undertaking shall not be construed to require the Parent Companies to acquire any issued and outstanding Fortis Shares. Without limiting the generality of the foregoing, at each annual general meeting the Parent Companies will propose that their respective shareholders approve resolutions authorizing the issuance of such number of Parent Company Ordinary Shares as the Parent Companies reasonably determine are sufficient to permit the issuance of Fortis Shares to pay the next scheduled coupon, or, in the case of the Floating Coupon Period, the next four scheduled coupons, on the Securities in accordance with the Alternative Coupon Payment Method, except to the extent that the Parent Companies reasonably determine that there are sufficient authorized and unissued Parent Company Ordinary Shares for such purpose already in existence.

Form and Denomination	<p>The Securities will be issued in denominations of €50,000 principal amount and integral multiples thereof.</p> <p>The Securities will be evidenced by global certificates, in bearer form, deposited on the Closing Date with the NBB as operator of the X/N System or its custodian and will be credited to the accounts held with the X/N System by Euroclear, Clearstream, other X/N System participants and their respective participants. See “<i>Clearance and Settlement</i>”.</p> <p>Securities sold in reliance on Regulation S under the Securities Act shall initially be evidenced by the Unrestricted Global Certificate in bearer form. Securities sold in reliance on Rule 144A under the Securities Act shall initially be evidenced by the Restricted Global Certificate in bearer form.</p> <p>Interests in the global certificates will be exchangeable in whole but not in part for definitive Securities in fully registered form only if (A) (i) the Securities become ineligible for clearance and settlement through the X/N System, Euroclear and Clearstream and (ii) Fortis Bank is not able, after using reasonable efforts, to arrange for clearance and settlement of the Securities through a successor clearing system within 120 days of notice of such event or (B) if as a result of any amendment to, or change in, the laws or regulations of Belgium (or any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation, by a revenue authority or a court or administration, of such laws or regulations which become effective on or after the Closing Date, Fortis Bank or any paying agent is or will be required to make any deduction or withholding from any payment in respect of the Securities which would not be required were the Securities in definitive registered form.</p>
Use of Proceeds	Fortis Bank will use the proceeds of the issue and sale of the Securities to support Fortis Bank’s growth, to increase the Tier 1 capital of Fortis Bank and for general corporate purposes, including to pay certain expenses relating to the offering.
Resale Restrictions	<p>Neither the Securities nor the Fortis Shares have been or will be registered under the 1933 Act and may not be offered, sold, pledged or otherwise transferred except in a transaction pursuant to the exemption provided by Regulation S, Rule 144A or such other available exemption from the registration requirements of the 1933 Act. See “<i>Subscription and Sale — Selling Restrictions — United States</i>” and “<i>Transfer Restrictions</i>”.</p> <p>In addition, until 40 days after the later of the commencement of the offering and the closing date, any offer or sale of the Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the 1933 Act.</p>
Listing	Application has been made to list the Securities on Euronext Amsterdam.
Clearance and Settlement	The Securities have been accepted for clearance and settlement in the X/N System. The X/N System is accessible to investors and financial intermediaries through the X/N System’s participants, which include among others Euroclear, Clearstream and the main Belgian financial institutions. In order for the Securities to be traded on a fungible basis, each holder of Securities will be deemed to agree to the application of the fungibility system

provided for in the Belgian Royal Decree No. 62 of November 10, 1967 for the promotion of the circulation of securities.

The Securities may be held only by eligible investors (“**Eligible Investors**”) in an exempt securities account with a qualifying clearing system, as defined in Article 1, paragraph 1 of the Belgian Law of August 6, 1993 relating to transactions with certain securities. Pursuant to Article 4 of the Belgian Royal Decree of May 26, 1994, exempt accounts are reserved for (i) Belgian corporations subject to Belgian corporate income tax, (ii) institutions, associations and companies provided for in Article 2, paragraph 3 of the Belgian Law of July 9, 1975 on the control of insurance companies, (iii) state regulated institutions (*institutions parastatales/parastatale instellingen*) for social security, or institutions which are equated to these, provided for in Article 105, paragraph 2 of the Belgian Royal Decree of August 27, 1993 implementing the Belgian Income Tax Code 1992, (iv) non-resident investors provided for in Article 105, paragraph 5 of the same decree, (v) investment funds, recognized in the framework of pension savings, provided for in Article 115 of the same decree, (vi) companies, associations and other tax payers provided for in Article 227, paragraph 2 of the Belgian Income Tax Code 1992, which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident taxes pursuant to Article 233 of the same code, (vii) the Belgian state in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Belgian Income Tax Code 1992, (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants when their participation rights are not publicly issued in Belgium and are not traded in Belgium and (ix) resident corporations not provided for under (i) when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or non-profit making organizations other than those referred to under (v) above.

Transfers of book-entry interests in the Securities will be effected through the book-entry facilities of the X/N System, the X/N System’s participants and their respective participants. Such transfers will be conducted and settled in accordance with the usual rules and operating procedures of the X/N System’s respective participants. When conducted through the X/N System, Euroclear or Clearstream, such transfers will be settled in same-day funds in the same manner as conventional eurobonds.

Governing Law	The Indenture, the Securities and the Calculation Agency Agreement are governed by the laws of the State of New York, United States of America, except that the subordination provisions of the Indenture and the Securities are governed by the laws of Belgium. The Support Agreement is governed by the laws of Belgium.
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Summary of Terms of the Conversion Profit-Sharing Certificates

The Issuer	Fortis Bank
The Parent Companies	Fortis SA/NV and Fortis N.V.
Securities	<p>Conversion Profit-Sharing Certificates will be directly issued by Fortis Bank as provided below, in accordance with its articles of association in a total nominal value equal to (i) the aggregate principal amount of the Securities, plus (ii) accrued and unpaid coupons, if any, thereon with respect to the then-current Coupon Period, plus (iii) unpaid Alternative Coupons, if any (the “Mandatory Conversion Amount”). The initial distribution rate on the Conversion Profit-Sharing Certificates shall be equal to the coupon on the Securities at the time of conversion. The Conversion Profit-Sharing Certificates will be subject to an agency agreement to be entered into, among others, by Fortis Bank and will have the benefit of a contingent guarantee entered into by the Parent Companies (the “Contingent Guarantee Agreement”).</p>
Issuance of Conversion Profit-Sharing Certificates	<p>Conversion Profit-Sharing Certificates will be issued in connection with Mandatory Conversion of the Securities upon the occurrence of any of the events described in clauses (ii) through (vi) (inclusive) of the definition of Non-Consolidated Trigger Event (as defined below) or an event resulting in a general <i>concurso creditorum</i> on the assets of Fortis Bank.</p>
Distributions	<p>Distributions on the Conversion Profit-Sharing Certificates will be payable from the date of issuance (i) annually in arrears on October 27 of each year, at a fixed rate per annum on their principal amount equal to 4.625%, commencing October 27 following the date of issuance and ending on October 27, 2014 (calculated on an Actual/Actual Basis), and (ii) thereafter quarterly in arrears on January 27, April 27, July 27 and October 27 of each year, or, if Fortis Bank does not have sufficient carried forward profits available for distribution, semiannually on July 1 and January 1 of each year from the profits of the current business year, at a variable rate per annum on their principal amount equal to the three-month or six-month Euro Reference Rate plus a margin of 1.70% (calculated on an Actual/360 Basis) determined on the second TARGET Settlement Day prior to the commencement of the related Distribution Period (each a “Determination Date” for such Distribution Period). Each such date is a “Regular Distribution Date”. If any Regular Distribution Date is not a business day, distributions will be payable on the next business day.</p> <p>Each period from and including a Regular Distribution Date or the date of initial issuance, as applicable, to but not including the next Regular Distribution Date until October 27, 2014, is a “Fixed Distribution Period”. The period from and including October 27, 2014, to but excluding the following Regular Distribution Date and each successive period from and including a Regular Distribution Date to, but excluding, the next succeeding Regular Distribution Date is called a “Floating Distribution Period”. The Fixed Distribution Period and the Floating Distribution Period are each referred to as a “Distribution Period”.</p> <p>If and to the extent that, before or after giving effect to any distribution on the Conversion Profit-Sharing Certificates otherwise payable on a Regular Distribution Date, either of the events</p>

described in clauses (i) and (ii) of the definition of Non-Consolidated Trigger Event or a Consolidated Trigger Event (each a “**Trigger Event**”) has occurred and is continuing, Fortis Bank shall not declare or pay any distributions on the Conversion Profit-Sharing Certificates.

“**Non-Consolidated Trigger Event**” means, (i) a decline in the net assets of Fortis Bank to below the sum of its paid-in capital and non-distributable reserves (which include, for the avoidance of doubt, the Conversion Profit-Sharing Certificates), as determined in accordance with, or applying the computation method provided in, Article 617 of the Belgian Code of Companies, (ii) the amount of total capital of Fortis Bank declines below the minimum amount required by solvency requirements for credit institutions as provided by the current and any future European banking regulations and Basel guidelines, as currently translated by Article 82 § 1, 3° of the Decree of December 5, 1995 of the Belgian Banking, Finance and Insurance Commission (“**BFIC**”) on the regulation of own funds of credit institutions (the “**1995 Decree**”) (which currently requires a total capital ratio of 8%), (iii) the amount of Tier 1 capital (*fonds propres sensu stricto/eigen vermogen sensu stricto*) of Fortis Bank declines below 5/8 of the amount of total capital as required from time to time by Article 82 § 1, 3° of the 1995 Decree, (iv) Article 633 of the Belgian Code of Companies becomes applicable by virtue of Fortis Bank’s net assets falling below 50% of Fortis Bank’s capital as a result of losses incurred, (v) Article 23 of the Belgian Law of March 22, 1993 applies by virtue of Fortis Bank’s capital falling below €6.2 million or (vi) at the discretion of the BFIC, in the event that Article 57 § 1 of the Belgian Law of March 22, 1993 becomes applicable due to the special measures imposed by the BFIC in application thereof.

“**Net assets**” are to be understood as the total assets as they appear on the non-consolidated balance sheet of Fortis Bank prepared in accordance with generally accepted accounting principles used to prepare such balance sheet for Fortis Bank’s primary regulator, after deduction of provisions, debts, formation expenses not yet written off and research and development costs not yet written off.

“**Consolidated Trigger Event**” means the amount of Tier 1 capital (*fonds propres sensu stricto/eigen vermogen sensu stricto*) of Fortis Bank as recorded in the consolidated financial statements of Fortis Bank declines below 5% of the risk-weighted assets of Fortis Bank, calculated in accordance with the 1995 Decree.

Subordination The rights and claims of investors in the Conversion Profit-Sharing Certificates are subordinated to the obligations of Fortis Bank, including all deposits and other liabilities of Fortis Bank (including those in respect of bonds, notes and debentures (whether senior or subordinated)), and instruments constituting Tier 2 capital of Fortis Bank or guarantees of such instruments under Applicable Banking Regulations. In any event creating a general *concursum creditorum* on the assets of Fortis Bank, the holders of Conversion Profit-Sharing Certificates will rank *pari passu* with the holders of the (i) most senior ranking preferred or preference shares or (ii) profit-sharing certificates or guarantees ranking *pari passu* with such preference shares or profit-sharing certificates of Fortis Bank then in issue (collectively the “**Parity Shares**”). However, the Conversion Profit-Sharing Certificates will not provide the holders

thereof with any rights to a liquidation bonus or any other participation rights.

Dividend Stopper; Mandatory

Distributions

Dividend Stopper. Fortis Bank will provide in its articles of association, and the Parent Companies will each agree in the Contingent Guarantee Agreement that, if full distributions have not been paid on the Conversion Profit-Sharing Certificates on the most recent Regular Distribution Date, (A) each of Fortis Bank and the Parent Companies (i) will not propose to its shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of any dividend, distribution or other payment on its Ordinary Shares or Parity Securities and (ii) will not redeem, repurchase or otherwise acquire any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition) and (B) each of the Parent Companies (i) will not declare or pay, and to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of, any dividend, distribution or other payment on its Ordinary Shares or Parity Securities and (ii) agrees that it will not vote, or will cause that no vote is made by any of its subsidiaries, in favor of any of the actions of Fortis Bank described in clauses (A)(i) and (ii) above; *provided* that the foregoing restriction shall not apply (i) to a dividend, distribution, payment or redemption in respect of any Exempt Share Class, (ii) to a dividend, distribution or other payment on any Parity Securities that is required to be paid, pursuant to the terms of such Parity Securities, solely as a result of a dividend, distribution or redemption in respect of any Exempt Share Class or (iii) if less than a full distribution is paid on the Conversion Profit-Sharing Certificates on any Regular Distribution Date, to a dividend, distribution or other payment on any Parity Securities (other than Junior Securities and Junior Guarantees) during the period beginning on such Regular Distribution Date and ending before the next succeeding Regular Distribution Date, in an amount that results in the payment of a proportion of a full dividend, distribution or other payment on such Parity Securities (other than Junior Securities and Junior Guarantees) equal to the proportion of a full distribution on the Conversion Profit-Sharing Certificates, if any, paid on such Regular Distribution Date.

“Bank Parity Securities” means, (i) the most senior ranking preferred or preference shares or profit-sharing certificates (*parts bénéficiaires/winstbewijzen*) of Fortis Bank and any securities which are expressly stated to rank *pari passu* with the Profit-Sharing Certificates (collectively, **“Bank Parity Shares”**) or any securities which are expressly stated to rank junior to the Profit-Sharing Certificates (**“Bank Junior Securities”**), (ii) guarantees by Fortis Bank (whether through an agreement or instrument labeled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of preferred securities or preferred or preference shares issued by any of Fortis Bank’s subsidiaries, which guarantees are expressly stated to rank *pari passu* with the Profit-Sharing Certificates or rank *pari passu* with Bank Parity Shares (collectively, **“Bank Parity Guarantees”**) or which guarantees are expressly stated to rank junior to the Profit-Sharing Certificates or rank junior to the Bank Parity Shares (**“Bank Junior Guarantees”**) and (iii) securities issued by any subsidiary of

Fortis Bank that are guaranteed under any Bank Parity Guarantee or Bank Junior Guarantee.

“Parent Company Parity Securities” means, (i) the most senior ranking preferred or preference shares and any securities of either Parent Company which are expressly stated to rank *pari passu* with the Profit-Sharing Certificates (**“Parent Company Parity Shares”**) or any securities of either Parent Company which are expressly stated to rank junior to the Profit-Sharing Certificates (**“Parent Company Junior Securities”**), (ii) guarantees by either or both Parent Companies (whether through an agreement or instrument labeled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of any preferred securities or preferred or preference shares issued by any of either Parent Company’s subsidiaries (including Fortis Bank), which guarantees are expressly stated to rank *pari passu* with the Profit-Sharing Certificates or rank *pari passu* with Parent Company Parity Shares (**“Parent Company Parity Guarantees”**) or which guarantees are expressly stated to rank junior to the Profit-Sharing Certificates or rank junior to the Parent Company Parity Shares (**“Parent Company Junior Guarantees”**) and (iii) securities issued by any subsidiary of either Parent Company (including Fortis Bank) that are guaranteed under any Parent Company Parity Guarantee or Parent Company Junior Guarantee.

Parent Company Parity Securities and Bank Parity Securities are collectively referred to as **“Parity Securities”**, Parent Company Parity Shares and Bank Parity Shares are collectively referred to as **“Parity Shares”**, Parent Company Junior Securities and Bank Junior Securities are collectively referred to as **“Junior Securities”**, Parent Company Parity Guarantees and Bank Parity Guarantees are collectively referred to as **“Parity Guarantees”** and Parent Company Junior Guarantees and Bank Junior Guarantees are collectively referred to as **“Junior Guarantees”**.

“Bank Ordinary Shares” means ordinary shares of Fortis Bank.

“Parent Company Ordinary Shares” means ordinary shares of either of the Parent Companies or any ordinary share equivalent that may replace or be substituted for the ordinary shares of either or both Parent Companies.

Bank Ordinary Shares and Parent Company Ordinary Shares are referred to collectively as **“Ordinary Shares”**.

Mandatory Distributions. If Fortis Bank or either Parent Company (A) pays any dividend or makes any distribution or other payment on any of its Ordinary Shares or Parity Securities or (B) redeems, repurchases or otherwise acquires any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition), then the distribution payable on the Regular Distribution Dates occurring during the Relevant Period will be mandatorily payable on each such date (a **“Mandatory Distribution Date”**), *except* that if a Trigger Event has occurred and is continuing on any such date, then Fortis Bank shall not declare or pay any distribution on the Conversion Profit-Sharing Certificates. See **“Contingent Guarantee — Mandatory Distribution”**. In the case of any dividend, distribution or other payment on any Parity Securities, the distribution payable on each related Mandatory Distribution Date will be payable in an amount that results in payment on such Mandatory Distribution Date of a

proportion of a full distribution on the Conversion Profit-Sharing Certificates equal to the proportion of a full dividend, distribution or other payment on such Parity Securities represented by such dividend, distribution or other payment.

For purposes of the foregoing, “**Relevant Period**” means:

- for any Relevant Period commencing on or before October 27, 2014, one year; *provided* that if such Relevant Period commences after October 27, 2013, it shall end on and include October 27, 2014; and
- for any Relevant Period commencing after October 27, 2014,
 - one year, in the case of (A) any dividend on Ordinary Shares, (B) any dividend, distribution or other payment on Parity Securities that have annual scheduled payments or (C) any redemption, repurchase or other acquisition of Ordinary Shares or Parity Securities,
 - six months, in the case of any dividend, distribution or other payment on Parity Securities that have semi-annual scheduled payments, and
 - three months, in the case of any dividend, distribution or other payment on Parity Securities that have quarterly (or more frequent) scheduled payments;

provided in each case that such Relevant Period (unless it commences after October 27, 2013 and ends on and includes October 27, 2014) shall commence on and include the day of the relevant dividend, distributions, payment or redemption, repurchase or other acquisition but shall not include the corresponding day of the third, sixth or twelfth month thereafter, as the case may be.

Exempt Share Classes. The following classes of shares (each, an “**Exempt Share Class**”) shall be exempt from the dividend stopper and mandatory distribution provisions to the extent described above:

- the currently authorized number of 1,820 million cumulative preference shares in the capital of Fortis N.V. or any successor thereto of €0.42 each; and
- any preference shares that are not, or would not be, included as Tier 1 capital of Fortis Bank (“**Replacement Preference Shares**”) to be created or issued by Fortis Bank or either Parent Company in connection with the merger, consolidation, amalgamation or other combination of an entity with and into Fortis Bank or such Parent Company in which Fortis Bank or such Parent Company is the surviving entity, for the purpose of replacing preference shares issued or authorized by such other entity at the time of the transaction.

Fortis Bank and the Parent Companies will each agree not to authorize unilaterally or to propose to its shareholders that they authorize any additional preference shares (other than Replacement Preference Shares) unless such additional preference shares are subject to the dividend stopper and mandatory distribution provisions described above.

Additional Amounts All payments in respect of the Conversion Profit-Sharing Certificates will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, or other governmental charges of whatever

nature imposed or levied by or on behalf of Belgium or any political subdivision thereof or any authority or agency therein or thereof having the power to tax (“**Relevant Tax**”), unless the withholding or deduction is required by law. If at any time Fortis Bank is required to withhold or deduct any Relevant Tax with respect to any payments on the Conversion Profit-Sharing Certificates, Fortis Bank will be required to pay such additional amounts (“**Additional Amounts**”) as shall be required so that the net amount received by each holder of Conversion Profit-Sharing Certificates after the withholding or deduction of any such Relevant Tax will not be less than the amount then otherwise receivable by each holder of Conversion Profit-Sharing Certificates in the absence of such withholding or deduction. However, Fortis Bank will not be required to pay Additional Amounts, (i) to the extent that the Relevant Tax is imposed or levied because the holder of Conversion Profit-Sharing Certificates (or the beneficial owner of such securities) has some connection with Belgium, other than being a holder (or beneficial owner) of Conversion Profit-Sharing Certificates or (ii) to the extent that the Relevant Tax is imposed or levied because that holder (or beneficial owner) has not produced and delivered to Fortis Bank or its agent the affidavit, certificate or any other document requested for exemption or reduction, *provided* that such affidavit, certificate or other document is required by law, regulations or the relevant tax treaty and Fortis Bank or its agent has given the holder or beneficial owner at least 60 days’ prior written notice of and opportunity to produce and deliver such affidavit, certificate or other document.

Each reference herein to payments in respect of the Conversion Profit-Sharing Certificates shall be deemed to include the payment of Additional Amounts, if any.

Optional Redemption

The Conversion Profit-Sharing Certificates are not redeemable at the option of the holders at any time and are not redeemable at the option of Fortis Bank prior to the First Call Date, except in certain circumstances upon the occurrence of a Tier 1 Disqualification Event. See “*Redemption Upon Certain Events*”.

The Conversion Profit-Sharing Certificates may be redeemed at the option of Fortis Bank, in whole (and not in part), on the First Call Date or on any subsequent Regular Distribution Date; *provided* that Fortis Bank will give notice to holders of the Conversion Profit-Sharing Certificates not less than 60 business days but not more than 90 business days prior to any such redemption on the First Call Date and not less than 30 days but not more than 60 days prior to any such redemption on any subsequent Regular Distribution Date. This notice will be published in accordance with the notice provisions described under “*General Listing Information — Notices*”.

The redemption price for such redemptions will be (i) 100% of the aggregate nominal value of the Conversion Profit-Sharing Certificates, plus (ii) an amount equal to pro rata unpaid distributions, if any, thereon with respect to the then-current Distribution Period calculated on a daily basis through the date fixed for redemption (the “**Base Redemption Price**”).

Any optional redemption of Conversion Profit-Sharing Certificates is subject to compliance with applicable regulatory requirements, including the prior approval of the BFIC. In any event, no redemption of Conversion Profit-Sharing Certificates will be

permitted if, before or after giving effect to such redemption, a Trigger Event has occurred and is continuing.

Any redemption of Conversion Profit-Sharing Certificates is subject to an application *mutatis mutandis* of Article 620 of the Belgian Code of Companies, and to the extent that such redemption entails a decrease in the contribution made for the Conversion Profit-Sharing Certificates, of Articles 612 and 613 of the Belgian Code of Companies.

Redemption Upon Certain Events *Tier 1 Disqualification Event.* Upon the occurrence of a Tier 1 Disqualification Event and subject to the conditions set forth below, Fortis Bank will have the right, (i) at any time before the First Call Date, to redeem the Conversion Profit-Sharing Certificates in whole (and not in part) at a redemption price equal to the greater of (x) the Make Whole Amount and (y) the Base Redemption Price or (ii) at any time on or after the First Call Date, to redeem the Conversion Profit-Sharing Certificates in whole (and not in part) at the Base Redemption Price.

For purposes of the foregoing, “**Tier 1 Disqualification Event**” means the receipt by Fortis Bank of an opinion or declaration, rule or decree of the BFIC to the effect that there has been (i) either a change in law or regulation or (ii) the interpretation thereof, resulting in more than an insubstantial risk that the Conversion Profit-Sharing Certificates (or any portion thereof) will not be included in calculating the Tier 1 capital of Fortis Bank under Applicable Banking Regulations.

Any redemption of Conversion Profit-Sharing Certificates upon the occurrence of a Tier 1 Disqualification Event is subject to compliance with applicable regulatory requirements, including the prior approval of the BFIC. In any event, no redemption of Conversion Profit-Sharing Certificates will be permitted if and to the extent that, before or after giving effect to such redemption, a Trigger Event has occurred and is continuing.

Any redemption of Conversion Profit-Sharing Certificates is subject to an application *mutatis mutandis* of Article 620 of the Belgian Code of Companies, and to the extent that such redemption entails a decrease in the contribution made for the Conversion Profit-Sharing Certificates, of Articles 612 and 613 of the Belgian Code of Companies.

Contingent Guarantee *General.* Under the Contingent Guarantee Agreement, the Parent Companies will jointly and severally agree to perform the obligations described below. Holders of the Conversion Profit-Sharing Certificates will be able to exercise enforcement rights under the Contingent Guarantee Agreement directly.

Mandatory Distributions. The Parent Companies will jointly and severally pay any distribution on the Conversion Profit-Sharing Certificates that is mandatorily payable on a Mandatory Distribution Date if and to the extent that Fortis Bank has not paid such distribution. Each Parent Company will have the option of satisfying its obligation to make any Contingent Guarantee Agreement payments by either (i) making Contingent Guarantee payments directly to holders of the Conversion Profit-Sharing Certificates or (ii) making a capital contribution to Fortis Bank sufficient to permit Fortis Bank to pay the related distribution amount and Additional Amounts, if any. No such contribution or payment will be made if and to the extent that, (a) prior to the

Mandatory Distribution Date a Trigger Event has occurred and is continuing on such Mandatory Distribution Date, or (b) before or after giving effect to such contribution or payment, a Net Assets Deficiency Event has occurred and is continuing with respect to both Parent Companies or, if following such contribution or payment, the Parent Companies would not be solvent or would be in a situation of cessation of payment; *provided* that, notwithstanding the occurrence of any Net Assets Deficiency Event with respect to both Parent Companies, such contribution or payment will be mandatorily payable on or before any Mandatory Distribution Date that is triggered by dividends, distributions, payments or redemptions, repurchases or other acquisitions in respect of Fortis Shares or Parent Company Parity Securities (in the circumstances described under “*Dividend Stopper; Mandatory Distributions — Mandatory Distributions*”).

Additional Amounts. All payments in respect of the Contingent Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, or other governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or Belgium or any political subdivision thereof or any authority or agency therein or thereof having the power to tax (“**Parent Relevant Tax**”), unless the withholding or deduction is required by law. If at any time the Parent Companies are required to withhold or deduct any Parent Relevant Tax with respect to any payments in respect of the Contingent Guarantee, the Parent Companies will be required to pay such additional amounts (“**Additional Amounts**”) as shall be required so that the net amount received by each holder of Conversion Profit-Sharing Certificates after the withholding or deduction of any such Parent Relevant Tax will not be less than the amount then otherwise receivable by each holder of Conversion Profit-Sharing Certificates in the absence of such withholding or deduction. However, the Parent Companies will not be required to pay Additional Amounts, (i) to the extent that the Parent Relevant Tax is imposed or levied because the holder of Conversion Profit-Sharing Certificates (or the beneficial owner of such securities) has some connection with The Netherlands or Belgium, other than being a holder (or beneficial owner) of Conversion Profit-Sharing Certificates or (ii) to the extent that the Parent Relevant Tax is imposed or levied because that holder (or beneficial owner) has not produced and delivered to the Parent Companies or their agent the affidavit, certificate or any other document requested for exemption or reduction, *provided* that such affidavit, certificate or other document is required by law, regulations or the relevant tax treaty and the Parent Companies or their agent has given the holder or beneficial owner at least 60 days’ prior written notice of and opportunity to produce and deliver such affidavit, certificate or other document.

Each reference herein to payments in respect of the Contingent Guarantee shall be deemed to include Additional Amounts, if any.

“**Net Assets Deficiency Event**” means the net assets of a Parent Company are less than the sum of its respective paid-in capital and non-distributable reserves, as determined in accordance with, or applying the computation method provided in Article 617 of the Belgian Code of Companies with respect to Fortis SA/NV and in accordance with Article 2:105 of the Dutch Civil Code with respect to Fortis N.V.

Form and Denomination	<p>The Conversion Profit-Sharing Certificates will be issued with a total nominal value equal to the Mandatory Conversion Amount.</p> <p>The Conversion Profit-Sharing Certificates will be issued in global bearer form or in registered form and are expected to be cleared through the book-entry system of the <i>Caisse Interprofessionnelle/Interprofessionele Kas</i>, the Belgian national securities depository (“CIK”), Euroclear and Clearstream. If deemed ineligible for clearance through any such clearing systems, the Conversion Profit-Sharing Certificates will be issued in definitive registered form to investors.</p>
Resale Restrictions	<p>The Conversion Profit-Sharing Certificates have not been and will not be registered under the 1933 Act and may not be offered, sold, pledged or otherwise transferred except in a transaction pursuant to the exemption provided by Regulation S, Rule 144A or such other available exemption from the registration requirements of the 1933 Act.</p> <p>In accordance with Article 508 of the Belgian Code of Companies, until the tenth day following the filing of the second annual accounts of Fortis Bank after their issue, the Conversion Profit-Sharing Certificates can only be validly transferred by notifying a public or private deed to Fortis Bank within one month of such transfer.</p>
Listing	<p>Application will be made to list any Conversion Profit-Sharing Certificates or any depository receipts representing such Conversion Profit-Sharing Certificates on a regulated exchange in the European Union, which may include Euronext Amsterdam, as permitted by applicable law.</p>
Governing Law	<p>The Conversion Profit-Sharing Certificates and the Contingent Guarantee Agreement will be governed by the laws of Belgium.</p>

INVESTMENT CONSIDERATIONS

Any investment in the Securities involves risks, including those described in this section. You should carefully consider the following investment considerations and the other information in this offering memorandum before deciding whether an investment in the Securities is suitable for you. If any of the following risks actually occurs, the trading price of the Securities could decline and you could lose all or part of your investment. Additional risks not currently known to Fortis or Fortis Bank or that Fortis or Fortis Bank now deems immaterial may also harm Fortis or Fortis Bank and affect your investment.

Investment Considerations Relating to the Business of Fortis

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 (60%, 16% and 24% 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 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.

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 characterized 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.

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 unrealized 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. The stock market declines in 2000-2002 adversely impacted investments in, and sales of products linked to, financial assets, particularly equity securities during this period. In addition, as a result of certain products offered by Fortis, it had significant exposure to equity investments which made up 9.6%, 7.1% and 4.6% of its investment portfolio at the end of 2001, 2002 and 2003, respectively. During 2002 Fortis' net operating profit and solvency levels were materially adversely impacted by declines in equity values which reduced net

operating profit and group equity by EUR 1,031 million. Since the middle of 2003 equity markets have recovered and Fortis has reduced its exposure to equities. 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.

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 recognized 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.

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.

Fortis' risk management methods may leave it exposed to unidentified, unanticipated, or incorrectly quantified risks, which could lead to material losses or material increases in liabilities.

Fortis devotes significant resources to developing risk management policies, procedures and assessment methods for its banking, insurance and asset management businesses. Fortis uses a sophisticated value-at-risk (VaR) model, duration analysis and sensitivity analysis as well as other risk assessment methods. Nonetheless, Fortis' risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that Fortis fails to identify or anticipate. Some of Fortis' qualitative tools and metrics for managing risk are based upon use of observed historical market behavior. Fortis applies statistical and other tools to these observations to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures. Fortis' losses thus could be significantly greater than Fortis' measures would indicate. In addition, Fortis' quantified modeling does not take all risks into account. Fortis' more qualitative approach to managing risks takes into account a broader set of risks, but is less precise than quantified modeling and could prove insufficient.

Unanticipated or incorrectly quantified risk exposures could result in material losses in Fortis' insurance, banking and asset management businesses.

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.

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, policy holder bonus rates, policy holder 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.

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.

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.

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.

Insurance products enjoy certain tax advantages, particularly in The Netherlands, which permit the tax-deferred accumulation of earnings on the premiums paid by the holders of annuities and life insurance products under certain conditions and within limits. Taxes, if any, are payable on accumulated tax-deferred earnings when earnings are actually paid. Recent tax changes have included the abolition of a standard amount of tax deductible life insurance premium. This has reduced the attractiveness of life insurance products in The Netherlands. The current administration in The Netherlands has indicated that it is contemplating further changes in tax law. These changes could affect the tax advantages of certain of Fortis' products, including group savings products. 14% of Fortis' insurance business in 2003 (based on gross premiums written) is derived from its Netherlands life insurance business. Any changes in Dutch tax law affecting Fortis' products could have a material adverse effect on Fortis' insurance business and results of operations and financial condition.

In 2005 Fortis will be obliged to adopt International Financial Reporting Standards ("IFRS") which will impact Fortis' financial results as they differ in significant respects from GAAP in accordance with Belgian law.

Fortis' financial statements are prepared on the basis of GAAP in accordance with Belgian law. In June 2002, the Council of Ministers of the EU adopted new regulations requiring all listed EU companies, including Fortis, to apply IFRS (previously known as "International Accounting Standards" or "IAS") in preparing their consolidated financial statements from January 1, 2005. Because IFRS emphasizes the measure of the fair value of certain assets and liabilities, applying these standards to our financial statements may have a considerable impact on a number of important areas, including, among others, goodwill and intangible assets, employee benefits and financial instruments (including derivatives), accounting for share-based payments, long-term assets, insurance technical reserves, and business combinations. Because Fortis' financial statements prepared in accordance with IFRS will differ from its financial statements prepared on the basis of GAAP in accordance with Belgian law, the methods used by the financial community to assess Fortis' financial performance and value its publicly-traded securities could be affected and Fortis' financial statements may be materially different from the financial statements included herein.

Investment Considerations Relating to Purchase of the Securities

If Fortis Bank's financial condition were to deteriorate materially, holders of Securities could lose all or part of their investment; the obligations of Fortis Bank are deeply subordinated.

If Fortis Bank's financial condition were to deteriorate and to the extent that funds are not available through the Support Agreement, Fortis Bank and holders of Securities could suffer direct and materially adverse consequences, including insufficient coupon payments on the Securities through the Alternative Coupon Payment Method and, if a liquidation, dissolution or winding up of Fortis Bank were to occur, loss by holders of all or part of their investment.

Furthermore, the rights of holders under the Securities to participate in the distribution of assets of Fortis Bank upon Fortis Bank's liquidation will be effectively subordinated to all existing and future liabilities, including trade payables, of Fortis Bank.

Holders of Securities may not receive full payment of coupons.

Fortis Bank will be permitted to satisfy its obligations on an Alternative Coupon Satisfaction Date only by means of the Alternative Coupon Payment Method. The Alternative Coupon Payment Method involves the sale of Fortis Shares in the market. In connection with any Exceptional Alternative Coupon, to the extent the proceeds from such sale are not adequate to pay the full amount of the coupons then due, Fortis Bank is nonetheless deemed to have satisfied its obligation in full and holders of the Securities will have no claim for any amounts not paid. In addition, the occurrence of a Postponement Event could result in the use of the Alternative Coupon Payment Method and the payment of coupons being deferred indefinitely. See “Description of the Securities — Alternative Coupon Payment Method”.

Fortis Bank may redeem the Securities (i) at any time upon the occurrence of a Tax Event or a Tier 1 Disqualification Event or (ii) on the First Call Date or on any Regular Coupon Date thereafter.

The Securities are perpetual and have no final maturity date and holders of Securities have no right to call for the redemption of the Securities. However, Fortis Bank may elect to redeem the Securities (in whole and not in part) upon the occurrence of a Tax Event or a Tier 1 Disqualification Event, whether before or after the First Call Date, or for any reason on the First Call Date or on any subsequent Regular Coupon Date, in each case subject to the prior approval of the BFIC, if then required.

Fortis Bank and the Parent Companies may issue additional debt.

Neither Fortis nor Fortis Bank is prohibited or restricted from issuing additional debt ranking *pari passu* with or senior to the Securities. None of the Securities, the Indenture or the Support Agreement limits the ability of Fortis Bank or the Parent Companies to incur indebtedness, including indebtedness that ranks *pari passu* with the obligations of the Parent Companies under the Support Agreement. The issuance of any such further debt may dilute the claim of holders of Securities and of Fortis Bank under the Support Agreement.

There has been no prior public market for the Securities.

The Securities constitute a new issue of securities and have no established trading market. Prior to this offering, there has been no public market for the Securities. Although application has been made to list the Securities on Euronext Amsterdam, there can be no assurance that an active public market for the Securities will develop, and if such a market were to develop, there is no obligation to maintain such a market. The liquidity and the market prices for the Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of Fortis Bank and other factors that generally influence the market prices of securities. Such fluctuations may significantly affect the liquidity and the market prices of the Securities, which may trade at a discount to the price at which you purchase the Securities. In addition, there is no assurance that a trading market for the Securities will exist and no assurance as to the liquidity of any trading market.

Regulatory authorities have oversight powers over Fortis Bank and the Parent Companies.

The BFIC or its successors, regulatory authorities in the European Union and regulatory authorities in other countries have oversight powers over Fortis Bank and in varying degrees over one or more entities of Fortis. Under certain circumstances, any of such regulatory authorities could make determinations or take decisions in the future with respect to any of such entities or a portion of their respective operations or assets that could adversely affect the ability of Fortis Bank or the Parent Companies to, among other things, make distributions to their respective security holders, to engage in transactions with affiliates, to purchase or transfer assets, to pay their respective obligations and to make any redemption or liquidation payments to their security holders.

Securities may be held only by eligible investors.

The Securities may be held only by eligible investors in an exempt securities account with a qualifying clearing system, as defined in Article 1, paragraph 1 of the Belgian Law of August 6, 1993 relating to transactions with certain securities. Pursuant to Article 4 of the Belgian Royal Decree of May 26, 1994, exempt accounts are reserved for (i) Belgian corporations subject to Belgian corporate income tax, (ii) institutions, associations and companies provided for in Article 2, paragraph 3 of the Belgian Law of July 9, 1975 on the control of insurance companies, (iii) state regulated institutions (*institutions parastatales/parastatale instellingen*) for social security, or institutions which are equated to these, provided for in

Article 105, paragraph 2 of the Belgian Royal Decree of August 27, 1993 implementing the Belgian Income Tax Code 1992, (iv) non-resident investors provided for in Article 105, paragraph 5 of the same decree, (v) investment funds, recognized in the framework of pension savings, provided for in Article 115 of the same decree, (vi) companies, associations and other tax payers provided for in Article 227, paragraph 2 of the Belgian Income Tax Code 1992, which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident taxes pursuant to Article 233 of the same code, (vii) the Belgian state in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Belgian Income Tax Code 1992, (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants when their participation rights are not publicly issued in Belgium and are not traded in Belgium and (ix) resident corporations not provided for under (i) when their activities exclusively or principally consist of the granting of credits and loans.

Eligible investors do not include, *inter alia*, Belgian resident investors who are individuals or non-profit making organizations other than those referred to under (v) above.

In addition, the Securities are subject to restrictions on transfers. See “*Transfer Restrictions*”.

Fortis Bank’s Capital and Regulatory Position; Mandatory Conversion

If any of the events described in clauses (ii) through (vi) inclusive of the definition of Non-Consolidated Trigger Event were to occur or in the event of a general *concursum creditorum* on the assets of Fortis Bank, this would trigger the conversion of the Securities into profit-sharing certificates. Therefore, following any such event or a general *concursum creditorum* on the assets of Fortis Bank, holders would become holders of profit-sharing certificates or equity holders at a time when the Bank’s financial condition has deteriorated.

Although Fortis Bank has undertaken to create profit-sharing certificates with economic terms substantially similar to the Securities if required to do so to effect mandatory conversion and although the Parent Companies will undertake to vote or cause that a vote is made, at the extraordinary general meeting of shareholders of Fortis Bank, in favor of such a conditional issue and the corresponding amendments to the articles of association of Fortis Bank, Fortis Bank has not yet created such profit-sharing certificates. The ultimate issue of the profit-sharing certificates will require a contribution of the Securities on behalf of the holders and the determination by the Board of Directors of Fortis Bank of the final terms of their issue.

Although Fortis Bank has undertaken to use its best endeavors to obtain a listing for the profit-sharing certificates or the depository receipts representing the profit-sharing certificates on a recognized international stock exchange, Fortis Bank and its shareholders will be required to take steps to do so following the occurrence of an event which triggers the mandatory conversion into profit-sharing certificates. There can be no certainty, therefore, that the profit-sharing certificates or the depository receipts representing the profit-sharing certificates will be listed on a recognized international stock exchange.

Security holders’ rights under the Support Agreement are limited.

Each Parent Company’s obligations under the Support Agreement constitute unsecured and unsubordinated obligations of such Parent Company and will rank *pari passu* effectively, from a financial point of view, with all other unsecured and unsubordinated obligations of the Parent Companies, except to the extent that such other obligations are preferred by applicable law. The Parent Companies’ obligations under the Support Agreement with respect to coupons payable on a Supported Coupon Date will be satisfied by making capital contributions to Fortis Bank or otherwise making funds available to Fortis Bank and, as a result, any claims of holders of Securities will be subordinated to claims of creditors of Fortis Bank. The Support Agreement does not limit the ability of the Parent Companies to incur indebtedness. See “*Description of the Support Agreement — General*”.

The Parent Companies will not be obligated to make any contribution or payment in respect of Supported Coupons under the Support Agreement (i) if and to the extent that, before or after giving effect to such contribution or payment, the net assets of the Parent Companies are less than the sum of their respective paid-in capital and non-distributable reserves, as determined in accordance with, or applying the computation method provided in Article 617 of the Belgian Code of Companies with respect to Fortis SA/NV and in accordance with Article 2:105 of the Dutch Civil Code with respect to Fortis N.V., unless either of the Parent Companies or any of their subsidiaries declares or makes a payment in respect of, or redeems, repurchases or otherwise acquires any Fortis Shares or Parent Company Parity Securities, in which case such contributions or payments will be payable under the Support Agreement or (ii) if and to the extent that following such

contribution or payment, the Parent Companies would not be solvent or would be in a situation of cessation of payment. In addition, the Parent Companies will not be obligated under the Support Agreement to make any contribution or payment to Fortis Bank in respect of coupon payments on the Securities to the extent that Fortis Bank is not required to pay such coupons at such time, whether due to a Postponement Event or otherwise, or if coupons payable on the Supported Coupon Date have become Exceptional Alternative Coupons due to the occurrence of a Trigger Event. See “*Description of the Support Agreement*”.

In the event that the Parent Companies do not have sufficient legally available funds to make the contribution or payment payable in full under the Support Agreement, the Parent Companies will not be able to contribute or otherwise make available to Fortis Bank such additional funds as may be necessary to ensure that Fortis Bank will be able to pay all coupon payments due on a Supported Coupon Date. The Support Agreement requires that any claim or proceeding brought by a holder of Securities to enforce the obligations of the Parent Companies to Fortis Bank thereunder be brought exclusively in a court of competent jurisdiction in Belgium. See “*Description of the Support Agreement*”.

The ability of the Parent Companies to make payments under the Support Agreement depends primarily on the earnings of their subsidiaries and their ability to distribute such earnings to the Parent Companies; these subsidiaries are highly regulated and such regulations could impose restrictions on such distributions.

The Parent Companies’ assets consist solely of their investments in the operating subsidiaries of the Fortis Group, including Fortis Bank. Accordingly, the cash flow and the consequent ability to service obligations of the Parent Companies, including those obligations that may arise under the Support Agreement, are primarily dependent upon the earnings of Fortis subsidiaries, and the distribution of those earnings to the Parent Companies.

In addition, the payment of distributions and the making of loans and other advances to the Parent Companies by Fortis subsidiaries are and may continue to be subject to certain statutory and regulatory restrictions. The Dutch and Belgian banking and insurance regulators, as well as European Union regulatory authorities, the Dutch and Belgian insurance regulators, certain Belgian authorities, and regulatory authorities in other countries, have regulatory authority over each Parent Company and its subsidiaries. Under certain circumstances, any of such regulatory authorities, could make determinations or take decisions in the future with respect to the Parent Companies and/or any of the Parent Companies’ subsidiaries or a portion of their respective operations or assets that could adversely affect the ability of Fortis Bank or the Parent Companies to, among other things, make distributions to their respective security holders, to engage in transactions with affiliates, to purchase or transfer assets, to pay their respective obligations or to make any redemption or liquidation payments to their security holders. See “*Supervision and Regulation*”.

Furthermore, the Parent Companies’ rights and the rights of their creditors to participate in the distribution of assets of any subsidiary upon such subsidiary’s liquidation or reorganization will be effectively subordinated to all existing and future liabilities, including trade payables, of such subsidiary, except to the extent that the Parent Companies are themselves recognized as creditors of such subsidiary, in which case the claims of the Parent Companies would still be subordinate to any security interests in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by the Parent Companies.

Holders of Securities have no voting rights.

Holders of the Securities will not have any voting rights, except as described under “*Description of the Securities — Other Rights of Holders of the Securities — Meetings of Holders of the Securities*”.

Holders of Securities have no direct relationship with Fortis Bank.

All notices and payments to be delivered to holders of Securities will be distributed by Fortis Bank through the relevant clearing agencies. In the event that a beneficial owner does not receive such notices or payments, its rights may be prejudiced but it will not have a direct claim against Fortis Bank therefor.

You may face foreign exchange risks by investing in the Securities.

The Securities will be denominated in, and coupons will be paid in, euro. If you measure your investment returns by reference to a currency other than the euro, an investment in the Securities will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which you measure the return on your investment because of

economic, political and other factors over which Fortis has no control. Depreciation of that currency against the currency by reference to which you measure the return on your investments could cause a decrease in the effective yield of the Securities below the coupon rate of the Securities and could result in a loss to you when the return on the Securities is translated into the currency by which you measure the return on your investment. In addition, there may be tax consequences for you as a result of any foreign exchange gains resulting from an investment in the Securities.

CAPITALIZATION

Fortis Bank

The following table sets forth as of June 30, 2004 the consolidated capitalization of Fortis Bank prepared in accordance with generally accepted accounting principles in Belgium, as adjusted to give effect to the offering of Securities.

	At June 30, 2004	
	Actual	As adjusted
	(EUR millions) (unaudited)	
Shareholders' Equity		
Share capital ⁽¹⁾	3,112	3,112
Share premium account	4,875	4,875
Reserves and accumulated profit	2,454	2,454
Translation differences	7	7
Total Shareholders' Equity	<u>10,448</u>	<u>10,448</u>
Funds for general banking risks	1,765	1,765
Long-Term Debt ⁽²⁾		
Subordinated liabilities	9,647	10,647
Unsubordinated liabilities	<u>40,503</u>	<u>40,503</u>
Total Long-Term Debt	<u>50,150</u>	<u>51,150</u>
Total Capitalization	<u>62,363</u>	<u>63,363</u>

(1) As at the date of this offering memorandum, the issued and paid-up share capital of Fortis Bank amounted to EUR 3,112 million and was represented by 160,404,065 no-par value ordinary shares and the authorized share capital amounted to EUR 4,612 million.

(2) Since June 30, 2004, Fortis Bank effected the following new issues through Fortis Luxembourg Finance S.A.:

EUR 10,000,000 Five Year Target Redemption Notes due 6 July 2009
 USD 1,950,000 Capella Notes due 9 January 2007
 EUR 10,000,000 11.5% Reverse Convertible Notes on Allianz due 28 July 2005
 EUR 2,500,000 7.5% Credit Linked Notes due 7 July 2011
 EUR 10,000,000 Credit Linked Notes due 12 July 2005
 USD 9,030,000 Callable Range Accrual Notes due 20 July 2014
 EUR 200,000,000 4.75% Subordinated Notes due 3 September 2014
 EUR 11,260,000 Target Redemption Notes due 27 August 2014
 EUR 50,000,000 Credit Linked Notes due 20 September 2016
 USD 3,000,000 Step up Callable Notes due 28 August 2007
 EUR 20,000,000 Credit Linked Notes due 20 August 2007

Except as disclosed above, there has been no material change in the capitalization of Fortis Bank since June 30, 2004.

FORTIS BANK

History

Fortis Bank is a public company with limited liability (*société anonyme/naamloze vennootschap*) under Belgian law established on December 5, 1934 and registered in the register of legal entities (*registre des personnes morales/rechtspersonenregister*) under enterprise number 0403.199.702. The articles of association of Fortis Bank were last amended on November 23, 2001. The headquarters and registered office of the company and domicile of the Fortis Bank Board of Directors is located at Montagne du Parc 3, 1000 Brussels.

Business

Fortis Bank is part of Fortis and is one of the 15 largest banks in Europe in terms of assets as of December 31, 2003. Fortis Bank offers a complete range of financial services (including *bancassurance*), primarily in the Benelux countries of Belgium, The Netherlands and Luxembourg, mostly under the Fortis Bank name through its own networks (including approximately 1,500 branches in the Benelux countries). Fortis Bank also has operations in certain other European countries as well as in Asia and Africa.

For a full description of the business and operations of Fortis Bank see “*Business—Banking*”.

Management of Fortis Bank

The Board of Directors of Fortis Bank are:

J.P. Votron	Chairman
Herman Verwilt	Managing Director, Chairman of the Management Committee
Jean-Pierre Cardinael	Managing Director
Karel De Boeck	Managing Director
Filip Dierckx	Managing Director
Patrick Evrard	Managing Director
Joop Feilzer	Managing Director
Gilbert Mittler	Managing Director
Christian Schaack	Managing Director
Jozef De Mey	Director
Victor Goedvolk	Director
Walter Mersch	Director
Jean Stephenne	Director
Robert van Oordt	Director
Jean Meyer	Director
Michel van Pée	Director
Luc Vansteenkiste	Director
Jacques van Ek	Director

The Management Committee for Fortis Bank includes:

Herman Verwilt
Jean-Pierre Cardinael
Karel De Boeck
Filip Dierckx
Patrick Evrard
Joop Feilzer
Gilbert Mittler
Christian Schaack

Financial Information

Financial information for Fortis Bank can be found in the segment data presented as part of Fortis’ Consolidated Financial Statements. In addition, statistical data for Fortis Bank is presented under “*Selected Statistical Information*”. The only material difference between the segment data presented for the banking operations of Fortis in its historical financial statements included herein and the stand alone consolidated accounts of Fortis Bank relates to the bancassurance activities of Fortis Bank, which are not included as part

of the banking segment in the Fortis Consolidated Financial Statements though they are included in the stand alone consolidated accounts of Fortis Bank.

Use of Proceeds

Fortis Bank will use the proceeds of the issue and sale of the Securities to support Fortis Bank's growth, to increase the Tier 1 capital of Fortis Bank and for general corporate purposes, including to pay certain expenses relating to the offering.

The net proceeds of the offering (after deducting the underwriting discount and other expenses of the offering) are estimated to be EUR 980,050,000.

DESCRIPTION OF THE SECURITIES

General

Fortis Bank will issue the 4.625% Directly Issued Perpetual Securities (the “Securities”) under an Indenture to be dated as of October 27, 2004 between Fortis Bank and The Bank of New York, as Trustee. The terms of the Securities include those stated in the Indenture. The obligations of Fortis Bank pursuant to the Securities will benefit from a Support Agreement entered into by the Parent Companies. See “*Description of the Support Agreement*”.

The following is a summary of the material provisions of the Indenture. Because this is a summary, it may not contain all the information that is important to you. You should read each of the Indenture, the Support Agreement and the Calculation Agency Agreement in its entirety. Copies of these documents are available as described under “*General Listing Information — Availability of Documents and Incorporation by Reference*”. You can find the definitions of certain terms not otherwise defined within the following description under “*Certain Definitions*”. Defined terms not otherwise defined in this description have the meaning given to those terms in the Indenture.

The Securities

- are unsecured subordinated obligations of Fortis Bank, subordinated in right of payment to all existing and future Senior and Subordinated Indebtedness of Fortis Bank in accordance with the subordination provisions of the Indenture;
- are issued in an aggregate principal amount of €1,000,000,000; and
- have no fixed maturity date.

Coupons

Coupons on the Securities will be payable from October 27, 2004, (i) annually in arrears on October 27, of each year, at a fixed rate per annum on their outstanding principal amount (which, solely for the purpose of calculating coupons, will be deemed to include the aggregate amount of any unpaid Elective Alternative Coupons), equal to 4.625%, commencing on October 27, 2005 and ending on October 27, 2014 (calculated on an Actual/Actual Basis), and (ii) thereafter quarterly in arrears on January 27, April 27, July 27 and October 27 of each year, at a variable rate per annum on their outstanding principal amount (which, solely for the purpose of calculating coupons, will be deemed to include the aggregate amount of any unpaid Elective Alternative Coupons) equal to the Euro Reference Rate plus a margin of 1.70% (calculated on an Actual/360 Basis) determined on the second TARGET Settlement Day prior to the commencement of the related Coupon Period (each a “**Determination Date**” for such Coupon Period). Each such date is a “**Regular Coupon Date**”. If any Regular Coupon Date is not a business day, coupons will be payable on the next business day unless during the Floating Coupon Period, if such business day would fall in the next calendar month, in which case coupons will be payable on the preceding business day.

Each period from and including a Regular Coupon Date or the date of initial issuance, as applicable, to but not including the next Regular Coupon Date until October 27, 2014, is a “**Fixed Coupon Period**”. The period from and including October 27, 2014, to, but excluding, the following Regular Coupon Date and each successive period from, and including, a Regular Coupon Date to, but excluding, the next succeeding Regular Coupon Date is a “**Floating Coupon Period**”. The Fixed Coupon Period and the Floating Coupon Period are each referred to as a “**Coupon Period**”.

Calculation of the Euro Reference Rate. The Euro Reference Rate will be determined by the Coupon Determination Agent as at or about 11:00 a.m. (Brussels time) on the Determination Date in question. The “**Euro Reference Rate**” will be determined as follows:

- (i) The Euro Reference Rate will be the offered rate, expressed as an annual rate, for three (3) month euro deposits commencing on the first date of the relevant Floating Coupon Period which appears, for information purposes only, at or about 11:00 a.m. (Brussels time) on the display designated as page “248” on Bridge/Dow Jones Moneyline Telerate Service (or such other page or service as may replace it for the purpose of displaying the European interbank offered rate).
- (ii) If the Euro Reference Rate cannot be ascertained as described in subparagraph (i) above, the Coupon Determination Agent will request each of the Euro Reference Banks to provide the Coupon Determination Agent with its offered quotation to prime banks in the Euro-zone interbank market for euro deposits for a period of three (3) months commencing on the first day of the

relevant Floating Coupon Period, at or about 11:00 a.m. (Brussels time) on the Determination Date. The Euro Reference Rate will be the arithmetic mean (rounded upwards if necessary to the nearest fifth decimal place with 0.000005 being rounded upwards) of the offered quotations as established by the Coupon Determination Agent.

- (iii) If on any Determination Date the Euro Reference Rate is being calculated in accordance with subparagraph (ii) above, and only two (2) or three (3) of the Euro Reference Banks provide offered quotations, the Euro Reference Rate shall be calculated in accordance with the provisions of subparagraph (ii) above, based on the offered quotations of those Euro Reference Banks providing offered quotations.
- (iv) If on any Determination Date the Euro Reference Rate is being calculated in accordance with subparagraph (ii) above, and less than two (2) Euro Reference Banks provide offered quotations, the Euro Reference Rate shall be the annual rate which the Coupon Determination Agent determines to be the sum of the margin and the arithmetic mean (rounded upwards if necessary to the nearest fifth decimal place with 0.000005 being rounded upwards) of the euro lending rates quoted by major banks not affiliated with the Parent Companies in the Euro-zone (selected by the Coupon Determination Agent with the prior written consent of Fortis Bank and being at least two (2) in number) at or about 11:00 a.m. (Brussels time) on the Determination Date in question for loans in Euro to leading European banks for a period of three (3) months commencing on the first day of the relevant Floating Coupon Period, except that if the banks so selected by the Coupon Determination Agent are not quoting on such Determination Date, the coupon for the relevant Floating Coupon Period shall be the coupon in effect for the last preceding Floating Coupon Period to which subparagraphs (i), (ii) or (iii) shall have applied, or if there was no preceding Floating Coupon Period, the coupon shall be the coupon in effect for the last preceding Coupon Period for which a rate was in effect.

If and to the extent that a Trigger Event has occurred and is continuing or would occur on a Regular Coupon Date, including after giving effect to any coupon on the Securities otherwise payable on such Regular Coupon Date or otherwise, the coupons on the Securities will be payable on the Alternative Coupon Satisfaction Date and Fortis Bank will give an Alternative Coupon Notice. If Fortis Bank is making payment of a coupon on a Regular Coupon Date following partial payment of a coupon on Fortis Bank's 6.50% Redeemable Perpetual Cumulative Coupon Debt Securities (the "**6.50% Perpetual Securities**"), such payment shall be made using the Alternative Coupon Payment Method and shall be deemed an Exceptional Alternative Coupon for all purposes. If Fortis Bank has given an Alternative Coupon Notice with respect to an Elective Alternative Coupon and subsequent to delivery of such notice and prior to the Regular Coupon Date, a Trigger Event has occurred and is continuing or would occur on such Regular Coupon Date, such coupon shall be deemed an Exceptional Alternative Coupon.

If on any Regular Coupon Date no Trigger Event has occurred or is continuing, Fortis Bank may give an Alternative Coupon Notice, in which case a full coupon will be payable on such Regular Coupon Date using the Alternative Coupon Payment Method, subject to a Postponement Event; *provided* that (x) if such Regular Coupon Date is not a Supported Coupon Date and (y) no Trigger Event has occurred and is continuing on such date, Fortis Bank shall be obligated to use the Alternative Coupon Payment Method to pay the coupon due on such Regular Coupon Date (the "**Mandated Election**"). See "*— Alternative Coupon Payment Method — Notice*".

Coupons that are paid using the Alternative Coupon Payment Method due to the occurrence of a Trigger Event or following partial payment of a coupon on the 6.50% Perpetual Securities are referred to herein as "**Exceptional Alternative Coupons**". Coupons that are paid using the Alternative Coupon Payment Method in the circumstances described in the immediately preceding paragraph are referred to herein as "**Elective Alternative Coupons**".

For purposes of the foregoing, "**Non-Consolidated Trigger Event**" means, (i) a decline in the net assets of Fortis Bank to below the sum of its paid-in capital and non-distributable reserves, as determined in accordance with, or applying the computation method provided in, Article 617 of the Belgian Code of Companies, (ii) the amount of total capital of Fortis Bank declines below the minimum amount required by solvency requirements for credit institutions as provided by the current and any future European banking regulations and Basel guidelines, as currently translated by Article 82 § 1, 3^o of the Decree of December 5, 1995 of the Belgian Banking, Finance and Insurance Commission ("**BFIC**") on the regulation of own funds of credit institutions (the "**1995 Decree**") (which currently requires a total capital ratio of 8%), (iii) the amount of Tier 1 capital (*fonds propres sensu stricto/eigen vermogen sensu stricto*) of Fortis Bank declines

below 5/8 of the amount of total capital as required from time to time by Article 82 § 1, 3° of the 1995 Decree, (iv) Article 633 of the Belgian Code of Companies becomes applicable by virtue of Fortis Bank's net assets falling below 50% of Fortis Bank's capital as a result of losses incurred, (v) Article 23 of the Belgian Law of March 22, 1993 applies by virtue of Fortis Bank's capital falling below €6.2 million or (vi) at the discretion of the BFIC, in the event that Article 57 § 1 of the Belgian Law of March 22, 1993 becomes applicable due to the special measures imposed by the BFIC in application thereof. Net assets are to be understood as the total assets as they appear on the non-consolidated balance sheet of Fortis Bank prepared in accordance with generally accepted accounting principles used to prepare such balance sheet for Fortis Bank's primary regulator, after deduction of provisions, debts (including, for the avoidance of doubt, the Securities), formation expenses not yet written off and research and development costs not yet written off.

“Consolidated Trigger Event” means the amount of Tier 1 capital (*fonds propres sensu stricto/eigen vermogen sensu stricto*) of Fortis Bank as recorded in the consolidated financial statements of Fortis Bank declines below 5% of the risk-weighted assets of Fortis Bank, calculated in accordance with the 1995 Decree. Consolidated Trigger Event together with Non-Consolidated Trigger Event shall be collectively referred to as **“Trigger Event”**.

Dividend Stopper; Supported Coupons

Dividend Stopper

Fortis Bank will agree in the Indenture, and the Parent Companies will each agree in the Support Agreement, that, in the case of any Exceptional Alternative Coupon, beginning on the day Fortis Bank gives an Alternative Coupon Notice, and in the case of any Elective Alternative Coupon, beginning on the relevant Regular Coupon Date relating to such coupon if the Elective Alternative Coupon is not paid on such Regular Coupon Date, and in each case continuing until all Alternative Coupons are paid in full, (A) each of Fortis Bank and the Parent Companies (i) will not propose to its shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of any dividend, distribution or other payment on its Ordinary Shares or Parity Securities and (ii) will not redeem, repurchase or otherwise acquire any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition) and (B) each of the Parent Companies (i) will not declare or pay, and to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of, any dividend, distribution or other payment on its Ordinary Shares or Parity Securities and (ii) agrees that it will not vote, or will cause that no vote is made by any of its subsidiaries, in favor of any of the actions of Fortis Bank described in clauses (A)(i) and (ii) above; *provided* that the foregoing restriction shall not apply (i) to a dividend, distribution, payment or redemption in respect of any Exempt Share Class or (ii) to a dividend, distribution or other payment on any Parity Securities that is required to be paid, pursuant to the terms of such Parity Securities, solely as a result of a dividend, distribution, payment or redemption in respect of any Exempt Share Class.

“Bank Parity Securities” means, (i) any preferred or preference shares or profit-sharing certificates (*parts bénéficiaires/winstbewijzen*) of Fortis Bank, including for the avoidance of doubt, any profit-sharing certificates that may be issued on conversion of the 6.50% Perpetual Securities, and any securities which are expressly stated to rank *pari passu* with the Securities (collectively, **“Bank Parity Shares”**) or any securities which are expressly stated to rank junior to the Securities (**“Bank Junior Securities”**), (ii) guarantees by Fortis Bank (whether through an agreement or instrument labeled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of preferred securities or preferred or preference shares issued by any of Fortis Bank's subsidiaries, which guarantees are expressly stated to rank *pari passu* with the Securities or rank *pari passu* with Bank Parity Shares (collectively, **“Bank Parity Guarantees”**) or which guarantees are expressly stated to rank junior to the Securities or rank junior to Bank Parity Shares (**“Bank Junior Guarantees”**) and (iii) securities issued by any subsidiary of Fortis Bank that are guaranteed under any Bank Parity Guarantee or Bank Junior Guarantee.

“Parent Company Parity Securities” means, (i) any preferred or preference shares and any securities of either Parent Company which are expressly stated to rank *pari passu* with the Securities (**“Parent Company Parity Shares”**) or any securities of either Parent Company which are expressly stated to rank junior to the Securities (**“Parent Company Junior Securities”**), (ii) guarantees by either or both Parent Companies (whether through an agreement or instrument labeled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of any preferred securities or preferred or preference shares issued by any of either Parent Company's subsidiaries (including Fortis Bank), which guarantees are expressly stated to rank *pari passu* with the Securities or rank *pari passu* with Parent Company Parity Shares (**“Parent Company Parity Guarantees”**) or which guarantees are expressly stated to

rank junior to the Securities or rank junior to Parent Company Parity Shares (“**Parent Company Junior Guarantees**”) and (iii) securities issued by any subsidiary of either Parent Company (including Fortis Bank) that are guaranteed under any Parent Company Parity Guarantee or Parent Company Junior Guarantee.

Parent Company Parity Securities and Bank Parity Securities are collectively referred to as “**Parity Securities**”, Parent Company Parity Shares and Bank Parity Shares are collectively referred to as “**Parity Shares**”, Parent Company Junior Securities and Bank Junior Securities are collectively referred to as “**Junior Securities**”, Parent Company Parity Guarantees and Bank Parity Guarantees are collectively referred to as “**Parity Guarantees**” and Parent Company Junior Guarantees and Bank Junior Guarantees are collectively referred to as “**Junior Guarantees**”.

“**Bank Ordinary Shares**” means ordinary shares of Fortis Bank. “**Parent Company Ordinary Shares**” means ordinary shares of either of the Parent Companies or any ordinary share equivalent that may replace or be substituted for the ordinary shares of either or both Parent Companies. Bank Ordinary Shares and Parent Company Ordinary Shares are referred to collectively as “**Ordinary Shares**”.

Supported Coupons

If Fortis Bank or either Parent Company during such Relevant Period (A) pays any dividend or makes any distribution or other payment on any of its Ordinary Shares or Parity Securities (other than a partial payment on the 6.50% Perpetual Securities) or (B) redeems, repurchases or otherwise acquires any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition), then, as necessary, the Parent Companies will, subject to the terms of the Support Agreement, jointly and severally contribute or cause to be contributed to the capital of Fortis Bank or otherwise make available such funds as may be necessary to permit Fortis Bank to pay in full the coupon payable on each Regular Coupon Date occurring during the Relevant Period (a “**Supported Coupon**”), each such date a “**Supported Coupon Date**”; *provided* that if a Trigger Event shall have occurred prior to such Regular Coupon Date and is continuing on such Regular Coupon Date, the Supported Coupon Date shall be such date as provided for in clause (i) of the definition of Alternative Coupon Satisfaction Date. Fortis Bank will be permitted, but shall not be required, to satisfy its obligation to pay the coupon payable on a Supported Coupon Date in accordance with the Alternative Coupon Payment Method; *provided, however*, that if a Trigger Event has occurred and is continuing on such Supported Coupon Date, Fortis Bank will be required to satisfy its obligation to pay such coupon payable on a Supported Coupon Date in accordance with the Alternative Coupon Payment Method.

For purposes of the foregoing, “**Relevant Period**” means:

- for any Relevant Period commencing on or before October 27, 2014, one year; *provided* that if such Relevant Period commences after October 27, 2013, it shall end on and include October 27, 2014; and
- for any Relevant Period commencing after October 27, 2014,
 - one year, in the case of (A) any dividend on Ordinary Shares, (B) any dividend, distribution or other payment on Parity Securities that have annual scheduled payments or (C) any redemption, repurchase or other acquisition of Ordinary Shares or Parity Securities,
 - six months, in the case of any dividend, distribution or other payment on Parity Securities that have semiannual scheduled payments, and
 - three months, in the case of any dividend, distribution or other payment on Parity Securities that have quarterly (or more frequent) scheduled payments;

provided in each case that such Relevant Period (unless it commences after October 27, 2013 and ends on and includes October 27, 2014) shall commence on and include the day of the relevant dividend, distribution, payment or redemption, repurchase or other acquisition but shall not include the corresponding day of the third, sixth or twelfth month thereafter, as the case may be.

Exempt Share Classes

The following classes of shares (each, an “**Exempt Share Class**”) shall be exempt from the dividend stopper and Supported Coupon provisions to the extent described above:

- the currently authorized number of 1,820 million cumulative preference shares in the capital of Fortis N.V. or any successor thereto of €0.42 each; and

- any preference shares that are not, or would not be, included as Tier 1 capital of Fortis Bank (“**Replacement Preference Shares**”) to be created or issued by Fortis Bank or either Parent Company in connection with the merger, consolidation, amalgamation or other combination of an entity with and into Fortis Bank or such Parent Company in which Fortis Bank or such Parent Company is the surviving entity, for the purpose of replacing preference shares issued or authorized by such other entity at the time of the transaction.

Fortis Bank and the Parent Companies will each agree not to authorize unilaterally or to propose to its shareholders that they authorize any additional preference shares (other than Replacement Preference Shares) unless such additional preference shares are subject to the dividend stopper and Supported Coupon provisions described above.

Alternative Coupon Payment Method

General

Fortis Bank will be required to satisfy its obligation to pay any Alternative Coupon on the Alternative Coupon Satisfaction Date relating to such coupon in accordance with the procedure described below (the “**Alternative Coupon Payment Method**”).

Notice

In respect of any coupon which Fortis Bank will pay using the Alternative Coupon Payment Method, Fortis Bank shall give notice (an “**Alternative Coupon Notice**”) that Fortis Bank will satisfy the Elective Alternative Coupon or Exceptional Alternative Coupon (collectively, an “**Alternative Coupon**”) payable on the applicable Regular Coupon Date using the Alternative Coupon Payment Method. Alternative Coupon Notices shall be given at least 16 business days prior to the applicable Regular Coupon Date or, if a Trigger Event should occur at any time prior to a Regular Coupon Date, as soon as practicable following the occurrence of such Trigger Event and, in the case of an Exceptional Alternative Coupon, any such notice shall also set forth, subject to a Postponement Event, the Alternative Coupon Satisfaction Date. In respect of an Elective Alternative Coupon, except in the case of a Mandated Election, Fortis Bank may give an Alternative Coupon Notice in its sole discretion and for any reason. Each Alternative Coupon Notice shall be given by mail and facsimile to the Trustee, the Calculation Agent, the NBB, Euroclear and Clearstream and, if required, shall be published in an Authorized Newspaper.

Alternative Coupons are mandatorily payable with the Alternative Coupon Payment Method and shall be payable on the Alternative Coupon Satisfaction Date.

“**Alternative Coupon Satisfaction Date**” shall be a date, subject to a Postponement Event, which is (i) in the case of an Exceptional Alternative Coupon or a Supported Coupon where a Trigger Event occurs, or has occurred and is continuing, on the applicable Regular Coupon Date, the later of 90 business days following the date on which such Trigger Event first occurred or the next Regular Coupon Date following the date on which such Trigger Event first occurred; *provided* that during any Floating Coupon Period such date shall be a Regular Coupon Date or (ii) in the case of an Elective Alternative Coupon or a Supported Coupon with respect to which Fortis Bank elects to use the Alternative Coupon Payment Method, the relevant Regular Coupon Date.

Notwithstanding the provision (i) above, if any Postponement Event has occurred, the Alternative Coupon Satisfaction Date shall be the date notified to the Trustee, the NBB, any paying agent, the Calculation Agent and the holders of the Securities, which shall be a date no later than 20 business days following the date on which, in the opinion of Fortis Bank and the Parent Companies, a Postponement Event is no longer continuing; *provided* that during any Floating Coupon Period, such date shall be the next Regular Coupon Date following the date on which, in the opinion of Fortis Bank and the Parent Companies, a Postponement Event is no longer continuing.

Issuance, Exchange and Sale Procedure

Fortis Bank’s obligation to pay Alternative Coupons on the Alternative Coupon Satisfaction Date relating to such coupon, in accordance with the Alternative Coupon Payment Method will be satisfied as follows:

- Fortis Bank will give an Alternative Coupon Notice to the Trustee, the NBB, any paying agent, the Calculation Agent and holders of the Securities of the forthcoming Alternative Coupon Satisfaction

Date, including if the Alternative Coupon Payment Method will be used to satisfy a coupon payable on a Regular Coupon Date or Supported Coupon Date, as the case may be;

- (ii) on or before the 7th business day preceding such Alternative Coupon Satisfaction Date, Fortis Bank will issue (subject to compliance with the procedure for contribution in kind under applicable Belgian law) to the Trustee (or its custodian), acting on behalf of the holders of the Securities, Bank Ordinary Shares having, in the judgment of the Calculation Agent, an aggregate fair market value equal to the aggregate amount of Alternative Coupons that will be payable on such Alternative Coupon Satisfaction Date, plus, subject to the proviso below, any expenses to be borne by Fortis Bank or the Parent Companies in connection with using the Alternative Coupon Payment Method (including, without limitation, claims for the costs, fees and expenses of the Calculation Agent and the Trustee); *provided* that, for purposes of the foregoing calculation, such expenses shall not be included in such calculation or contributed as a claim for reimbursement against Fortis Bank or either Parent Company, to the extent that such expenses are otherwise paid or provided for by Fortis Bank or either Parent Company, as the case may be, on or before the 8th business day preceding such Alternative Coupon Satisfaction Date;
- (iii) as soon thereafter as reasonably practicable, the Trustee (or its custodian), acting on behalf of the holders of the Securities, will contribute such Bank Ordinary Shares to the capital of Fortis SA/NV and/or Fortis N.V. (as instructed by the Parent Companies and, in each case, subject to compliance with the procedure for contribution in kind under applicable Belgian and Dutch law), in equal proportions in exchange for Fortis Shares having, in the judgment of the Calculation Agent, an aggregate fair market value equal to the aggregate amount of Alternative Coupons that will be payable on such Alternative Coupon Satisfaction Date, plus, subject to the proviso below, any expenses to be borne by Fortis Bank or the Parent Companies in connection with using the Alternative Coupon Payment Method (including, without limitation, claims for the costs, fees and expenses of the Calculation Agent and the Trustee); *provided* that, for purposes of the foregoing calculation, such expenses shall not be included in such calculation or contributed as a claim for reimbursement against Fortis Bank or either Parent Company, to the extent that such expenses are otherwise paid or provided for by Fortis Bank or either Parent Company, as the case may be, on or before the 8th business day preceding such Alternative Coupon Satisfaction Date;
- (iv) as soon thereafter as reasonably practicable, the Calculation Agent will use reasonable endeavors on normal market terms to procure purchasers for such Fortis Shares which, when sold, are intended to provide enough cash to enable the Trustee to make full payment of the Alternative Coupons then payable. The Trustee (or its custodian) will then transfer such Fortis Shares as instructed by the Calculation Agent, and the Trustee (or any paying agent) will collect any sales proceeds; and
- (v) on such Alternative Coupon Satisfaction Date, the Trustee (or any paying agent) will apply such sales proceeds first, towards the payment of any expenses to be borne by Fortis Bank or the Parent Companies in connection with the use of the Alternative Coupon Payment Method (including without limitation, claims for the costs, fees and expenses of the Calculation Agent and the Trustee) and then, towards the payment of the Alternative Coupons then payable.

In connection with the payment of Exceptional Alternative Coupons on an Alternative Coupon Satisfaction Date, the completion of the foregoing steps (i) through (v) will be in full satisfaction of Fortis Bank's obligation to pay such Exceptional Alternative Coupons, without regard to whether the net sales proceeds ultimately delivered to the holders of the Securities are equal to the amount of the Exceptional Alternative Coupons payable on such Alternative Coupon Satisfaction Date. For the avoidance of doubt, Exceptional Alternative Coupons include coupons for which an Alternative Coupon Notice has been delivered regarding an Elective Alternative Coupon but where subsequent to the delivery of such notice and prior to the Regular Coupon Date a Trigger Event shall occur and be continuing.

If the net sales proceeds from the sale of Fortis Shares available for distribution to holders of the Securities are less than the full amount of the Alternative Coupon, holders of Securities will be paid ratably in any distribution of such proceeds, in proportion to the full amount of the Alternative Coupon on such holder's Securities.

In connection with the payment of Elective Alternative Coupons on an Alternative Coupon Satisfaction Date, if the net sales proceeds from the sale of Fortis Shares are insufficient to pay the full amount of the coupon, then Fortis Bank shall ensure the coupon is paid in full and, in the case of any coupon payable on a

Supported Coupon Date, if Fortis Bank is unable to make such payments the Parent Companies shall make such additional payments in accordance with the Support Agreement described below.

As used herein, the “**fair market value**” of one Fortis Share shall be calculated by the Calculation Agent and notified to the Trustee and the Parent Companies and shall be equal to the Volume Weighted Average Price on the first Stock Exchange Business Day preceding the eighth business day preceding the applicable Alternative Coupon Satisfaction Date. In the event that the Volume Weighted Average Price is not available on such date, “fair market value” shall be the first available Volume Weighted Average Price in the seven Stock Exchange Business Days immediately preceding such eighth business day preceding such Alternative Coupon Satisfaction Date. In the event that the Volume Weighted Average Price is not available during such period, then the fair market value shall be determined by the Parent Companies in conjunction with two investment banks (unaffiliated with the Parent Companies) of international repute selected by the Parent Companies.

“**Fortis Share**” means a unit comprising one ordinary share in the capital of Fortis N.V. twinned with one ordinary share in the capital of Fortis SA/NV, or any successor ordinary share issued by either Parent Company.

“**Relevant Exchange**” means Euronext Brussels SA/NV (Euronext Brussels) and Euronext Amsterdam N.V. (Euronext Amsterdam) or the principal stock exchange or securities market on which the Fortis Shares are traded.

“**Stock Exchange Business Day**” means any day (other than a Saturday or Sunday) on which the Relevant Exchange is open for business.

“**Volume Weighted Average Price**” means the average of the volume weighted average price of a Fortis Share as traded on the Relevant Exchange for each of the five preceding Stock Exchange Business Days to and including the date of calculation. For so long as the Fortis Share is traded on both Euronext Brussels and Euronext Amsterdam, the volume weighted average price shall be the arithmetic average of such volume weighted average prices.

Sufficiency of Ordinary Shares

Fortis Bank will be able to pay Alternative Coupons in accordance with the Alternative Coupon Payment Method only to the extent that (i) Fortis Bank has enough authorized and unissued Bank Ordinary Shares and (ii) the Parent Companies have enough authorized and unissued Parent Company Ordinary Shares to permit the issuance of Fortis Shares to enable Fortis Bank to pay Alternative Coupons on any Alternative Coupon Satisfaction Date in accordance with the Alternative Coupon Payment Method. The Parent Companies will jointly and severally undertake in the Support Agreement to use all reasonable efforts to ensure that Fortis Bank has sufficient authorized and unissued Bank Ordinary Shares and that the Parent Companies have sufficient authorized and unissued Parent Company Ordinary Shares for this purpose; *provided* that the Parent Companies shall not be required to acquire any issued and outstanding Fortis Shares. See “*Description of the Support Agreement — Alternative Coupon Payment Method*”.

The Trustee, the Calculation Agent and the holders of the Securities will agree that Fortis Bank will be entitled to pay coupons on any Regular Coupon Date, whether or not such Regular Coupon Date is an Alternative Coupon Satisfaction Date or a Supported Coupon Date, in accordance with the Alternative Coupon Payment Method.

Profit-Sharing Certificates

Fortis Bank may pay Alternative Coupons on the Alternative Coupon Satisfaction Date with respect to such coupon by issuing profit-sharing certificates (instead of Bank Ordinary Shares) in accordance with the Alternative Coupon Payment Method unless, before or after the issuance of such profit-sharing certificates, Fortis Bank would not be in compliance with the Regulatory Limits.

“**Regulatory Limits**” means that any profit-sharing certificates to be issued in accordance with the Alternative Coupon Payment Method when taken together with any other profit-sharing certificates or non-voting shares issued by Fortis Bank and other instruments which constitute capital of Fortis Bank under Applicable Banking Regulations, shall not exceed one-third of Fortis Bank’s capital including issue premiums.

Postponement Event

Any Alternative Coupon shall be payable on an Alternative Coupon Satisfaction Date. However, if any Postponement Event shall occur, Fortis Bank's obligation to make payment using the Alternative Coupon Payment Method shall be deferred until a Postponement Event is no longer continuing.

For these purposes, "**Postponement Event**" shall mean:

- a Market Disruption Event exists on or after the 15th business day preceding any Alternative Coupon Satisfaction Date,
- if, notwithstanding the actions taken by Fortis Bank and the Parent Companies as described under "*— Alternative Coupon Payment Method — Sufficiency of Ordinary Shares*", the available Ordinary Shares of Fortis Bank or either Parent Company are not sufficient to pay any amount of the Alternative Coupons that would otherwise be payable on an Alternative Coupon Satisfaction Date, a Postponement Event will occur with respect to the Alternative Coupon Satisfaction Date with respect to any such unpaid amount until such time as the shareholders of Fortis Bank and/or the Parent Companies approve resolutions authorizing the issuance of sufficient Ordinary Shares,
- the Parent Companies are subject to a "blackout" period which, under applicable securities laws or Parent Company policies then in place, would not permit the Parent Companies to issue Fortis Shares until the release of information which has resulted in the commencement of such blackout period or such blackout period has otherwise terminated, or
- as a result of any covenant, undertaking, guarantee or other similar provision in any Senior and Subordinated Indebtedness and/or Parity Securities (other than Junior Securities and Junior Guarantees), either Fortis Bank or the Parent Companies would not be permitted to pay any Alternative Coupon because Fortis Bank or the Parent Companies has not satisfied its obligations under such Senior and Subordinated Indebtedness and/or Parity Securities (other than Junior Securities and Junior Guarantees), as the case may be.

For all purposes of these terms and conditions, if any Postponement Event has occurred, the Alternative Coupon Satisfaction Date shall be the date notified to the Trustee, the NBB, any paying agent, the Calculation Agent and the holders of the Securities, which shall be a date no later than 20 business days following the date on which, in the opinion of Fortis Bank and the Parent Companies, a Postponement Event is no longer continuing; *provided* that during any Floating Coupon Period, such date shall be the next Regular Coupon Date following the date on which, in the reasonable opinion of Fortis Bank and the Parent Companies, a Postponement Event is no longer continuing.

"**Market Disruption Event**" means (i) the occurrence or existence of any material suspension of or limitation on trading or on settlement procedures for transactions in Fortis Shares through the primary stock exchange or exchanges on which Fortis Shares are then traded or the principal central securities depository through which Fortis Shares are then cleared which are material in the context of the Fortis Shares or (ii) the existence of any prohibition or material restriction imposed by applicable law (or by order, decree or regulation of any governmental entity, stock exchange or self-regulating body having jurisdiction) on the ability of either Parent Company to issue and/or transfer Fortis Shares.

Fortis Bank shall agree to use its reasonable best efforts to complete the steps described in clauses (i) and (ii) under "*— Alternative Coupon Payment Method — Issuance, Exchange and Sale Procedure*", notwithstanding the occurrence of a Postponement Event, to the extent it can do so without violation of any applicable law and in compliance with any covenant, undertaking, guarantee or other similar provision in any Senior and Subordinated Indebtedness and/or Parity Securities (other than Junior Securities and Junior Guarantees).

Additional Amounts

All payments in respect of the Securities will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, or other governmental charges of whatever nature imposed or levied by or on behalf of Belgium or any political subdivision thereof or any authority or agency therein or thereof having the power to tax ("**Relevant Tax**"), unless the withholding or deduction is required by law. If at any time Fortis Bank is required to withhold or deduct any Relevant Tax with respect to any payments on the Securities, Fortis Bank will be required to pay such additional amounts ("**Additional Amounts**") as shall be required so that the net amount received by each holder of Securities after the withholding or deduction of any such Relevant Tax (such Relevant Tax determined after the payment of any

indemnity due by the NBB to such holder pursuant to the Belgian Law of August 6, 1993 relating to transactions with certain securities) will not be less than the amount then otherwise receivable by each holder of Securities in the absence of such withholding or deduction. However, Fortis Bank will not be required to pay Additional Amounts:

- (i) to the extent that the Relevant Tax is imposed or levied because the holder of Securities (or the beneficial owner of such Securities) has some connection with Belgium, other than being a holder (or beneficial owner) of Securities;
- (ii) to the extent that the Relevant Tax is imposed or levied because that holder (or beneficial owner) has not made a declaration of non-residence in, or other lack of connection with, Belgium or any similar claim for exemption, to the relevant tax authority; *provided* that such declaration or claim is required by law, regulations or the relevant tax treaty and Fortis Bank or its agent has given the holder or beneficial owner at least 60 days' prior written notice of and opportunity to make the declaration or claim;
- (iii) to the extent that the Relevant Tax is imposed or levied because that holder (or beneficial owner) is not an Eligible Investor (meaning an investor referred to in Article 4 of the Belgian Royal Decree of May 26, 1994 as being eligible to hold an "X" account in the X/N System) or is an Eligible Investor but is not holding Securities in an exempt securities account with a qualifying clearing system as defined in Article 1, paragraph 1 of the Belgian Law of August 6, 1993 relating to transactions with certain securities;
- (iv) where such Relevant Tax is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any other directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) in respect of any coupon or Security presented for payment by or on behalf of a holder who would have been able to avoid such Relevant Tax by having such coupon or Security paid by another paying agent in a member state of the European Union.

Each reference herein to payments in respect of the Securities (including, without limitation, Alternative Coupons and Supported Coupons, if any) shall be deemed to include Additional Amounts, if any.

Optional Redemption

The Securities are not redeemable at the option of the holders thereof at any time and are not redeemable at the option of Fortis Bank prior to October 27, 2014 (the "**First Call Date**"), except in certain circumstances upon the occurrence of a Tax Event or a Tier 1 Disqualification Event. See "*— Redemption upon Certain Events*".

The Securities may be redeemed at the option of Fortis Bank, in whole (and not in part), on the First Call Date or on any subsequent Regular Coupon Date; *provided* that Fortis Bank will give notice to holders of Securities not less than 60 business days but not more than 90 business days prior to any such redemption on the First Call Date and not less than 30 days but not more than 60 days prior to any such redemption on any subsequent Regular Coupon Date. This notice shall be given in accordance with the notice provisions described under "*General Listing Information — Notices*".

The redemption price for such redemptions will be (i) 100% of the aggregate principal amount of the Securities, plus (ii) an amount equal to unpaid coupons, if any, thereon with respect to the then-current Coupon Period accrued on a daily basis through the date fixed for redemption, plus (iii) an amount equal to unpaid Alternative Coupons, if any (the "**Base Redemption Price**").

Any optional redemption of Securities is subject to compliance with applicable regulatory requirements, including the prior approval of the BFIC. In any event, no redemption of Securities will be permitted if, before or after giving effect to such redemption, a Trigger Event has occurred and is continuing.

Redemption upon Certain Events

Tax Event

Upon the occurrence of a Tax Event other than as a result of a Tax Law Change, subject to the conditions set forth below, Fortis Bank will have the right, (i) at any time before the First Call Date, to redeem the Securities in whole (and not in part) at a redemption price equal to the greater of (x) the Make

Whole Amount and (y) the Base Redemption Price or (ii) at any time on or after the First Call Date, to redeem the Securities in whole (and not in part) at the Base Redemption Price.

Upon the occurrence of a Tax Event as a result of a Tax Law Change, subject to the conditions set forth below, Fortis Bank will have the right at any time to redeem the Securities in whole (and not in part) at a redemption price equal to the Base Redemption Price.

For purposes of the foregoing, “**Tax Event**” means the receipt by Fortis Bank of an opinion of a nationally recognized law firm or other tax advisor (which may be an accounting firm) in Belgium experienced in such matters to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of Belgium or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any Administrative Action or (iii) any amendment to, clarification of, or change in the official position on the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to any Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change, interpretation or pronouncement is made known, which amendment, clarification or change is effective or which interpretation or pronouncement is announced on or after the date of issuance of the Securities (sub-clauses (i), (ii) and (iii) above are collectively referred to as a “**Tax Law Change**”) or (iv) other than as a result of a Tax Law Change, there is more than an insubstantial risk that (A) Fortis Bank is or will be required to pay any Additional Amounts or (B) any interest deduction or other similar direct or indirect tax benefit available to Fortis Bank in respect of the Securities is eliminated, reduced or otherwise adversely affected in any material respect.

Tier 1 Disqualification Event

Upon the occurrence of a Tier 1 Disqualification Event, and subject to the conditions set forth below, Fortis Bank will have the right, (i) at any time before the First Call Date, to redeem the Securities in whole (and not in part) at a redemption price equal to the greater of (x) the Make Whole Amount and (y) the Base Redemption Price or (ii) at any time on or after the First Call Date, to redeem the Securities in whole (and not in part) at the Base Redemption Price.

For purposes of the foregoing, “**Tier 1 Disqualification Event**” means the receipt by Fortis Bank of an opinion, declaration, rule or decree of the BFIC to the effect that there has been either (i) a change in law or regulation or (ii) the interpretation thereof, resulting in more than an insubstantial risk that the Securities (or any portion thereof) will not be eligible to be included in calculating the Tier 1 capital of Fortis Bank, other than as a result of such Securities exceeding the permitted basket for innovative hybrid securities for inclusion as Tier 1 capital.

Any redemption of Securities upon the occurrence of a Tax Event or a Tier 1 Disqualification Event is subject to compliance with applicable regulatory requirements, including the prior approval of the BFIC. In any event, no redemption of Securities will be permitted if and to the extent that, before or after giving effect to such redemption, a Trigger Event has occurred and is continuing.

Subordination

Subordination of the Securities

The Securities, as obligations of Fortis Bank, are contractually subordinated to Senior and Subordinated Indebtedness of Fortis Bank. The payment obligations of Fortis Bank under the Securities constitute unsecured subordinated obligations of Fortis Bank. The claims of the holders of the Securities for payment by Fortis Bank under the Securities will rank:

- (i) behind (junior to) the claims of holders of Senior and Subordinated Indebtedness;
- (ii) *pari passu* with Other Pari Passu Claims; and
- (iii) before (senior to) (x) the claims for payment of any obligation that, expressly or by applicable law, is subordinated to the Securities, (y) the claims of holders of preference shares or profit-sharing certificates of Fortis Bank and (z) the claims of holders of Bank Ordinary Shares.

The debt evidenced by the Securities is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment of all existing and future Senior and Subordinated

Indebtedness. The subordination provisions are for the benefit of and enforceable by the holders of Senior and Subordinated Indebtedness of Fortis Bank.

Upon the occurrence of any of the events described in clauses (ii) through (vi) (inclusive) of the definition of Non-Consolidated Trigger Event, or any event resulting in a general *concurso creditorum* on the assets of Fortis Bank, the Securities will be automatically converted into Conversion Profit-Sharing Certificates. See “— *Mandatory Conversion*”.

General Effect of Contractual Subordination

By reason of the subordination provisions contained in the Indenture, in an event creating a general *concurso creditorum* (*concurso de créanciers/samenloop van schuldeisers*) on the assets of Fortis Bank, creditors of Fortis Bank that are holders of Senior and Subordinated Indebtedness of Fortis Bank may recover more, ratably, than the holders in respect of the Securities.

Mandatory Conversion

Upon the occurrence of any of the events described in clauses (ii) through (vi) (inclusive) of the definition of Non-Consolidated Trigger Event, or any event resulting in a general *concurso creditorum* on the assets of Fortis Bank, the Securities will be converted into Conversion Profit-Sharing Certificates (subject and subsequent to a subscription to such Conversion Profit-Sharing Certificates by way of a contribution in kind of the Securities to Fortis Bank) (“**Mandatory Conversion**”) having a total nominal value equal to (i) the aggregate principal amount of the Securities, plus (ii) accrued and unpaid coupons, if any, thereon with respect to the then-current Coupon Period, plus (iii) unpaid Alternative Coupons, if any (the “**Mandatory Conversion Amount**”). However, the Conversion Profit-Sharing Certificates will not provide investors with any rights of participation with the holders of Ordinary Shares. See “*Description of the Conversion Profit-Sharing Certificates*”.

Consolidation, Merger or Sale of Assets

The Indenture provides as follows regarding consolidation, merger or sale of all or substantially all of the assets of Fortis Bank:

Consolidation, Merger or Sale of Assets by Fortis Bank; No Lease of All or Substantially All Assets

Fortis Bank will not

- consolidate with or merge with or into any Person, or
- sell, convey, transfer, or otherwise dispose of all or substantially all of its assets as an entirety or substantially an entirety, in one transaction or a series of related transactions, to any Person or
- permit any Person to merge with or into Fortis Bank unless:
 - (1) either (x) Fortis Bank is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes by supplemental indenture all of the obligations of Fortis Bank under the Indenture and the Securities;
 - (2) immediately after giving effect to the transaction, no Remedies Event has occurred and is continuing; and
 - (3) Fortis Bank delivers to the Trustee an Officer’s Certificate and an opinion of counsel, in form and substance satisfactory to the Trustee, each stating that the consolidation, merger or transfer and the supplemental indenture (if any) comply with the Indenture;

provided that clauses (2) and (3) do not apply (i) to the consolidation or merger of Fortis Bank with or into a wholly-owned subsidiary or the consolidation or merger of a wholly-owned subsidiary with or into Fortis Bank or (ii) if, in the good faith determination of the Board of Directors of Fortis Bank, whose determination is evidenced by a Board Resolution, the sole purpose of the transaction is to change the jurisdiction of incorporation of Fortis Bank.

Upon the consummation of any transaction effected in accordance with these provisions, if Fortis Bank is not the continuing Person, the resulting, surviving or transferee Person will succeed to, and be substituted for, and may exercise every right and power of, Fortis Bank under the Indenture with the same effect as if

such successor Person had been named as Fortis Bank in the Indenture. Upon such substitution, Fortis Bank will be released from its obligations under the Indenture and the Securities.

Limitation on Remedies

A “**Remedies Event**” occurs if

- (1) Fortis Bank fails to pay any Alternative Coupons due and payable on the Alternative Coupon Satisfaction Date with respect thereto and such failure continues for a period of 30 days; or
- (2) Fortis Bank fails to pay any Supported Coupons due and payable on the Supported Coupon Date with respect thereto and such failure continues for a period of 30 days.

Consequences of a Remedies Event

If a Remedies Event occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in aggregate principal amount of the Securities then outstanding, by written notice to Fortis Bank (and to the Trustee if the notice is given by the holders), may, and the Trustee at the request of such holders shall, institute proceedings to obtain the payment of the amounts due or compliance with the defaulted covenant or agreement or to obtain the bankruptcy of Fortis Bank (or any analogous proceeding which may be available from time to time under the laws of Belgium). Neither the Trustee nor the holders may declare the principal amount of the Securities due and payable. No remedy against Fortis Bank, other than the institution of the proceedings referred to above or resulting in the dissolution and liquidation of Fortis Bank, shall be available to the holders of the Securities in respect of any Remedies Event.

The holders of a majority in principal amount of the outstanding Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of holders of Securities not joining in the giving of such direction, and may take any other action it deems proper that is not inconsistent with any such direction received from holders of Securities.

A holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Securities, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Securities, unless:

- (1) the holder has previously given to the Trustee written notice of a continuing Remedies Event;
- (2) holders of at least 25% in aggregate principal amount of outstanding Securities have made a written request to the Trustee to institute proceedings in respect of the Remedies Event in its own name as Trustee under the Indenture;
- (3) holders have offered to the Trustee indemnity reasonably satisfactory to the Trustee against any costs, liabilities or expenses to be incurred in compliance with such request;
- (4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (5) during such 60-day period, the holders of a majority in aggregate principal amount of the outstanding Securities have not given the Trustee a direction that is inconsistent with such written request;

it being understood and intended that no one or more holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other holders, or to obtain or to seek to obtain priority or preference over any other holders or to enforce any right under the Indenture, except in the manner herein provided and for the equal and rateable benefit of all the holders.

If any Remedies Event occurs and is continuing and is known to the Trustee, the Trustee will send notice of the Remedies Event to each holder within 90 days after it occurs, unless the Remedies Event has been cured.

No Liability of Directors, Officers, Employees, Incorporators and Shareholders

Subject to mandatory provisions of applicable law, no director, officer, employee, incorporator, member or shareholder of Fortis Bank or either Parent Company, as such, will have any liability for any obligations of Fortis Bank or such Parent Company under the Securities, the Support Agreement or the Indenture or for any claim based on, in respect of, or by reason of, such obligations. Each holder of Securities by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities.

Amendments and Waivers

Amendments without Consent of Holders

Fortis Bank and the Trustee may amend or supplement the Indenture or the Securities without notice to or the consent of any holder of Securities:

- (1) to cure any ambiguity, to correct or supplement any provision of the Indenture which may be inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising under the Indenture which shall not be inconsistent with the provisions of the Indenture;
- (2) to comply with the provisions relating to consolidation, merger and sale of assets in the Indenture;
- (3) to evidence and provide for the acceptance of appointment by a successor trustee; or
- (4) to make any other change that shall not adversely affect the interests of the holders in any material respect.

Amendments with Consent of Holders

Except as otherwise provided in “— *Amendments without Consent of Holders*” or the following paragraph, Fortis Bank and the Trustee may amend or supplement the Indenture and the Securities with the written consent of the holders of a majority of 75% in aggregate principal amount of the outstanding Securities and the holders of a majority of 75% in principal amount of the outstanding Securities may waive future compliance by Fortis Bank with any provision of the Indenture or the Securities.

Notwithstanding the provisions of the preceding paragraph, without the consent of each holder of Securities affected, an amendment, supplement or waiver may not

- (1) reduce the principal amount of any Security,
- (2) change the time of payment of any coupon or reduce the rate of any coupon payment on any Security,
- (3) reduce the amount payable upon the redemption of any Security or change the times at which any Security may be redeemed or, once notice of redemption has been given, the time at which it must thereupon be redeemed,
- (4) change the obligation of Fortis Bank (or its successor) to pay Additional Amounts, Additional Coupons, Supported Coupons and Alternative Coupons, if any,
- (5) make any Security payable in money other than that stated in the Security,
- (6) impair the right of any holder of Securities to receive any principal payment or coupon payment (including Supported Coupons) on such holder's Securities, on or after the applicable Coupon Date thereof, or to institute suit for the enforcement of any such payment,
- (7) make any change in the percentage of the principal amount of the Securities required for amendments or waivers, or
- (8) modify or change any provision of the Indenture affecting the ranking of the Securities in a manner adverse to the holders of the Securities.

Neither Fortis Bank nor any of its subsidiaries or affiliates may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any holder of Securities for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Securities unless such consideration is offered to be paid or agreed to be paid to all holders of the Securities

that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to the consent, waiver or amendment.

Other Rights of Holders of the Securities

Meetings of Holders of the Securities

All meetings of holders of the Securities will be held, *mutatis mutandis*, in accordance with the provisions of Article 568 of the Belgian Code of Companies with respect to the meetings of bondholders.

Matters for which a decision of a meeting of holders of the Securities shall be required and which are to be taken in accordance with the quorum and majority requirements set out in Article 574 of the Belgian Code of Companies are (i) those matters set out in Article 568 of the Belgian Code of Companies and (ii) those matters referred to in “— *Amendments with Consent of Holders*”, excluding, however, (x) the matters referred to under “— *Amendments without Consent of Holders*” and (y) those matters requiring a decision of the holders of the Securities as referred to in “— *Limitation on Remedies*” and in “*Description of the Support Agreement — Amendments to the Support Agreement*”.

Resolutions duly passed in accordance with these provisions of the Belgian Code of Companies at any meeting of holders of the Securities shall be binding on all holders of the Securities, whether or not they are present at the meeting and whether or not they vote in favor of such a resolution.

All convening notices for meetings of holders of the Securities shall be made in accordance with Article 570 of the Belgian Code of Companies by an announcement to be published twice, with an interval of not less than eight days and the second time not less than eight days prior to the meeting, in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*), in a newspaper of national distribution in Belgium and in a newspaper published in the region where Fortis Bank has its registered office.

Meetings of Shareholders and Right to Information

The holders of the Securities shall be entitled to attend all general meetings of shareholders of Fortis Bank, in accordance with Article 533 of the Belgian Code of Companies, and they shall be entitled to receive any documents that are to be remitted to them in accordance with Article 535 and 553 of the Belgian Code of Companies. The holders of the Securities who attend any general meeting of shareholders shall be entitled only to a consultative vote.

Concerning the Trustee

The Bank of New York is the Trustee under the Indenture.

Except during the continuance of a Remedies Event, the Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and no implied covenants or obligations will be read into the Indenture against the Trustee. In case a Remedies Event has occurred and is continuing, the Trustee shall exercise those rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

Reports to Trustee

Fortis Bank will deliver to the Trustee as soon as possible and in any event within 30 days after Fortis Bank becomes aware or should reasonably become aware of the occurrence of a Remedies Event or an event which, with notice or the lapse of time or both, would constitute a Remedies Event, an Officer's Certificate setting forth the details of such Remedies Event, and the action which Fortis Bank proposes to take with respect thereto.

Form and Denomination

The Securities will be issued in denominations of €50,000 principal amount and integral multiples thereof.

The Securities will be evidenced by global certificates, in bearer form, deposited on the Closing Date with the NBB as operator of the X/N System or its custodian and will be credited to the accounts held with

the X/N book-entry clearance and settlement system (the “**X/N System**”) or its custodian and will be credited to the accounts held with the X/N System by Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking, *société anonyme*, Luxembourg (“**Clearstream**”), other X/N System participants and their respective participants. See “— *Clearance and Settlement*”.

Securities sold in reliance on Regulation S under the Securities Act shall initially be evidenced by the Unrestricted Global Certificate in bearer form. Securities sold in reliance on Rule 144A under the Securities Act shall initially be evidenced by the Restricted Global Certificate in bearer form.

Interests in the global certificate will be exchangeable in whole but not in part for definitive Securities in fully registered form with no coupons attached only if (A) (i) the Securities become ineligible for clearance and settlement through the X/N System, Euroclear and Clearstream and (ii) Fortis Bank is not able, after using reasonable efforts, to arrange for clearance and settlement of the Securities through a successor clearing system within 120 days of receiving notice of such event or (B) if as a result of any amendment to, or change in, the laws or regulations of Belgium (or any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation, by a revenue authority or a court or administration, of such laws or regulations which become effective on or after the Closing Date, Fortis Bank or any paying agent is or will be required to make any deduction or withholding from any payment in respect of the Securities which would not be required were the Securities in definitive registered form.

Clearance and Settlement

The Securities have been accepted for clearance and settlement in the X/N System. The X/N System is accessible to investors and financial intermediaries through the X/N System’s participants, which include among others Euroclear, Clearstream and the main Belgian financial institutions. In order for the Securities to be traded on a fungible basis, each holder of Securities will be deemed to agree to the application of the fungibility system provided for in the Belgian Royal Decree No. 62 of November 10, 1967 for the promotion of the circulation of securities.

The Securities may be held only by eligible investors (“**Eligible Investors**”) in an exempt securities account with a qualifying clearing system, as defined in Article 1, paragraph 1 of the Belgian Law of August 6, 1993 relating to transactions with certain securities. Pursuant to Article 4 of the Belgian Royal Decree of May 26, 1994, exempt accounts are reserved for (i) Belgian corporations subject to Belgian corporate income tax, (ii) institutions, associations and companies provided for in Article 2, paragraph 3 of the Belgian Law of July 9, 1975 on the control of insurance companies, (iii) state regulated institutions (*institutions parastatales/parastatale instellingen*) for social security, or institutions which are equated to these, provided for in Article 105, paragraph 2 of the Belgian Royal Decree of August 27, 1993 implementing the Belgian Income Tax Code 1992, (iv) non-resident investors provided for in Article 105, paragraph 5 of the same decree, (v) investment funds, recognized in the framework of pension savings, provided for in Article 115 of the same decree, (vi) companies, associations and other tax payers provided for in Article 227, paragraph 2 of the Belgian Income Tax Code 1992, which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident taxes pursuant to Article 233 of the same code, (vii) the Belgian state in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Belgian Income Tax Code 1992, (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants when their participation rights are not publicly issued in Belgium and are not traded in Belgium and (ix) resident corporations not provided for under (i) when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or non-profit making organizations, other than those referred to under (v) above.

Upon opening of an exempt securities account with an X/N System’s participant, an Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance. There is no ongoing declaration to the X/N System as to the eligible status of each investor for whom the X/N System’s participants hold Securities in an exempt securities account.

An exempt securities account may be opened with a participant by an intermediary (an “**Intermediary**”) in respect of bonds that the Intermediary holds for the account of its clients; *provided* that each beneficial owner is an Eligible Investor. In such a case, the Intermediary must deliver to the participant a statement on a form approved by the Belgian Minister of Finance confirming that (i) the intermediary is itself an Eligible

Investor, and (ii) the beneficial owners holding their Securities through it are also Eligible Investors. A beneficial owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to non-resident participants, Eligible Investors or beneficial owners who hold their Securities through Euroclear or Clearstream.

Transfers of book-entry interests in the Securities will be effected through the book-entry facilities of the X/N System, the X/N System's participants and their respective participants. Such transfers will be conducted and settled in accordance with the usual rules and operating procedures of the X/N System's respective participants. When conducted through the X/N System, Euroclear or Clearstream, such transfers will be settled in same-day funds in the same manner as conventional eurobonds.

Coupon and Principal Payments

The Indenture will require that payments of coupons and principal in respect of the Securities evidenced by global certificates shall be made by Fortis Bank directly or through any paying agent by wire transfer or by direct debit of immediately available funds to the account specified by the holder of the global certificate. Payments in respect of definitive Securities shall be made by Fortis Bank directly or through any paying agent to the person in whose name the Security is registered at the close of business on the Record Date, and shall be paid by check payable in euros mailed to the address of the person as it appears on the Security register, or, at the option of such holder, by transfer to an account denominated in euros.

Governing Law

The Indenture, the Securities and the Calculation Agency Agreement will be governed by the laws of the State of New York, except that the subordination provisions of the Indenture and the Securities will be governed by the laws of Belgium. The Support Agreement will be governed by the laws of Belgium.

Prescription

Under New York law, claims relating to payment of principal and interest on the Securities will be prescribed according to the later of the applicable statute of limitations or not less than five years.

DESCRIPTION OF THE SUPPORT AGREEMENT

General

The Parent Companies will jointly and severally agree to perform the obligations described below under a Support Agreement to be dated as of October 27, 2004 among Fortis Bank, the Parent Companies and the Trustee.

By virtue of their subscription to or acquisition of the Securities, holders of the Securities will be treated, in accordance with Article 1121 of the Belgian Civil Code, as third-party beneficiaries, entitled to the rights conferred upon them by the Support Agreement. Holders of the Securities will be able to exercise enforcement rights either directly or through the Trustee.

The obligations of each of the Parent Companies under the Support Agreement constitute unsecured and unsubordinated obligations of such Parent Company and the corresponding rights shall in the event of a general *concursum creditorum* affecting such Parent Company rank *pari passu* with all other unsecured and unsubordinated obligations of such Parent Company, except to the extent that such other obligations are preferred by applicable law.

Supported Coupons; Dividend Stopper

Supported Coupons

The Parent Companies will jointly and severally contribute or cause to be contributed to the capital of Fortis Bank or make otherwise available such funds as may be necessary to permit Fortis Bank, taking into account the computation methods as provided for under Article 617 of the Belgian Code of Companies, to pay in full any coupon on the Securities that is payable on a Supported Coupon Date. No such contribution to the capital of Fortis Bank or other payment will be payable by a Parent Company (i) if the coupon payable on the Supported Coupon Date shall have become an Exceptional Alternative Coupon due to the occurrence of a Trigger Event to be satisfied using the Alternative Coupon Payment Method, (ii) if and to the extent that before or after giving effect to such contribution or payment, a Net Assets Deficiency Event has occurred and is continuing with respect to both Parent Companies, or (iii) if and to the extent that following the contribution or payment, the Parent Companies would not be solvent or would be in a situation of cessation of payment (*cessation de paiement/staking van betaling* or *surséance van betaling*); *provided that*, notwithstanding the occurrence of any Net Assets Deficiency Event with respect to both Parent Companies, such contributions or payments will be mandatorily payable on or before any Supported Coupon Date or any Alternative Coupon Satisfaction Date that is triggered by dividends, distributions, payments or redemptions, repurchases or other acquisitions in respect of Fortis Shares or Parent Company Parity Securities (in the circumstances described under “*Description of the Securities — Dividend Stopper; Supported Coupons*”).

“**Net Assets Deficiency Event**” means the net assets of a Parent Company are less than the sum of its respective paid-in capital and non-distributable reserves, as determined in accordance with, or applying the computation method provided in Article 617 of the Belgian Code of Companies with respect to Fortis SA/NV and in accordance with Article 2:105 of the Dutch Civil Code with respect to Fortis N.V. Net assets of a Parent Company are to be understood as the total assets as they appear on the non-consolidated balance sheet of such Parent Company prepared in accordance with generally accepted accounting principles used in reporting as required by the applicable stock exchange, after deduction of provisions, debts, formation expenses not yet written off and research and development costs not yet written off.

Dividend Stopper

Each Parent Company agrees that, in the case of any Exceptional Alternative Coupon, beginning on the day Fortis Bank gives an Alternative Coupon Notice, and in the case of any Elective Alternative Coupon, beginning on the relevant Regular Coupon Date relating to such coupon if the Elective Alternative Coupon is not paid on such Regular Coupon Date, and in each case continuing until all Alternative Coupons are paid in full, such Parent Company (A)(i) will not declare or pay, and will not propose to its shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of, any dividend on its Ordinary Shares or Parity Securities and (ii) will not redeem, repurchase or otherwise acquire any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition) and (B) it will not vote, or will cause that no vote is made by any of its subsidiaries, in favor of any of the actions of Fortis Bank otherwise prohibited under the Indenture. No such restrictions shall apply (i) to a dividend or redemption in respect of any Exempt Share Class or (ii) to a dividend on any Parity Securities

that is required to be paid, pursuant to the terms of such Parity Securities, solely as a result of a dividend or redemption in respect of any Exempt Share Class.

Alternative Coupon Payment Method

In order that Fortis Bank is able to pay Alternative Coupons on any Alternative Coupon Satisfaction Date in accordance with the Alternative Coupon Payment Method, the Parent Companies will jointly and severally undertake to use all reasonable efforts to ensure that Fortis Bank has sufficient authorized and unissued Bank Ordinary Shares and that the Parent Companies have sufficient authorized and unissued Parent Company Ordinary Shares to permit the issuance of Fortis Shares for this purpose; *provided* that this undertaking shall not be construed to require the Parent Companies to acquire any issued and outstanding Fortis Shares. Without limiting the generality of the foregoing, at each annual general meeting the Parent Companies will propose that their respective shareholders approve resolutions authorizing the issuance of such number of Parent Company Ordinary Shares as the Parent Companies reasonably determine are sufficient to permit the issuance of Fortis Shares to pay the next scheduled coupon, or, in the case of the Floating Coupon Period, the next four scheduled coupons, on the Securities in accordance with the Alternative Coupon Payment Method, except to the extent that the Parent Companies reasonably determine that there are sufficient authorized and unissued Parent Company Ordinary Shares for such purpose already in existence.

Amendments to the Support Agreement

Except as provided in the following paragraphs, the Support Agreement may be modified by the parties thereto only with the prior approval of holders of not less than 75% of the aggregate principal amount of the outstanding Securities (excluding any Securities held by Fortis Bank or any of its affiliates, other than Securities purchased or acquired by Fortis Bank or its affiliates in connection with transactions effected by or for the account of customers of Fortis Bank or any of its affiliates in connection with the distribution or trading of, or market-making in connection with, the Securities).

The Support Agreement may be amended without the consent of the holders of the Securities to:

- amend, waive or otherwise modify any provision incorporated by reference from or defined with reference to the Indenture for purposes of the Support Agreement;
- cure any ambiguity;
- correct or supplement any provision in the Support Agreement that may be defective or inconsistent with any other provision of the Support Agreement;
- add to the covenants, restrictions or obligations of the Parent Companies; or
- subject to applicable Belgian law, modify, eliminate and add to any provision of the Support Agreement; *provided* that no such amendment shall have a material adverse effect on the rights, preferences or privileges of holders of the Securities or affect the ranking of the Support Agreement, as determined by Fortis Bank and the Parent Companies.

Notwithstanding the foregoing, neither the provisions relating to Supported Coupons nor the percentage of the aggregate amount of outstanding Securities which shall be required for the holders to approve any modification to the Support Agreement may be amended without the prior approval of holders of 100% of the aggregate principal amount of the outstanding Securities.

Governing Law

The Support Agreement will be governed by the laws of Belgium.

DESCRIPTION OF THE CONVERSION PROFIT-SHARING CERTIFICATES

General

Upon the occurrence of any of the events described in clauses (ii) through (vi) (inclusive) of the definition of Non-Consolidated Trigger Event or an event resulting in a general *concurso creditorum* on the assets of Fortis Bank, Fortis Bank will issue conversion profit-sharing certificates (*parts bénéficiaires/winstbewijzen*) (the “**Conversion Profit-Sharing Certificates**”) in an amount having a total nominal value equal to (i) the aggregate principal amount of the Securities, plus (ii) accrued and unpaid coupons, if any, thereon with respect to the then-current Coupon Period, plus (iii) unpaid Alternative Coupons, if any (the “**Mandatory Conversion Amount**”). The initial distribution rate on the Conversion Profit-Sharing Certificates shall be equal to the coupon on the Securities at the time of conversion. The Conversion Profit-Sharing Certificates will be issued in accordance with the terms of the proposed articles of association of Fortis Bank, which provide for the Conversion Profit-Sharing Certificates to be issued in connection with a Mandatory Conversion of the Securities into Conversion Profit-Sharing Certificates upon the events noted above. The Conversion Profit-Sharing Certificates will be subject to an agency agreement to be entered into by Fortis Bank, among others, and will have the benefit of a Contingent Guarantee Agreement entered into by the Parent Companies.

The following is a summary of the provisions of the Conversion Profit-Sharing Certificates. Because this is a summary, it may not contain all the information that is important to you. You should read the articles of association (and the proposed articles of association) of Fortis Bank, the Contingent Guarantee Agreement and the form of agency agreement in their entirety. Copies are available as described under “*General Listing Information — Availability of Documents and Incorporation by Reference*”. You can find the definitions of certain terms used in this description under “*Certain Definitions*”.

The Conversion Profit-Sharing Certificates

- will be unsecured subordinated obligations of Fortis Bank, subordinated to the obligations of Fortis Bank, including all deposits and other liabilities of Fortis Bank (including those in respect of bonds, notes and debentures (whether senior or subordinated)), and instruments constituting “Tier 2” capital of Fortis Bank or guarantees of such instruments under Applicable Banking Regulations;
- will be directly issued having a total nominal value equal to the Mandatory Conversion Amount;
- will have no maturity date; and
- will have no voting rights, except in the limited mandatory cases provided for by the Belgian Code of Companies.

Distributions

Distributions on the Conversion Profit-Sharing Certificates will be payable from the date of issuance, (i) annually in arrears on October 27 of each year, at a fixed rate per annum on their principal amount equal to 4.625%, commencing on October 27 following the date of issuance, and ending on October 27, 2014 (calculated on an Actual/Actual Basis), and (ii) thereafter quarterly in arrears on January 27, April 27, July 27 and October 27 of each year, or, if Fortis Bank does not have sufficient carried forward profits available for distribution, semiannually on July 1 and January 1 of each year from the profits of the current business year, at a variable rate per annum on their principal amount equal to 1.70% above the three-month or six-month Euro Reference Rate, as applicable, (calculated on an Actual/360 Basis) determined on the second TARGET Settlement Day prior to commencement of the related Distribution Period (each a “**Determination Date**” for such Distribution Period). Each such date is a “**Regular Distribution Date**”. If any Regular Distribution Date is not a business day, distributions will be payable on the next business day.

Each period from and including a Regular Distribution Date or the date of initial issuance, as applicable, to but not including the next Regular Distribution Date until October 27, 2014, is a “**Fixed Distribution Period**”. The period from and including October 27, 2014, to but excluding the following Regular Distribution Date and each successive period from and including a Regular Distribution Date to, but excluding, the next succeeding Regular Distribution Date is called a “**Floating Distribution Period**”. The Fixed Distribution Period and the Floating Distribution Period are each referred to as a “**Distribution Period**”. If the Conversion Profit-Sharing Certificates are issued during a Floating Distribution Period, the initial distribution shall be the same as the coupon on the Securities at the time of conversion.

Calculation of the Euro Reference Rate. (a) The Euro Reference Rate will be determined by the Distribution Determination Agent as at or about 11:00 a.m. (Brussels time) on the Determination Date in question. The “**Euro Reference Rate**” will be determined as follows:

- (i) The Euro Reference Rate will be the offered rate, expressed as an annual rate, for three (3) month euro deposits commencing on the first date of the relevant Floating Distribution Period which appears, for information purposes only, at or about 11:00 a.m. (Brussels time) on the display designated as page “248” on Bridge/Dow Jones Moneyline Telerate Service (or such other page or service as may replace it for the purpose of displaying the European interbank offered rate).
- (ii) If the Euro Reference Rate cannot be ascertained as described in subparagraph (i) above, the Distribution Determination Agent will request each of the Euro Reference Banks to provide the Distribution Determination Agent with its offered quotation to prime banks in the Euro-zone interbank market for Euro deposits for a period of three (3) months commencing on the first day of the relevant Floating Distribution Period, at or about 11:00 a.m. (Brussels time) on the Determination Date. The Euro Reference Rate will be the arithmetic mean (rounded upwards if necessary to the nearest fifth decimal place with 0.000005 being rounded upwards) of the offered quotations as established by the Distribution Determination Agent.
- (iii) If on any Determination Date the Euro Reference Rate is being calculated in accordance with subparagraph (ii) above, and only two (2) or three (3) of the Euro Reference Banks provide offered quotations, the Euro Reference Rate shall be calculated in accordance with the provisions of subparagraph (ii) above, based on the offered quotations of those Euro Reference Banks providing offered quotations.
- (iv) If on any Determination Date the Euro Reference Rate is being calculated in accordance with subparagraph (ii) above, and less than two (2) Euro Reference Banks provide offered quotations, the Euro Reference Rate shall be the annual rate which the Distribution Determination Agent determines to be the sum of the margin and the arithmetic mean (rounded upwards if necessary to the nearest fifth decimal place with 0.000005 being rounded upwards) of the euro lending rates quoted by major banks not affiliated with the Parent Companies in the Euro-zone (selected by the Distribution Determination Agent with the prior written consent of Fortis Bank and being at least two (2) in number) at or about 11:00 a.m. (Brussels time) on the Determination Date in question for loans in Euro to leading European banks for a period of three (3) months commencing on the first day of the relevant Floating Distribution Period, except that if the banks so selected by the Distribution Determination Agent are not quoting on such Determination Date, the distribution for the relevant Floating Distribution Period shall be the distribution in effect for the last preceding Floating Distribution Period to which subparagraphs (i), (ii) or (iii) shall have applied, or if there was no preceding Floating Distribution Period, the distribution shall be the distribution in effect for the last preceding Distribution Period for which a rate was in effect.

(b) In the event of semiannual distributions in respect of the Conversion Profit-Sharing Certificates, the Euro Reference Rate will be determined by the Distribution Determination Agent as at or about 11:00 a.m. (Brussels time) on the Determination Date in question pursuant to the method set forth in clause (a) above, except that each reference to “three (3) month euro deposits” shall be deemed to refer to “six (6) month euro deposits” and each reference to a “period of three (3) months” shall be deemed to refer to a “period of six (6) months”.

If and to the extent that, before or after giving effect to any distribution on the Conversion Profit-Sharing Certificates otherwise payable on a Regular Distribution Date, either of the events described in clauses (i) and (ii) of the definition of Non-Consolidated Trigger Event or a Consolidated Trigger Event (each a “**Trigger Event**”) has occurred and is continuing, Fortis Bank shall not declare or pay any distributions on the Conversion Profit-Sharing Certificates.

“**Non-Consolidated Trigger Event**” means, (i) a decline in the net assets of Fortis Bank to below the sum of its paid-in capital and non-distributable reserves (which include, for the avoidance of doubt, the Conversion Profit-Sharing Certificates), as determined in accordance with, or applying the computation method provided in, Article 617 of the Belgian Code of Companies, (ii) the amount of total capital of Fortis Bank declines below the minimum amount required by solvency requirements for credit institutions as provided by the current and any future European banking regulations and Basel guidelines, as currently translated by Article 82 § 1, 3° of the Decree of December 5, 1995 of the Belgian Banking, Finance and Insurance Commission (“**BFIC**”) on the regulation of own funds of credit institutions (the “**1995 Decree**”)

(which currently requires a total capital ratio of 8%), (iii) the amount of Tier 1 capital (*fonds propres sensu stricto/eigen vermogen sensu stricto*) of Fortis Bank declines below 5/8 of the amount of total capital as required from time to time by Article 82 § 1, 3^o of the 1995 Decree, (iv) Article 633 of the Belgian Code of Companies becomes applicable by virtue of Fortis Bank's net assets falling below 50% of Fortis Bank's capital as a result of losses incurred, (v) Article 23 of the Belgian Law of March 22, 1993 applies by virtue of Fortis Bank's capital falling below €6.2 million or (vi) at the discretion of the BFIC, in the event that Article 57 § 1 of the Belgian Law of March 22, 1993 becomes applicable due to the special measures imposed by the BFIC in application thereof. Net assets are to be understood as the total assets as they appear on the non-consolidated balance sheet of Fortis Bank prepared in accordance with generally accepted accounting principles used to prepare such balance sheet for Fortis Bank's primary regulator, after deduction of provisions, debts, formation expenses not yet written off and research and development costs not yet written off.

“Consolidated Trigger Event” means the amount of Tier 1 capital (*fonds propres sensu stricto/eigen vermogen sensu stricto*) of Fortis Bank as recorded in the consolidated financial statements of Fortis Bank declines below 5% of the risk-weighted assets of Fortis Bank, calculated in accordance with the 1995 Decree.

Subordination

The rights and claims of investors in the Conversion Profit-Sharing Certificates are subordinated to the obligations of Fortis Bank, including all deposits and other liabilities of Fortis Bank (including those in respect of bonds, notes and debentures (whether senior or subordinated)), and instruments constituting “Tier 2” capital of Fortis Bank or guarantees of such instruments under Applicable Banking Regulations. In any event creating a general *concursum creditorum* on the assets of Fortis Bank, the holders of Conversion Profit-Sharing Certificates will rank *pari passu* with the holders of (i) the most senior ranking preferred or preference shares or (ii) profit-sharing certificates of Fortis Bank, or guarantees ranking *pari passu* with such preference shares or profit-sharing certificates of Fortis Bank then in issue (collectively, **“Parity Shares”**). However, the Conversion Profit-Sharing Certificates will not provide the holder thereof with any rights to a liquidation bonus or any other participation rights.

Dividend Stopper; Mandatory Distributions

Dividend Stopper

Fortis Bank will provide in its articles of association, and the Parent Companies will each agree in the Contingent Guarantee Agreement that, if full distributions have not been paid on the Conversion Profit-Sharing Certificates on the most recent Regular Distribution Date, (A) each of Fortis Bank and the Parent Companies (i) will not propose to its shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of any dividend, distribution or other payment on its Ordinary Shares or Parity Securities and (ii) will not redeem, repurchase or otherwise acquire any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition) and (B) each of the Parent Companies (i) will not declare or pay, and to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of, any dividend, distribution or other payment on its Ordinary Shares or Parity Securities and (ii) agrees that it will not vote, or will cause that no vote is made by any of its subsidiaries, in favor of any of the actions of Fortis Bank described in clauses (A)(i) and (ii) above; *provided* that the foregoing restriction shall not apply (i) to a dividend, distribution, payment or redemption in respect of any Exempt Share Class, (ii) to a dividend, distribution or other payment on any Parity Securities that is required to be paid, pursuant to the terms of such Parity Securities, solely as a result of a dividend, distribution, payment or redemption in respect of any Exempt Share Class or (iii) if less than a full distribution is paid on the Conversion Profit-Sharing Certificates on any Regular Distribution Date, to a dividend, distribution or other payment on any Parity Securities (other than Junior Securities and Junior Guarantees) during the period beginning on such Regular Distribution Date and ending before the next succeeding Regular Distribution Date, in an amount that results in the payment of a proportion of a full dividend, distribution or other payment on such Parity Securities (other than Junior Securities and Junior Guarantees) equal to the proportion of a full distribution on the Conversion Profit-Sharing Certificates, if any, paid on such Regular Distribution Date.

“Bank Parity Securities” means, (i) the most senior ranking preferred or preference shares or profit-sharing certificates (*parts bénéficiaires/winstbewijzen*) of Fortis Bank and any securities which are expressly stated to rank *pari passu* with the Profit-Sharing Certificates (collectively, **“Bank Parity Shares”**) or any securities which are expressly stated to rank junior to the Profit-Sharing Certificates (**“Bank Junior**

Securities”), (ii) guarantees by Fortis Bank (whether through an agreement or instrument labeled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of preferred securities or preferred or preference shares issued by any of Fortis Bank’s subsidiaries, which guarantees are expressly stated to rank *pari passu* with the Profit-Sharing Certificates or rank *pari passu* with Bank Parity Shares (collectively, “**Bank Parity Guarantees**”) or which guarantees are expressly stated to rank junior to the Profit-Sharing Certificates or rank junior to the Bank Parity Shares (“**Bank Junior Guarantees**”) and (iii) securities issued by any subsidiary of Fortis Bank that are guaranteed under any Bank Parity Guarantee or Bank Junior Guarantee.

“**Parent Company Parity Securities**” means, (i) the most senior ranking preferred or preference shares and any securities of either Parent Company which are expressly stated to rank *pari passu* with the Profit-Sharing Certificates (“**Parent Company Parity Shares**”) or any securities of either Parent Company which are expressly stated to rank junior to the Profit-Sharing Certificates (“**Parent Company Junior Securities**”), (ii) guarantees by either or both Parent Companies (whether through an agreement or instrument labeled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of any preferred securities or preferred or preference shares issued by any of either Parent Company’s subsidiaries (including Fortis Bank), which guarantees are expressly stated to rank *pari passu* with the Profit-Sharing Certificates or rank *pari passu* with Parent Company Parity Shares (“**Parent Company Parity Guarantees**”) or which guarantees are expressly stated to rank junior to the Profit-Sharing Certificates or rank junior to the Parent Company Parity Shares (“**Parent Company Junior Guarantees**”) and (iii) securities issued by any subsidiary of either Parent Company (including Fortis Bank) that are guaranteed under any Parent Company Parity Guarantee or Parent Company Junior Guarantee.

Parent Company Parity Securities and Bank Parity Securities are collectively referred to as “**Parity Securities**”, Parent Company Parity Shares and Bank Parity Shares are collectively referred to as “**Parity Shares**”, Parent Company Junior Securities and Bank Junior Securities are collectively referred to as “**Junior Securities**”, Parent Company Parity Guarantees and Bank Parity Guarantees are collectively referred to as “**Parity Guarantees**” and Parent Company Junior Guarantees and Bank Junior Guarantees are collectively referred to as “**Junior Guarantees**”.

“**Bank Ordinary Shares**” means ordinary shares of Fortis Bank. “**Parent Company Ordinary Shares**” means ordinary shares of either of the Parent Companies or any ordinary share equivalent that may replace or be substituted for the ordinary shares of either or both Parent Companies. Bank Ordinary Shares and Parent Company Ordinary Shares are referred to collectively as “**Ordinary Shares**”.

Mandatory Distributions

If Fortis Bank or either Parent Company (A) pays any dividend, distribution or other payment on any of its Ordinary Shares or Parity Securities or (B) redeems, repurchases or otherwise acquires any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition), then the distribution payable on the Regular Distribution Dates occurring during the Relevant Period will be mandatorily payable on each such date (a “**Mandatory Distribution Date**”), except that if a Trigger Event has occurred and is continuing on any such date, then Fortis Bank shall not declare or pay any distribution on the Conversion Profit-Sharing Certificates. See “*Description of the Contingent Guarantee Agreement — Mandatory Distributions; Dividend Stopper*”. In the case of any dividend on any Parity Securities, the distribution payable on each related Mandatory Distribution Date will be payable in an amount that results in payment on such Mandatory Distribution Date of a proportion of a full distribution on the Conversion Profit-Sharing Certificates equal to the proportion of a full dividend, distribution or other payment on such Parity Securities represented by such dividend, distribution or other payment.

For purposes of the foregoing, “**Relevant Period**” means:

- for any Relevant Period commencing on or before October 27, 2014, one year; *provided* that if such Relevant Period commences after October 27, 2013, it shall end on and include October 27, 2014; and
- for any Relevant Period commencing after October 27, 2014,
 - one year, in the case of (A) any dividend on Ordinary Shares, (B) any dividend, distribution or other payment on Parity Securities that have annual scheduled payments or (C) any redemption, repurchase or other acquisition of Ordinary Shares or Parity Securities,

- six months, in the case of any dividend, distribution or other payment on Parity Securities that have semiannual scheduled payments, and
- three months, in the case of any dividend, distribution or other payment on Parity Securities that have quarterly (or more frequent) scheduled payments;

provided in each case that such Relevant Period (unless it commences after October 27, 2013 and ends on and includes October 27, 2014) shall commence on and include the day of the relevant dividend or redemption, repurchase or other acquisition but shall not include the corresponding day of the third, sixth or twelfth month thereafter, as the case may be.

Exempt Share Classes

The following classes of shares (each, an “**Exempt Share Class**”) shall be exempt from the dividend stopper and mandatory distribution provisions to the extent described above:

- the currently authorized number of 1,820 million cumulative preference shares in the capital of Fortis N.V. or any successor thereto of €0.42 each; and
- any preference shares that are not, or would not be, included as Tier 1 capital of Fortis Bank (“**Replacement Preference Shares**”) to be created or issued by Fortis Bank or either Parent Company in connection with the merger, consolidation, amalgamation or other combination of an entity with and into Fortis Bank or such Parent Company in which Fortis Bank or such Parent Company is the surviving entity, for the purpose of replacing preference shares issued or authorized by such other entity at the time of the transaction.

Fortis Bank and the Parent Companies will each agree not to authorize unilaterally or to propose to its shareholders that they authorize any additional preference shares (other than Replacement Preference Shares) unless such additional preference shares are subject to the dividend stopper and mandatory distribution provisions described above.

Additional Amounts

All payments in respect of the Conversion Profit-Sharing Certificates will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, or other governmental charges of whatever nature imposed or levied by or on behalf of Belgium or any political subdivision thereof or any authority or agency therein or thereof having the power to tax (“**Relevant Tax**”), unless the withholding or deduction is required by law. If at any time Fortis Bank is required to withhold or deduct any Relevant Tax with respect to any payments on the Conversion Profit-Sharing Certificates, Fortis Bank will be required to pay such additional amounts (“**Additional Amounts**”) as shall be required so that the net amount received by each holder of Conversion Profit-Sharing Certificates after the withholding or deduction of any such Relevant Tax will not be less than the amount then otherwise receivable by each holder of Conversion Profit-Sharing Certificates in the absence of such withholding or deduction. However, Fortis Bank will not be required to pay Additional Amounts, (i) to the extent that the Relevant Tax is imposed or levied because the holder of Conversion Profit-Sharing Certificates (or the beneficial owner of such securities) has some connection with Belgium, other than being a holder (or beneficial owner) of Conversion Profit-Sharing Certificates or (ii) to the extent that the Relevant Tax is imposed or levied because that holder (or beneficial owner) has not produced and delivered to Fortis Bank or its agent the affidavit, certificate or any other document requested for exemption or reduction, *provided* that such affidavit, certificate or other document is required by law, regulations or the relevant tax treaty and Fortis Bank or its agent has given the holder or beneficial owner at least 60 days’ prior written notice of and opportunity to produce and deliver such affidavit, certificate or other document.

Each reference herein to payments in respect of the Conversion Profit-Sharing Certificates shall be deemed to include the payment of Additional Amounts, if any.

Optional Redemption

The Conversion Profit-Sharing Certificates are not redeemable at the option of the holders at any time and are not redeemable at the option of Fortis Bank prior to the First Call Date, except in certain circumstances upon the occurrence of a Tier 1 Disqualification Event. See “— *Redemption upon Certain Events*”.

The Conversion Profit-Sharing Certificates may be redeemed at the option of Fortis Bank, in whole (and not in part), on the First Call Date or on any subsequent Regular Distribution Date; *provided* that Fortis Bank will give notice to holders of the Conversion Profit-Sharing Certificates not less than 60 business days but not more than 90 business days prior to any such redemption on the First Call Date and not less than 30 days but not more than 60 days prior to any such redemption on any subsequent Regular Distribution Date. This notice shall also be given in accordance with the notice provisions described in “*General Listing Information — Notices*”.

The redemption price for such redemptions will be (i) 100% of the aggregate nominal value of the Conversion Profit-Sharing Certificates, plus (ii) an amount equal to pro rata unpaid distributions, if any, thereon with respect to the then-current Distribution Period calculated on a daily basis through the date fixed for redemption (the “**Base Redemption Price**”).

Any optional redemption of Conversion Profit-Sharing Certificates is subject to compliance with applicable regulatory requirements, including the prior approval of the BFIC. In any event, no redemption of Conversion Profit-Sharing Certificates will be permitted if, before or after giving effect to such redemption, a Trigger Event has occurred and is continuing.

The Conversion Profit-Sharing Certificates will not be subject to any sinking fund or mandatory redemption.

Any redemption of Conversion Profit-Sharing Certificates is subject to an application *mutatis mutandis* of Article 620 of the Belgian Code of Companies, and to the extent that such redemption entails a decrease in the contribution made for the Conversion Profit-Sharing Certificates, of Articles 612 and 613 of the Belgian Code of Companies.

Redemption upon Certain Events

Tier 1 Disqualification Event

Upon the occurrence of a Tier 1 Disqualification Event and subject to the conditions set forth below, Fortis Bank will have the right, (i) at any time before the First Call Date, to redeem the Conversion Profit-Sharing Certificates in whole (and not in part) at a redemption price equal to the greater of (x) the Make Whole Amount and (y) the Base Redemption Price, or (ii) at any time on or after the First Call Date, to redeem the Conversion Profit-Sharing Certificates in whole (and not in part) at the Base Redemption Price.

For purposes of the foregoing, “**Tier 1 Disqualification Event**” means the receipt by Fortis Bank of an opinion or declaration, rule or decree of the BFIC to the effect that there has been (i) either a change in law or regulation or (ii) the interpretation thereof, resulting in more than an insubstantial risk that the Conversion Profit-Sharing Certificates (or any portion thereof) will not be included in calculating the Tier 1 capital of Fortis Bank under Applicable Banking Regulations.

Any redemption of Conversion Profit-Sharing Certificates upon the occurrence of a Tier 1 Disqualification Event is subject to compliance with applicable regulatory requirements, including the prior approval of the BFIC. In any event, no redemption of Conversion Profit-Sharing Certificates will be permitted if and to the extent that, before or after giving effect to such redemption, a Trigger Event has occurred and is continuing.

Any redemption of Conversion Profit-Sharing Certificates is subject to an application *mutatis mutandis* of Article 620 of the Belgian Code of Companies, and to the extent that such redemption entails a decrease in the contribution made for the Conversion Profit-Sharing Certificates, of Articles 612 and 613 of the Belgian Code of Companies.

Form and Denomination

The Conversion Profit-Sharing Certificates will be issued with a total nominal value equal to the Mandatory Conversion Amount.

The Conversion Profit-Sharing Certificates will be issued in global bearer form or in registered form and are expected to be cleared through the book-entry system of the CIK (*Caisse Interprofessionnelle/Interprofessionele Kas*), the Belgian national securities depository, Euroclear and Clearstream. If deemed ineligible for clearance through any such clearing systems, the Conversion Profit-Sharing Certificates will be issued in definitive registered form to investors.

Transferability of the Conversion Profit-Sharing Certificates

In accordance with Article 508 of the Belgian Code of Companies, until the tenth day following the filing of the second annual accounts of Fortis Bank after their issue, the Conversion Profit-Sharing Certificates can only be validly transferred by notifying a public or private deed to Fortis Bank within one month of such transfer.

Governing Law

The Conversion Profit-Sharing Certificates will be governed by the laws of Belgium.

DESCRIPTION OF THE CONTINGENT GUARANTEE AGREEMENT

General

The Parent Companies will jointly and severally agree to perform the obligations described below under a Contingent Guarantee Agreement to be dated as of October 27, 2004 between Fortis Bank and the Parent Companies.

By virtue of their subscription to or acquisition of the Conversion Profit-Sharing Certificates, holders of the Conversion Profit-Sharing Certificates will be treated, in accordance with Article 1121 of the Belgian Civil Code, as third-party beneficiaries, entitled to the rights conferred upon them by the Contingent Guarantee Agreement. Holders of the Conversion Profit-Sharing Certificates will be able to exercise enforcement rights under the Contingent Guarantee Agreement directly.

Under the Contingent Guarantee Agreement, the rights and claims of the holders of the Conversion Profit-Sharing Certificates are subordinated to the obligations of the Parent Companies, including Tier 2 instruments, in the case of a general *concursum creditorum* affecting the Parent Company concerned, in which event the holders of Conversion Profit-Sharing Certificates will rank *pari passu* with the holders of the most senior class or classes of preference shares, profit-sharing certificates or guarantees ranking *pari passu* with such preference share or profit-sharing certificates of the Parent Company concerned then in issue and in priority to all other shareholders.

Mandatory Distributions; Dividend Stopper

Mandatory Distributions

The Parent Companies will jointly and severally pay any distribution on the Conversion Profit-Sharing Certificates that is mandatorily payable on a Mandatory Distribution Date if and to the extent that Fortis Bank has not paid such distribution. Each Parent Company will have the option of satisfying its obligation to make any Contingent Guarantee Agreement payments by either (i) making Contingent Guarantee payments directly to holders of the Conversion Profit-Sharing Certificates or (ii) making a capital contribution to Fortis Bank sufficient to permit Fortis Bank to pay the related distribution amount and Additional Amounts, if any. No such contribution or payment will be made if and to the extent that (a) prior to the Mandatory Distribution Date a Trigger Event has occurred and is continuing on such Mandatory Distribution Date, or (b) before or after giving effect to such contribution or payment, a Net Assets Deficiency Event has occurred and is continuing with respect to both Parent Companies or, following such contribution or payment, the Parent Companies would not be solvent or would be in a situation of cessation of payment (*cessation de paiement/staking van betaling* or *surséance van betaling*); provided that, notwithstanding the occurrence of any Net Assets Deficiency Event with respect to both Parent Companies, such contribution or payment will be mandatorily payable on or before any Mandatory Distribution Date that is triggered by dividends, distributions, payments or redemptions, repurchases or other acquisitions in respect of Fortis Shares or Parent Company Parity Securities (in the circumstances described under “*Description of the Conversion Profit-Sharing Certificates — Dividend Stopper; Mandatory Distributions*”).

“**Net Assets Deficiency Event**” means the net assets of a Parent Company are less than the sum of its respective paid-in capital and non-distributable reserves, as determined in accordance with, or applying the computation method provided in Article 617 of the Belgian Code of Companies with respect to Fortis SA/NV and in accordance with Article 2:105 of the Dutch Civil Code with respect to Fortis N.V. Net assets of a Parent Company are to be understood as the total assets as they appear on the non-consolidated balance sheet of such Parent Company prepared in accordance with generally accepted accounting principles used in reporting as required by the applicable stock exchange, after deduction of provisions, debts, formation expenses not yet written off and research and development costs not yet written off.

Dividend Stopper

Each Parent Company agrees that, if full distributions on the Conversion Profit-Sharing Certificates have not been paid on the most recent Regular Distribution Date, such Parent Company (A)(i) will not declare or pay, and will not propose to its shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent the declaration or payment of, any dividend on its Ordinary Shares or Parity Securities and (ii) will not redeem, repurchase or otherwise acquire any of its Ordinary Shares or Parity Securities (other than pursuant to a Permitted Share Acquisition) and (B) it will not vote, or will cause that no vote is made by any of its subsidiaries, in favor of any of the actions of Fortis Bank otherwise prohibited under the Fortis Bank’s articles of association. No such restrictions shall apply (i) to a dividend or

redemption in respect of any Exempt Share Class or (ii) to a dividend on any Parity Securities that is required to be paid, pursuant to the terms of such Parity Securities, solely as a result of a dividend or redemption in respect of any Exempt Share Class or (iii) if less than a full distribution is paid on the Conversion Profit-Sharing Certificates on any Regular Distribution Date, to a dividend on any Parity Securities (other than Junior Securities and Junior Guarantees) during the period beginning on such Regular Distribution Date and ending before the next succeeding Regular Distribution Date, in an amount that results in the payment of a proportion of a full dividend on such Parity Securities (other than Junior Securities and Junior Guarantees) equal to the proportion of a full distribution on the Conversion Profit-Sharing Certificates, if any, paid on such Regular Distribution Date.

Additional Amounts

All payments in respect of the Contingent Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, or other governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or Belgium or any political subdivision thereof or any authority or agency therein or thereof having the power to tax (“**Parent Relevant Tax**”), unless the withholding or deduction is required by law. If at any time the Parent Companies are required to withhold or deduct any Parent Relevant Tax with respect to any payments in respect of the Contingent Guarantee, the Parent Companies will be required to pay such additional amounts (“**Additional Amounts**”) as shall be required so that the net amount received by each holder of Conversion Profit-Sharing Certificates after the withholding or deduction of any such Parent Relevant Tax will not be less than the amount then otherwise receivable by each holder of Conversion Profit-Sharing Certificates in the absence of such withholding or deduction. However, the Parent Companies will not be required to pay Additional Amounts, (i) to the extent that the Parent Relevant Tax is imposed or levied because the holder of Conversion Profit-Sharing Certificates (or the beneficial owner of such securities) has some connection with The Netherlands or Belgium, other than being a holder (or beneficial owner) of Conversion Profit-Sharing Certificates or (ii) to the extent that the Parent Relevant Tax is imposed or levied because that holder (or beneficial owner) has not produced and delivered to the Parent Companies or their agent the affidavit, certificate or any other document requested for exemption or reduction *provided* that such affidavit, certificate or other document is required by law, regulations or the relevant tax treaty and the Parent Companies or their agent has given the holder or beneficial owner at least 60 days’ prior written notice of and opportunity to produce and deliver such affidavit, certificate or other document.

Each reference herein to payments in respect of the Contingent Guarantee shall be deemed to include Additional Amounts, if any.

Amendments to the Contingent Guarantee Agreement

Except as provided in the following paragraphs, the Contingent Guarantee Agreement may be modified by the parties thereto only with the prior approval of holders of not less than 75% of the aggregate nominal value of the outstanding Conversion Profit-Sharing Certificates (excluding any Conversion Profit-Sharing Certificates held by Fortis Bank or any of its affiliates, other than Conversion Profit-Sharing Certificates purchased or acquired by Fortis Bank or its affiliates in connection with transactions effected by or for the account of customers of Fortis Bank or any of its affiliates in connection with the distribution or trading of, or market-making in connection with, the Conversion Profit-Sharing Certificates).

The Contingent Guarantee Agreement may be amended without the consent of the holders of the Conversion Profit-Sharing Certificates to:

- cure any ambiguity;
- correct or supplement any provision in the Contingent Guarantee Agreement that may be defective or inconsistent with any other provision of the Contingent Guarantee Agreement;
- subject to applicable Belgian law, to the covenants, restrictions or obligations of the Parent Companies; or
- modify, eliminate and add to any provision of the Contingent Guarantee Agreement; *provided* that no such amendment shall have a material adverse effect on the rights, preferences or privileges of holders of the Conversion Profit-Sharing Certificates or affect the ranking of the Contingent Guarantee Agreement, as determined by Fortis Bank and the Parent Companies.

Notwithstanding the foregoing, neither the provisions relating to Mandatory Distributions nor the percentage of the aggregate amount of outstanding Conversion Profit-Sharing Certificates which shall be required for the holders to approve any modification to the Contingent Guarantee Agreement may be amended without the prior approval of holders of 100% of the aggregate principal amount of the outstanding Conversion Profit-Sharing Certificates.

Governing Law

The Contingent Guarantee Agreement will be governed by the laws of Belgium.

CERTAIN DEFINITIONS

“*Actual/Actual Basis*” means, (a) with respect to the Securities, the number of days in the Fixed Coupon Period, from and including the date from which coupons begin to accrue to but excluding the date on which such coupons fall due, divided by the number of days in the Fixed Coupon Period in which the relevant period falls (including the first such day but excluding the last day), and (b) with respect to the Conversion Profit-Sharing Certificates, the number of days in the Fixed Distribution Period, from and including the date from which distributions begin to accrue to but excluding the date on which such distributions fall due, divided by the number of days in the Fixed Distribution Period in which the relevant period falls (including the first such day but excluding the last day).

“*Actual/360 Basis*” means the number of days in the Floating Coupon Period or Distribution Period, as the case may be, divided by 360.

“*Additional Coupons*” means the amount of coupons accrued in respect of unpaid Elective Alternative Coupons, if any.

“*Administrative Action*” means any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) by any legislative body, court, governmental or administrative authority or regulatory body having appropriate jurisdiction.

“*Applicable Banking Regulations*” means at any time the capital adequacy regulations then in effect of the BFIC or other regulatory authority in Belgium (or if Fortis Bank becomes domiciled in a jurisdiction other than Belgium, such other jurisdiction) having primary bank supervisory authority with respect to Fortis Bank.

“*Authorized Newspaper*” means a newspaper in an official language of the country of publication customarily published at least once a day for at least five days in each calendar week and of general circulation in London, Belgium and The Netherlands; which newspaper is expected to be *The Financial Times* of London, if practicable, *De Tijd* and the *Echo de la Bourse* in Belgium, if practicable, and *Het Financieele Dagblad* in The Netherlands, and if it shall be impracticable in the opinion of the Trustee to make any publication of any notice required hereby in any such newspaper, shall mean any publication or other notice in lieu thereof which is made or given with the approval of the Trustee not to be unreasonably withheld.

“*Base Redemption Price*” (a) with respect to any redemption of the Securities, has the meaning set forth under “*Description of the Securities — Optional Redemption*” and (b) with respect to any redemption of the Conversion Profit-Sharing Certificates has the meaning set forth under “*Description of the Conversion Profit-Sharing Certificates — Optional Redemption*”.

“*business day*” means a day which is a TARGET Settlement Day and which is also a day on which the X/N System is operating.

“*Calculation Agency Agreement*” means the Calculation, Quotation and Coupon Determination Agency agreement to be dated as of October 27, 2004 among Fortis Bank, the Parent Companies, the Trustee and the Agents, as amended from time to time.

“*Calculation Agent*” means Cazenove & Co. Ltd, as calculation agent, and any successor appointed under the Calculation Agency Agreement.

“*Clearstream*” means Clearstream Banking, *société anonyme*, Luxembourg.

“*Closing Date*” means the settlement date of the issue and sale of the Securities, expected to be on or about October 27, 2004.

“*Contingent Guarantee Agreement*” means the Contingent Guarantee Agreement to be dated as of October 27, 2004 among the Parent Companies and Fortis Bank.

“*Conversion Profit-Sharing Certificates*” means the Conversion Profit-Sharing Certificates directly issued by Fortis Bank, upon the occurrence of any of the events described in clauses (ii) through (vi) (inclusive) of the definition of Non-Consolidated Trigger Event, or any event resulting in a general *concurso creditorum* on the assets of Fortis Bank, with a total nominal value equal to (i) the aggregate principal amount of the Securities, plus (ii) accrued and unpaid coupons, if any, thereon with respect to the then-current Coupon Period, plus (iii) unpaid Alternative Coupons, if any (the “*Mandatory Conversion Amount*”).

“*Coupon Date*” means a Regular Coupon Date, a Supported Coupon Date or an Alternative Coupon Satisfaction Date as the context requires; *provided* that if any Coupon Date is not a business day, coupons will be payable on the next business day unless such Coupon Date relates to a Floating Coupon Period and the next business day would fall in the succeeding calendar month, in which case such coupon will be payable on the preceding business day.

“*Coupon Determination Agent*” means The Bank of New York, London Branch or any successor in such capacity.

“*Definitive Securities*” means definitive Securities issued in fully registered form with no coupons attached in exchange for the Global Certificates under the circumstances provided for in the Indenture.

“*Determination Date*” for a Coupon Period or Distribution Period means two TARGET Settlement Days prior to the first day of such Coupon Period or such Distribution Period, as the case may be.

“*dividend*” means, with respect to Ordinary Shares and Parity Securities, a dividend, distribution or other payment thereon.

“*euro*”, “*EUR*” and “*€*” means the single currency introduced at the start of the third stage of the European economic and monetary union on January 1, 1999.

“*Euroclear*” means Euroclear Bank SA/NV.

“*Euro Reference Banks*” means the principal Euro-zone office of four major banks not affiliated with the Parent Companies in the Euro-zone interbank market selected by the Coupon Determination Agent in consultation with Fortis Bank.

“*Euro-zone*” means the region comprised of member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community, as amended by the Treaty on the European Union.

“*First Call Date*” means October 27, 2014.

“*Fortis Bank*” means Fortis Bank nv-sa, a company incorporated with limited liability (*société anonyme/naamloze vennootschap*) and a bank incorporated under the laws of Belgium.

“*Fortis N.V.*” means Fortis N.V., incorporated with limited liability under the laws of The Netherlands, having its corporate seat in Utrecht.

“*Fortis SA/NV*” means Fortis SA/NV, incorporated with limited liability under the laws of Belgium, having its registered office in Brussels.

“*general concursus creditorum*” means with respect to Fortis Bank or Fortis SA/NV, any *concursum creditorum* (*concours de créanciers/samenloop van schuldeisers*) on the entire assets of Fortis Bank or Fortis SA/NV, as the case may be, including bankruptcy (*faillite/faillissement*), moratorium (*concordat judiciaire/gerechtelijk akkoord*) and judicial or voluntary dissolution (*dissolution judiciaire ou volontaire/gerechtelijke of vrijwillige ontbinding*) except, in the latter case, for corporate reorganizations involving a dissolution without liquidation (*dissolution sans liquidation/ontbinding zonder vereffening*) of Fortis Bank or Fortis SA/NV, as the case may be, as referred to in Articles 671-676 of the Belgian Code of Companies relating to mergers, splits and assimilated operations, and with respect to Fortis N.V., bankruptcy, moratorium of payments (*surséance van betaling*) or dissolution (*ontbinding*).

“*Indenture*” means the indenture to be dated as of October 27, 2004 between Fortis Bank and the Trustee, as it may be amended from time to time.

“*initial issuance*” means the date on which the Securities or the Conversion Profit-Sharing Certificates, as applicable, are initially issued by Fortis Bank.

“*Make Whole Amount*” means (a) with respect to the Securities, an amount, as determined by a Quotation Agent, equal to the sum of (i) the present value of the aggregate principal amount of the Securities discounted from the First Call Date, (ii) the present values of scheduled annual coupons on the Securities from the Special Event Redemption Date to the First Call Date (assuming in each case that coupons will be paid in full on the relevant Regular Coupon Date), and (iii) any unpaid Alternative Coupons, and (b) with respect to the Conversion Profit-Sharing Certificates, an amount, as determined by a Quotation Agent, equal to the sum of (i) the present value of the total nominal value of the Conversion Profit-Sharing Certificates discounted from the First Call Date and (ii) the present values of scheduled annual distributions on the Conversion Profit-Sharing Certificates from the Special Event Redemption Date to the First Call Date. The

present values calculated in (a)(i), (a)(ii), (b)(i) and (b)(ii) above shall be calculated by discounting the relevant amounts to the Special Event Redemption Date on an annual basis at the Adjusted Yield. For purposes of determining the Make Whole Amount:

“*Adjusted Yield*” means the Bond Yield plus 0.20%;

“*Bond Yield*” means the rate per annum equal to the annual yield to maturity of the Comparable Bond Issue, assuming a price equal to the Comparable Bond Price for the Calculation Date;

“*Calculation Date*” means the third TARGET Settlement Day prior to the Special Event Redemption Date;

“*Comparable Bond Issue*” means, with respect to any Special Event Redemption Date, the euro benchmark security selected by the Quotation Agent that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities or the Conversion Profit-Sharing Certificates, as the case may be, from the Special Event Redemption Date to the First Call Date.

“*Comparable Bond Price*” means, (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Quotation Agent obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

“*Primary Bond Dealer*” means any credit institution or financial services institution that regularly deals in bonds and other debt securities.

“*Quotation Agent*” means Cazenove & Co. Ltd and its successors; *provided, however*, that if the foregoing shall cease to be a Primary Bond Dealer in London, Fortis Bank will be entitled to appoint another Quotation Agent unaffiliated with Fortis Bank or the Parent Companies that is a Primary Bond Dealer in London;

“*Reference Bond Dealer*” means (a) the Quotation Agent or (b) any other Primary Bond Dealer selected by the Quotation Agent after consultation with Fortis Bank;

“*Reference Bond Dealer Quotations*” means the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Bond Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Bond Dealer at 11:00 a.m. (London time) on the Calculation Date; and

“*Special Event Redemption Date*” means, (a) with respect to the Securities, a redemption date that occurs before the First Call Date in connection with the occurrence of a Tax Event or a Tier 1 Disqualification Event and (b) with respect to the Conversion Profit-Sharing Certificates, a redemption date that occurs before the First Call Date in connection with a Tier 1 Disqualification Event.

“*Mandatory Distribution*” means a distribution payable on a Mandatory Distribution Date.

“*Ordinary Shares*” means Bank Ordinary Shares and Parent Company Ordinary Shares.

“*Other Pari Passu Claims*” means claims of creditors of Fortis Bank which are subordinated so as to rank *pari passu* with claims in respect of the Securities, including, for the avoidance of doubt, the 6.50% Perpetual Securities.

“*Parent Companies*” means Fortis N.V. and Fortis SA/NV, together with their respective successors, and “*Parent Company*” means either Fortis N.V. or Fortis SA/NV, together with its successors.

“*Permitted Share Acquisition*” means an acquisition of Ordinary Shares or Parity Securities (i) by conversion into or in exchange for Ordinary Shares, (ii) in connection with transactions effected by or for the account of customers of Fortis Bank or either Parent Company or any of its subsidiaries or in connection with the distribution, trading or market-making in respect of such securities, (iii) in connection with the satisfaction by Fortis Bank or either Parent Company or any of its subsidiaries of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (iv) as a result of a reclassification of the capital of Fortis Bank or either Parent Company or any of its subsidiaries or the exchange or conversion of one class or series of capital for another class or series of capital, or (v) the purchase of fractional interests in shares of the capital of Fortis Bank or either Parent Company or any of its subsidiaries pursuant to the conversion or exchange provisions of such capital or the security being converted or exchanged.

“*Record Date*” means the date which is 15 calendar days preceding the Regular Coupon Date or the Alternative Coupon Satisfaction Date.

“*Regulation S*” means Regulation S under the Securities Act.

“*Rule 144A*” means Rule 144A under the Securities Act.

“*Securities*” means the 4.625% Directly Issued Perpetual Securities, principal amount €50,000 per security and aggregate principal amount of €1,000,000,000 offered by Fortis Bank.

“*Securities Act*” means the United States Securities Act of 1933, as amended.

“*Senior and Subordinated Indebtedness*” means all deposits and other liabilities of Fortis Bank (including those in respect of bonds, notes and debentures (whether senior or subordinated)), and instruments constituting “upper Tier 2” or “lower Tier 2” capital of Fortis Bank under Applicable Banking Regulations, other than liabilities of Fortis Bank under the Securities.

“*Support Agreement*” means the Support Agreement to be dated as of October 27, 2004 among Fortis Bank, the Parent Companies and the Trustee.

“*Supported Coupon*” means any coupon payable on a Supported Coupon Date.

“*TARGET Settlement Day*” means a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (“TARGET”) System is operating.

“*Trustee*” means The Bank of New York, as trustee under the Indenture or any successor in such capacity.

TAXATION

The following is a general description of the material Belgian and United States tax consequences of purchasing, owning and disposing of the Securities. Prospective purchasers of the Securities should consult their own tax advisors as to the applicable tax consequences of the ownership of the Securities based on their particular circumstances.

Belgian Tax Considerations

The following is a general description of the principal Belgian tax consequences for investors of receiving Coupons in respect of, and conversion or disposition of, the Securities or Conversion Profit-Sharing Certificates based on Fortis Bank's understanding of current law and practice. Except as otherwise indicated, this general description only addresses the position of investors who do not have any connection with Belgium other than the holding of the Securities. This general description is based upon the law as in effect on the date of this offering memorandum and is subject to any change in law that may take effect after such date. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisors on the possible tax consequences of subscribing for, purchasing, holding, selling or the conversion of the Securities under the laws of their countries of citizenship, residence, ordinary residence or domicile.

Belgian Withholding Tax

Securities

All payments by or on behalf of Fortis Bank of the principal amount and coupons on the Securities to Eligible Investors (see "*Description of the Securities — Clearance and Settlement*") will be made without deduction of withholding tax in Belgium only if and as long as at the moment of payment or attribution of coupons they are held in an exempt securities account that has been opened with a direct or indirect participant in the X/N System. Otherwise, withholding tax at the rate of 15% on any payment or attribution of coupons may apply (subject to possible reductions or exemptions under Belgian domestic law or bilateral tax treaties). For the purpose of Belgian withholding tax, interest income will include the Regular Coupons, Alternative Coupons, and any Additional Amounts, as defined in "*Description of the Securities — Additional Amounts*".

See "*Description of the Securities — Clearance and Settlement*" for a summary of the requirements to open an exempt securities account.

The Elective Alternative Coupons and Exceptional Alternative Coupons will, for Belgian withholding tax purposes, be deemed attributed at the Regular Coupon Date.

On June 3, 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income (Directive 2003/48/EC). The directive is scheduled to be applied by member states from July 1, 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive, each member state will be required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in such other member state; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to commence on the date from which the directive is to be applied by member states and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Conversion Profit-Sharing Certificates

Generally, under Belgian law dividends paid by Fortis Bank on the Conversion Profit-Sharing Certificates will be subject to a withholding tax at the rate of 25%. However, the following reduced rates or exemptions may be available:

- (i) the rate of withholding may be reduced to 5, 10 or 15%, subject to and in accordance with the provisions of bilateral tax treaties; and
- (ii) pension funds and other organizations that have been recognized as exempt from foreign income tax may be able to qualify for a dividend withholding tax exemption if they are not resident in Belgium, have no commercial activities and are not legally or contractually obliged to remit the dividends to third parties.

Investors to whom (i) above applies will typically claim a refund of tax withheld from the Belgian authorities to the extent the withholding tax deducted exceeds the reduced rate of withholding tax specified in the applicable tax treaty. Subject to the availability of the necessary certificates, the reduction can also be applied at source.

Subject to certain exceptions, Fortis Bank will pay Additional Amounts in respect of the Conversion Profit-Sharing Certificates in the case where a Relevant Tax has been deducted or withheld. See “*Description of the Conversion Profit-Sharing Certificates—Additional Amounts*”.

Capital Gains and Income Tax

Holders of Securities and holders of Conversion Profit-Sharing Certificates who are not residents of Belgium for Belgian tax purposes and are not holding the Securities or Conversion Profit-Sharing Certificates through a Belgian establishment (*établissement belge/Belgische inrichting*) within the meaning of Article 229 of the Belgian Income Tax Code 1992 will not incur or become liable for any Belgian tax on income or capital gains or other like taxes by reason only of the acquisition, ownership, conversion or disposal of the Securities or Conversion Profit-Sharing Certificates or conversion of the Securities into Conversion Profit-Sharing Certificates, *provided* in relation to such transactions affecting the Securities, that they hold their Securities in an exempt securities account of the X/N System.

Transfer Tax

A tax on stock exchange transactions (*taxe sur les opérations de bourse/taks op de beursverrichtingen*) at the rate of 0.07% (in relation to Securities) or 0.17% (in relation to Conversion Profit-Sharing Certificates) (subject to a maximum of EUR 250 per investor and per transaction) will become due upon the sale and purchase or exchange of Securities or Conversion Profit-Sharing Certificates entered into or settled in Belgium in which a professional intermediary acts for either party. A separate tax is due from each of the seller and the purchaser, to be collected by the professional intermediary.

A tax on repurchase transactions (*taxes sur les reports/taks op de reporten*) at the rate of 0.085% (subject to a maximum of EUR 250 per party and per transaction) will be due from each party to any such transaction entered into or settled in Belgium in which a professional intermediary acts for either party.

However, neither of the two taxes referred to above will be payable by exempt persons acting for their own account, including investors who are not Belgian residents and certain Belgian institutional investors, as defined in Article 126.2 of the Belgian Code of taxes assimilated to stamp tax (*Code des taxes assimilées au timbre/Wetboek der met zegel gelijkgestelde taksen*).

The Belgian government recently declared that it intends to propose to Parliament legislation abolishing the above-mentioned cap of EUR 250 per party and per transaction which currently applies in respect of the tax on stock exchange transactions.

Inheritance Duties

Belgian inheritance duties will not be levied in respect of the Securities or Conversion Profit-Sharing Certificates if the deceased holder was not a Belgian resident at the time of his or her death.

United States Federal Income Tax Considerations

The following discussion is a summary of material US federal income tax consequences of purchasing, owning and disposing of the Securities to the US Holders described herein, but the discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire such Securities. This discussion is based on the tax laws of the United States currently in effect, including the Internal Revenue Code of 1986, as amended, final, temporary and proposed Treasury regulations, administrative pronouncements and judicial decisions, as well as the Convention Between the United States of America and the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “Treaty”), all of which are subject to change, possibly with retroactive effect. This discussion does not address US state, local or non-US tax consequences. The discussion applies only to US Holders who purchase the Securities pursuant to this offering and who hold the Securities or Conversion Profit-Sharing Certificates as capital assets for US federal income tax purposes and it does not address special classes of holders, such as:

- certain financial institutions;

- insurance companies;
- dealers and traders in securities or foreign currencies;
- persons holding the Securities or Conversion Profit-Sharing Certificates as part of a hedge, straddle or conversion transaction;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- partnerships or other entities classified as partnerships for US federal income tax purposes;
- persons liable for the alternative minimum tax;
- tax-exempt organizations; or
- persons holding the Securities or Conversion Profit-Sharing Certificates that own or are deemed to own 10% or more of any class of Fortis Bank's stock.

For purposes of this discussion, a "US Holder" is a beneficial owner of the Securities or Conversion Profit-Sharing Certificates that is, for US federal income tax purposes, (i) a citizen or resident of the United States; (ii) a corporation or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof; or (iii) an estate or trust the income of which is subject to US federal income taxation regardless of its source.

This discussion assumes that the Securities and Conversion Profit-Sharing Certificates will be treated as equity for US federal income tax purposes. However, while the Securities should be treated as equity for US federal income tax purposes, the Internal Revenue Service (the "IRS") could seek to characterize the Securities as debt obligations. If the IRS were successful, a US Holder would be subject to different tax consequences than those described below, including the possibility of realizing foreign currency income or loss. Furthermore, this discussion assumes that Fortis Bank is not, and will not become, a passive foreign investment company, as described below.

Prospective purchasers should consult their own tax advisors concerning the US federal, state, local and non-US tax consequences of purchasing, owning and disposing of the Securities or Conversion Profit-Sharing Certificates in their particular circumstances, including their eligibility for the benefits of the Treaty.

Taxation of Payments

A coupon (including Alternative Coupons and Supported Coupons), in the case of Securities, or a distribution, in the case of Conversion Profit-Sharing Certificates, (each a "Payment"), including any Additional Amounts and amounts withheld in respect of Belgian tax, will generally be treated as foreign source ordinary income. Payments will not be eligible for the dividends-received deduction allowed to corporations. In addition, because of the Alternative Coupon Payment Method and Support Agreement, in the case of Securities, and the Contingent Guarantee, in the case of Conversion Profit-Sharing Certificates, the maximum tax rate of 15%, which applies to certain dividends paid to certain non-corporate US Holders in taxable years beginning before January 1, 2009, will not apply to the Payments. Payments will constitute "passive income" or, for certain US Holders, "financial services income" for foreign tax credit purposes, which may be relevant for certain holders.

Payments will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the date of the US Holder's receipt of the Payment, regardless of whether the Payment is in fact converted into US dollars at such time. If the Payment is converted into US dollars on the date of receipt, the US Holder generally should not be required to recognize foreign currency gain or loss in respect of the Payment. A US Holder may have foreign currency gain or loss if it does not convert the Payment into US dollars on the date of its receipt.

Belgian taxes withheld from Payments at a rate not exceeding the rate provided for in the Treaty will be creditable against a US Holder's US federal income tax liability, subject to applicable restrictions and limitations that may vary depending upon the holder's circumstances. Instead of claiming a credit, a US Holder may elect to deduct such Belgian taxes in computing taxable income, subject to generally applicable limitations. A US Holder should consult its own tax advisor to determine whether it is subject to any special rules that limit its ability to make effective use of foreign tax credits.

Sale and Other Disposition of the Securities or Conversion Profit-Sharing Certificates

For US federal income tax purposes, gain or loss realized by a US Holder on the sale or other disposition of the Securities or Conversion Profit-Sharing Certificates will be capital gain or loss (assuming, in the case of a redemption, that such US Holder does not own, and is not deemed to own, any Bank Ordinary Shares), and will be long-term capital gain or loss if the holder has held the Securities or Conversion Profit-Sharing Certificates for more than one year. The amount of the US Holder's gain or loss will be equal to the difference between the holder's tax basis in the Securities or Conversion Profit-Sharing Certificates disposed of (as determined in US dollars) and the amount realized on the disposition (which, if the amount realized is in a currency other than the US dollar, will be the US dollar amount calculated by reference to the spot rate in effect on the date of disposition or, with respect to a cash-method or electing accrual method US Holder, the settlement date, if the Securities or Conversion Profit-Sharing Certificates, as the case may be, are traded on an established securities market). Such gain or loss will generally be US source gain or loss for foreign tax credit purposes.

Conversion of Securities into Conversion Profit-Sharing Certificates

A US Holder will not recognize taxable gain or loss upon the conversion of the Securities into Conversion Profit-Sharing Certificates (except for any portion of the Conversion Profit-Sharing Certificates that represents accrued and unpaid coupons, including any Alternative Coupons, which should be taxed as described above under “— *Taxation of Payments*”).

Passive Foreign Investment Company Rules

Based upon certain proposed Treasury regulations that apply to foreign banks, which are not yet in effect but are proposed to become retroactively effective for taxable years beginning after December 31, 1994 or, for electing taxpayers, for taxable years beginning after December 31, 1986 (the “Proposed Regulations”), Fortis Bank believes that it was not a passive foreign investment company (a “PFIC”) for US federal income tax purposes for its most recent taxable year and does not expect to be considered a PFIC in the foreseeable future. However, since there can be no assurance that the proposed Treasury regulations will be finalized in their current form and since PFIC status is determined on an annual basis and depends upon the composition of Fortis Bank's and certain of its subsidiaries' (the “Fortis Bank Group”) income and assets and the market value of the Fortis Bank Group's assets from time to time, there can be no assurance that Fortis Bank will not be considered a PFIC for any taxable year. If Fortis Bank were treated as a PFIC for any taxable year during which a US Holder held the Securities or Conversion Profit-Sharing Certificates, certain adverse tax consequences could apply to the holder.

US Holders should consult their own tax advisors regarding the US federal income tax consequences of holding the Securities or the Conversion Profit-Sharing Certificates if Fortis Bank were treated as a PFIC.

Information Reporting and Backup Withholding

Payments and sales proceeds that are paid within the United States or through certain US-related financial intermediaries may be subject to information reporting and to backup withholding unless (i) the US Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the US Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the holder's US federal income tax liability and may entitle the holder to a refund; *provided* that the required information is furnished to the IRS.

SUBSCRIPTION AND SALE

Subject to the terms and conditions set forth in the Purchase Agreement dated as of October 19, 2004, between Fortis SA/NV, Fortis N.V., Fortis Bank and UBS Limited, as representative of the managers named therein, Fortis Bank has agreed to sell to the managers and the managers have agreed to purchase all the Securities subject to certain exceptions and conditions. Each manager has agreed, severally and not jointly, to purchase the number of Securities set forth opposite its name below.

Managers	<u>Number of Securities</u>
Fortis Bank nv-sa	9,500
UBS Limited	9,500
Credit Suisse First Boston (Europe) Limited.....	200
Goldman Sachs International	200
HSBC Bank plc.....	200
Lehman Brothers (International) Europe	200
Merrill Lynch International.....	<u>200</u>
Total	20,000

The Purchase Agreement provides that the obligations of the managers to purchase and accept delivery of the Securities offered is subject to approval by their legal counsel of certain legal matters and other conditions. The managers will be obligated to purchase all the Securities if any are purchased. The Purchase Agreement also provides that Fortis Bank will indemnify the managers against certain liabilities and will contribute to payments that the managers may be required to make in respect thereof.

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold except in certain transactions exempt from the registration requirements of the Securities Act and in accordance with all applicable securities laws of the United States. The managers propose to offer the Securities for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A under the Securities Act (“Rule 144A”). The managers have agreed that they will not offer the Securities except (i) to persons they reasonably believe to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act, a “QIB”) in reliance on Rule 144A, or (ii) pursuant to offers and sales outside of the United States under Regulation S under the Securities Act (“Regulation S”). Securities sold pursuant to Regulation S may not be offered or resold in the United States (as defined in Regulation S), except pursuant to an exemption from the registration requirements of the Securities Act or pursuant to a registration statement declared effective under the Securities Act. Each purchaser of the Securities offered hereby in making its purchase will be deemed to have made certain acknowledgments, representations and agreements set forth under “*Transfer Restrictions*”.

The Securities issued by Fortis Bank will initially be offered at a price of EUR 49,577.50 per Security (99.155% of their principal amount). After the initial offering of the Securities, the offering price and other selling terms of the Securities may from time to time be varied by the managers.

In connection with the offering, certain persons participating in the offering may engage in transactions that stabilize, maintain or otherwise effect the price of the Securities. Specifically, UBS Limited or its agents, on behalf of the managers may bid for and purchase the Securities in the open market to stabilize the price of the Securities. UBS Limited may also over-allot the offering, creating a syndicate short position, and may bid for and purchase the Securities in the open market to cover the syndicated short position. In addition, UBS Limited may bid for and purchase the Securities in market-making transactions and impose penalty bids. These activities may stabilize or maintain the market price of the Securities above market levels that may otherwise prevail. UBS Limited is not required to engage in these activities and, if commenced may end these activities at any time. Any stabilizing activity will, in any event, be discontinued no later than 30 days after the issue date of the Securities.

No action has been taken in any jurisdiction (including the United States) by Fortis Bank or the managers that would permit a public offering of the Securities. Accordingly, the Securities may not be offered or sold, directly or indirectly, nor may this offering memorandum or any other offering material or advertisements in connection with the offer and sale of the Securities be distributed or published in any jurisdiction, except under the circumstances that will result in the compliance with applicable rules and regulations of such jurisdiction. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this

offering memorandum. This offering memorandum is not an offer to purchase or a solicitation of an offer to sell any of the Securities offered in any jurisdiction in which such an offer or a solicitation is unlawful.

There is no existing market for the Securities. Application has been made to list the Securities on Euronext Amsterdam. There can be no assurance as to the liquidity of any market that may develop for the Securities, the ability of holders of the Securities to sell their Securities or the price at which the holders would be able to sell their Securities. Fortis Bank has been advised by UBS Limited that following completion of the offering, UBS Limited currently intends to make a market in the Securities and any market-making activities with respect to Securities may be discontinued at any time without notice.

Selling Restrictions

General

Some jurisdictions may have restrictions on the distribution of this offering memorandum and the offer of the Securities in such jurisdictions. Because no action has been taken to permit a public offer of the Securities or the possession or distribution of this offering memorandum in any jurisdiction, the Securities may not be offered or sold, and this offering memorandum may not be distributed except in accordance with the legal requirements applicable in such jurisdiction.

Fortis Bank, Fortis SA/NV, Fortis N.V. and the managers require persons possessing this offering memorandum to inform themselves of and observe these restrictions. Neither Fortis Bank, Fortis SA/NV, Fortis N.V. nor the lead managers accept any legal responsibilities for any violation by any person, whether or not a prospective purchaser of the Securities.

This offering memorandum is not an offer to sell or a solicitation of an offer to buy, any security other than the Securities. It does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Securities with respect to any person in any jurisdiction in which it is unlawful to make such an offer or solicitation to such person.

United Kingdom

Each of the lead managers has represented, warranted and covenanted to, and agreed with, each of Fortis Bank, Fortis SA/NV, Fortis N.V. that:

- 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 of the Financial Services and Markets Act of 2000 (the “FSMA”) in connection with the issue or sale of any Securities in circumstances where section 21(1) of FSMA does not apply to Fortis Bank;
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and
- it has not offered or sold, and prior to the date falling six months after the Closing Date, will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the U.K. Public Offers of Securities Regulations 1995.

United States

The Securities have not been and will not be registered under the Securities Act or any state securities laws, and they may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S) except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements thereof.

Accordingly, each of the lead managers has severally represented and agreed that it will not offer or sell the Securities (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, other than outside the United States in accordance with Rule 903 of Regulation S or to qualified institutional buyers (as defined in Rule 144A under the Securities Act) (“QIBs”) in the United States through its US broker-dealer affiliates in accordance with Rule 144A under the Securities Act. Neither it, its affiliates nor any persons acting on its or their behalf have engaged or

will engage in any directed selling efforts with respect to the Securities or in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Resales of Securities are restricted as described under “*Transfer Restrictions*”.

In addition, until 40 days after the later of the commencement of the offering and the Closing Date, any offer or sale of the Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act.

ERISA Considerations

The United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Internal Revenue Code of 1986, as amended, (the “Code”), impose certain restrictions on (a) employee benefit plans (as defined in Section 3(3) of ERISA), (b) plans described in Section 4975(e)(1) of the Code, including individual retirement accounts or Keogh plans, (c) any entities whose underlying assets include plan assets by reason of a plan’s investment in such entities (each a “Plan”) and (d) persons who have certain specified relationships to such Plans (“Parties-in Interest” under ERISA and “Disqualified Persons” under the Code). Moreover, based on the reasoning of the United States Supreme Court in *John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank*, 114 S. Ct. 517 (1993), an insurance company’s general account may be deemed to include assets of the Plans investing in the general account (e.g. through the purchase of an annuity contract), and the insurance company might be treated as a Party-in-Interest or Disqualified Person with respect to a plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA and prohibits certain transactions between a Plan and Parties-in-Interest or Disqualified Persons with respect to such Plans.

Each fiduciary of a Plan should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment in the Securities. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan.

Fortis Bank may be considered a Party-in-Interest or Disqualified Person with respect to certain Plans. The acquisition of the Securities with the assets of any such Plan with respect to which Fortis Bank, Fortis SA/NV, Fortis N.V. or another member of the Fortis Group is a Party-in-Interest or Disqualified Person may constitute a prohibited transaction, unless an exemption applies. The US Department of Labor has issued five prohibited transaction class exemptions that might apply to exempt the purchase, sale and holding of the Securities from the prohibited transaction provisions of ERISA and the Code. Those class exemptions are Prohibited Transaction Class Exemption (“PTCE”) 96-23 (for transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment trusts), PTCE 90-1 (for certain transactions involving insurance company separate accounts), and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers).

Accordingly, by acquiring the Securities, each purchaser and subsequent transferee will be deemed to have represented and warranted on each day from and including the date of its acquisition of the Securities through and including the date of its disposition of the Securities that either (i) no portion of the assets used by such purchaser or transferee to acquire the Securities constitutes assets of any Plan or (ii) the purchase and holding of the Securities by such purchaser or transferee is exempt from the prohibited transaction rules of Section 406 of ERISA and Section 4975 of the Code pursuant to PTCE 96-23, PTCE 95-60, PTCE 91-38, PTCE 90-1 or PTCE 84-14 or another applicable exemption.

Although the foregoing fiduciary responsibility and prohibited transaction rules generally do not apply to US governmental plans, as defined in Section 3(32) of ERISA, certain church Plans (as defined in Section 3(33) of ERISA) and certain foreign plans (the “Exempt Plans”), similar rules may apply to Exempt Plans under other applicable laws or rules. Accordingly, any party using the assets of Exempt Plans to acquire or hold the Securities will be deemed to have represented and warranted on each day from and including the date of its acquisition of the Securities through and including the date of its disposition of the Securities that the purchase and holding of the Securities by such Exempt Plans does not constitute a non-exempt prohibited transaction under any laws or rules similar to the prohibited transaction rules of Section 406 of ERISA and Section 4975 of the Code.

Any person proposing to acquire Securities on behalf of a Plan or Exempt Plans should consult with counsel regarding the applicability of the prohibited transaction rules described above. Purchasers of the Securities have exclusive responsibility for ensuring that their purchase and holding of the Securities do not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any similar laws or rules. The sale of any Securities to a Plan or Exempt Plans is in no respect a representation by Fortis or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular Plan or Exempt Plans, or that such an investment is appropriate for such plans generally or any particular Plan or Exempt Plans.

General

Purchasers of Securities that purchase Securities from the lead managers may be required to pay stamp taxes and other charges in accordance with the laws and practices in the country of purchase in addition to the issue price set forth on the cover page of this offering memorandum.

None of Fortis Bank, Fortis SA/NV, Fortis N.V. and the lead managers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above might have on the price of the Securities.

From time to time, UBS Limited and its affiliates, and Fortis Bank and its affiliates, have or may have provided, and may continue to provide, investment banking services to members of the Fortis Group for which they have been or will be paid customary fees.

Save for submitting the offering memorandum for approval by Euronext Amsterdam and applying for the admission of the Securities to trading on Euronext Amsterdam, no action has been taken in any jurisdiction (including the United States) by Fortis Bank, Fortis SA/NV, Fortis N.V. or the lead managers that would permit a public offering of the Securities in any jurisdiction where action for that purpose is required. The Securities may not be offered or sold, directly or indirectly, nor may this offering memorandum or any other offering material or advertisement in connection with the offer and sale of the Securities be distributed or published in any jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations of such jurisdictions. Persons into whose possession this offering memorandum comes are advised to inform themselves about, and to observe any restrictions relating to, the offer, sale, purchase and delivery of the Securities or the possession or distribution of this offering memorandum or any other offering material relating to the Securities, in all cases at their own expense. This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to purchase, any Securities in any jurisdiction where such an offer or solicitation is unlawful.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of the Securities are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Securities offered hereby.

United States

The Securities have not been registered under the Securities Act and may not be offered or sold within the United States to, or for the account or benefit of, US persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

In addition, until 40 days after the later of the commencement of the offering and the Closing Date, any offer or sale of the Securities that is made within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption under the Securities Act.

Unless Fortis Bank determines otherwise in compliance with applicable law, the Restricted Global Certificate and any certificates of Definitive Securities issued in exchange for an interest in the Restricted Global Certificate, will bear a restrictive legend and the Securities evidenced by the Restricted Global Certificate or any such certificates of Definitive Securities may not be transferred otherwise than in accordance with the transfer restrictions set forth in such legend.

The restrictive legend shall be to the following effect:

“None of the Securities in respect of which this certificate is issued have been registered under the US Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. The holder hereof, by purchasing the Securities in respect of which this certificate is issued, agrees for the benefit of Fortis Bank and Fortis SA/NV and Fortis N.V. that such Securities may be resold, offered for sale, pledged or otherwise transferred only (1) to UBS Securities Ltd. or any of its affiliates, (2) in compliance with Rule 144A under the Securities Act (“Rule 144A”) to a person that the holder reasonably believes is a qualified institutional buyer within the meaning of Rule 144A purchasing for its own account or for the account of a qualified institutional buyer, whom the seller has informed, in each case, that the resale or other transfer is being made in reliance on Rule 144A, (3) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (4) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available), (5) pursuant to any other exemption from the registration requirements of the Securities Act, or (6) pursuant to an effective registration statement under the Securities Act, in each of cases (1) through (6) in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, and subject in the case of clauses (4) and (5) to the receipt by Fortis Bank of an opinion of counsel or such other evidence which it may reasonably require that such resale is in compliance with the Securities Act”.

For 40 days after the later of the commencement of the offering and the Closing Date (the “Restricted Period”), a person who owns an interest in Unrestricted Securities may not transfer an interest in such Unrestricted Securities to a person who would only be allowed to take Restricted Securities, unless the person to receive the Securities supplies the Trustee with a written certificate (in the form provided in the Indenture) to the effect that it is purchasing such interest for its own account and that it is a QIB, or that it is purchasing such interest for an account or accounts over which it exercises sole investment discretion and that each such account is a QIB. Such written certificate must also certify that the transaction complies in all respects with the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction. After the expiration of the Restricted Period, such restrictions and certification requirements will no longer apply to such transfers of Unrestricted Securities.

An investor who owns an interest in Restricted Securities may not transfer an interest in such Restricted Securities at any time to a person who would be allowed to take Unrestricted Securities unless the person to receive the Securities supplies the Trustee with a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S. Such written certification must also certify that, if such transfer occurs on or prior to 40 days after the later of the commencement of the offering and the Closing Date, such interest in the Unrestricted Security will be held immediately thereafter through Euroclear or Clearstream.

Each purchaser of a beneficial interest in the Restricted Global Security pursuant to Rule 144A will be deemed to have represented and agreed that it has received a copy of the offering memorandum and that (terms used herein that are defined in Rule 144A, Regulation D under the Securities Act or Regulation S are used herein as defined therein):

- the purchaser is a QIB and it is acquiring such Restricted Security for its own account or for the account of a QIB; it is aware, and each beneficial owner of such Restricted Security has been advised, that the sale of such Restricted Security to it is being made in reliance on Rule 144A in a transaction not involving any public offering in the United States within the meaning of the Securities Act;
- the purchaser understands that the Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of the United States and may be subject to significant restrictions on transfer;
- the purchaser agrees that if in the future it decides to offer, resell, pledge or otherwise transfer such Securities, it will do so only in compliance with the Securities Act and other applicable laws, and only (1) to UBS Securities Ltd. or any of its affiliates, (2) in compliance with Rule 144A to a person that the holder reasonably believes is a QIB within the meaning of Rule 144A purchasing for its own account or for the account of a QIB, whom the seller has informed, in each case, that the resale or other transfer is being made in reliance on Rule 144A, (3) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S, (4) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereof (if available), (5) pursuant to any other exemption from the registration requirements of the Securities Act, or (6) pursuant to an effective registration statement under the Securities Act, in each of cases (1) through (6) in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, and subject in the case of clauses (4) and (5) to the receipt by Fortis Bank of an opinion of counsel or such other evidence which it may reasonably require that such resale is in compliance with the Securities Act; and
- the purchaser understands that, unless Fortis Bank determines otherwise in accordance with applicable law, certificates in respect of the Restricted Securities will bear a legend to the effect set forth above.

Each purchaser of a beneficial interest in an Unrestricted Security will be deemed to have represented and agreed that it has received a copy of the offering memorandum and that (terms used herein that are defined in Rule 144A, Regulation D under the Securities Act or Regulation S are used herein as defined therein):

- the purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Securities is outside the United States at the time the buy order for the Securities is originated and continues to be located outside the United States, and the person, if any, for whose account or benefit the purchaser is acquiring the Securities, reasonably believes that the purchaser is outside the United States, and neither the purchaser nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;
- the purchaser acknowledges that the Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of the United States and may be subject to significant restrictions on transfer;
- the purchaser agrees that if, prior to the expiration of the Restricted Period, it decides to offer, sell, pledge or otherwise transfer such Securities, such Securities may be offered, sold, pledged or otherwise transferred only (a)(i) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (ii) in compliance with Rule 144A to an institutional buyer that the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB, in each case, that the resale or the transfer is being made in reliance on Rule 144A, and (b) in accordance with all applicable securities laws of any state of the United States or any other jurisdiction.

Each purchaser will also be deemed to have agreed to give any subsequent purchaser of such Securities notice of any restrictions of the transfer thereof.

Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions shall not be recognized by the Parent Companies or Fortis Bank.

Each purchaser of Securities acknowledges that Fortis Bank, Fortis SA/NV, Fortis N.V., the lead managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements, and agrees that if any of the acknowledgments, representations and agreements, deemed to have been made by it by its purchase of Securities are no longer accurate, it shall promptly notify Fortis Bank, Fortis SA/NV, Fortis N.V., and the lead managers; if they are acquiring the Securities as a fiduciary or agent for one or more investor accounts, they represent that they have sole investment discretion with respect to each such account and they have full power to make the foregoing acknowledgments, representations and agreements on behalf of such account. Each purchaser of Securities also consents to Fortis Bank giving instructions to any transfer agent of the Securities in order to implement the restrictions on transfer described herein.

NOTICE TO NEW HAMPSHIRE RESIDENTS:

Neither the fact that a registration statement or an application for a license has been filed under Chapter 421-B of the New Hampshire Revised Statutes (“RSA 421-B”) with the State of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the State of New Hampshire constitutes a finding by the Secretary of State of New Hampshire that any document filed under RSA 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer or client any representation inconsistent with the provisions of this paragraph.

Available Information

If, at any time, Fortis Bank is neither subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b), it will furnish, upon request, to any holder of a Security (a “Holder”), any owner of any beneficial interest in any such Security or any prospective purchaser designated by a Holder or such an owner, the information required to be delivered pursuant to Rule 144(d)(4) under the Securities Act.

LEGAL MATTERS

Certain matters under United States law relating to the Securities will be passed upon on behalf of Fortis Bank and Fortis by Davis Polk & Wardwell, US counsel for Fortis Bank and Fortis. Certain matters of Belgian law will be passed upon on behalf of Fortis Bank and Fortis by Linklaters De Bandt. Skadden, Arps, Slate, Meagher & Flom (UK) LLP, US counsel for the lead managers, will pass upon certain legal matters under United States law relating to the Securities.

INDEPENDENT AUDITORS

The consolidated financial statements of Fortis at December 31, 2003, 2002 and 2001 and for each of the three years in the period ended December 31, 2003 appearing in this offering memorandum have been jointly audited by KPMG Accountants N.V. and PricewaterhouseCoopers Reviseurs d'Enterprises SCCRL, independent public accountants for Fortis N.V. and Fortis SA/NV, respectively, as set forth in their report thereon appearing elsewhere herein.

GENERAL INFORMATION

No Representations

No one is authorized in connection with the offering to give any information or to make any statement not contained in this offering memorandum. Investors should not rely on any such representation as having been authorized by Fortis Bank, Fortis or the lead managers.

Service of Process and Enforcement of Judgments

Fortis SA/NV and Fortis Bank are incorporated in Belgium and most of their assets are located outside the United States. Their directors and officers and certain experts are not residents of the United States and all or a substantial portion of their assets are located outside the United States. Consequently, investors may not be able to effect service of process within the United States upon Fortis SA/NV, Fortis Bank or these persons. In addition, investors may also not be able to enforce against them any judgments obtained in US courts.

Belgium and the United States do not have a bilateral procedural treaty. Because a judgment of a US court will be enforced in Belgium only after examination by a Belgian court of the fulfillment of certain conditions, investors may have difficulty enforcing in Belgium any judgments obtained in US courts.

Fortis N.V. is incorporated in The Netherlands and most of its assets are located outside the United States. Its directors and officers and certain experts are not residents of the United States and all or a substantial portion of their assets are located outside the United States. Consequently, investors may not be able to effect service of process within the United States upon Fortis N.V. or these persons. In addition, investors may also not be able to enforce against them any judgments obtained in US courts.

The Netherlands and the United States do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil law matters. Because a judgment of a US court will be enforced in The Netherlands only after examination by a Dutch court of the merits of the case and other issues, investors may have difficulty enforcing in The Netherlands any judgments obtained in US courts.

GENERAL LISTING INFORMATION

Responsibility for Information Contained Herein

Fortis Bank accepts responsibility for the information contained in this offering memorandum. To the best of the knowledge and belief of Fortis Bank (which has taken all reasonable care to ensure that such is the case), the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. Neither this offering memorandum nor any other information supplied in connection with the Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by Fortis Bank or any of the managers that any recipient of this offering memorandum or any other information supplied in connection with the Securities should purchase such Securities. Accordingly, no representation, warranty or undertaking, express or implied, is made by the managers in their capacity as such. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of Fortis Bank and Fortis. Neither this offering memorandum nor any other information supplied in connection with the Securities constitutes an offer or invitation by or on behalf of Fortis Bank or any of the managers to any person to subscribe for or to purchase any Securities. The delivery of this offering memorandum does not at any time imply that the information contained herein concerning Fortis Bank and/or Fortis is correct at any time subsequent to the date hereof or that any other information supplied in connection herewith is correct as of any time subsequent to the date indicated in the document containing the same. The distribution of this offering memorandum and the offer or sale of the Securities may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum or any Securities come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this offering memorandum and the offer or sale of Securities in the United States and the United Kingdom (see “*Subscription and Sale*” above).

Consents

Fortis Bank has obtained all necessary consents, approvals and authorizations in connection with the issue of the Securities. The issuance of the Securities was authorized by the Board of Directors of Fortis Bank on August 24, 2004. The issuance of the Support Agreement was authorized by the Board of Directors of the Parent Companies on October 6, 2004. The issuance of the Conversion Profit-Sharing Certificates is expected to be authorized by the shareholders of Fortis Bank prior to May 1, 2005.

Notices

For so long as the Securities are listed on Euronext Amsterdam, and the rules of such exchange so require, notices to holders of the Securities shall be deemed to have been given upon (i) publication in a daily newspaper of general circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*), notice thereof given to Euronext Amsterdam and in the *Officiële Prijscourant*, or (ii) the mailing by first class mail, postage prepaid, of such notices to holders of the Securities at their registered addresses as recorded in the register of holders of Securities.

In addition to any other required notices, all convening notices for meetings of holders of the Securities shall be made also in accordance with Article 570 of the Belgian Code of Companies by an announcement to be published twice, with an interval of not less than eight days and the second time not less than eight days prior to the meeting, in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*), in a newspaper of national distribution in Belgium and in a newspaper published in the region where Fortis Bank has its registered office.

Amsterdam Listing Information

Fortis Bank will comply with article 2.1.20 of Schedule B of the Listing and Issuing Rules (*Fondsenreglement*) of Euronext.

Application has been made to list the Securities on Euronext Amsterdam. The Netherlands paying agent will initially be Fortis Bank (Nederland) N.V. at Rokin 55, 1000 AE Amsterdam, The Netherlands.

Availability of Documents and Incorporation by Reference

Copies of the following documents may be inspected during usual business hours at the office of the paying agent in The Netherlands at Rokin 55, 1000 AE Amsterdam, The Netherlands:

- the annual reports of Fortis for the years ended December 31, 2003 and 2002;
- the articles of association of Fortis Bank;
- the articles of association of Fortis SA/NV and Fortis N.V.;
- the Purchase Agreement relating to the Securities;
- the Indenture;
- the Support Agreement;
- the Calculation Agency Agreement; and
- the Contingent Guarantee Agreement.

Copies of annual and quarterly interim reports of Fortis, and annual reports of Fortis N.V. and Fortis SA/NV will be available and annual non-consolidated financial statements of Fortis Bank, the articles of association of Fortis Bank and the Indenture can be obtained free of charge at the specified office of the paying agent in The Netherlands for as long as the Securities are listed on Euronext Amsterdam. Interim reports will not be published by Fortis N.V. and Fortis SA/NV. For future developments relating to Fortis and Fortis Bank, interested persons may consult Fortis' website at www.fortis.com.

In addition to the articles of association of Fortis Bank and the Indenture being available for inspection, each of such documents is hereby incorporated by reference herein.

No Material Change

Except as disclosed in this offering memorandum, there has been no material adverse change in the financial position of Fortis Bank or the Fortis Group since June 30, 2004.

Litigation

Management believes that there are currently no legal or governmental proceedings pending or threatened to which Fortis Bank, Fortis N.V., Fortis SA/NV or any of the other Fortis operating companies is a party or to which any of its properties or the properties of any of the Fortis operating companies is subject, other than proceedings that would not have a material adverse effect on the financial position of Fortis Bank, Fortis N.V., Fortis SA/NV or of Fortis taken as a whole.

Clearing Systems and Settlement

Custodial and depositary links have been established among Euroclear and Clearstream to facilitate the initial issue of the Securities and market transfers of the Securities associated with secondary market trading. Certain restrictions apply to transfers of interests in the Securities and certifications may be required to be given in certain circumstances. For more information, see "*Transfer Restrictions*" and "*Summary — Summary of Terms and Conditions of the Securities*". The following description of the operations and procedures of the National Bank of Belgium, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to the changes by them from time to time.

The Clearing Systems

NBB

The National Bank of Belgium (the "NBB") is the central bank of Belgium. The NBB operates a clearing system (the "X/N System") for, among other securities, corporate debt securities which may be traded on a fungible basis, regardless of the denomination currency. In order for the Securities to be traded on a fungible basis, a purchaser of Securities explicitly agrees to the application of the fungibility system as provided for in the Belgian Royal Decree Number 62 of November 10, 1967 for the promotion of the circulation of securities. The X/N System is accessible to investors and financial intermediaries through its participants. The participants include most Belgian banks, some Luxembourg banks, Belgian stockbrokers and

Euroclear and Clearstream. For a description of the tax implications of the clearing of the Securities through the X/N System, see “*Description of the Securities — Clearance and Settlement*” and “*Taxation*”.

Original Issue

On or before the Closing Date, Fortis Bank or the Trustee on its behalf, will deliver or cause to be delivered the duly executed and authenticated Global Certificates, representing the aggregate principal amount of Securities sold pursuant to the offering, to the NBB. Upon receipt of a Global Certificate the NBB will credit Fortis Bank’s securities account, being an exempt account in the X/N System with an amount equivalent to the respective principal amount of the Global Certificate. On the Closing Date, Fortis Bank, on behalf of the NBB, will credit Euroclear’s securities account, being an exempt account, in the X/N System with an amount equivalent to the respective principal amounts of the Global Certificate. Following confirmation of payment to Fortis Bank of the net proceeds for the issue of the Securities, Euroclear and Clearstream will credit the subscribers of the Securities by crediting the securities accounts with Euroclear and Clearstream of the persons shown in its records as a participant therein as the holder of a particular principal amount of Securities on behalf of holders of beneficial interests in the Securities settlement within the X/N System.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of interest and other payments with respect to book-entry interests in the Securities held through Euroclear and Clearstream will be credited, to the extent received by any paying agent, to the cash accounts of Euroclear and Clearstream participants in accordance with the relevant system’s rules and procedures.

Non-participants of Euroclear may hold and transfer book-entry interests in the Securities through accounts with a direct participant of Euroclear and Clearstream or any other securities intermediary that holds a book-entry interest in the Securities through one or more securities intermediaries standing between such other securities intermediary and Euroclear and Clearstream.

As Euroclear and Clearstream act on behalf of their respective accountholders only, who in turn may act on behalf of their respective clients, the ability of beneficial owners who are not accountholders with Euroclear and Clearstream to pledge interests in the Global Certificates to persons or entities that are not accountholders with Euroclear and Clearstream, or otherwise take action in respect of interests in the Global Certificates, may be limited.

Clearstream

Clearstream has advised Fortis as follows:

- Clearstream is incorporated under the laws of Luxembourg as a bank and is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance de Secteur Financier*).
- Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions among them through electronic book-entry transfers between their accounts, thereby eliminating the need for physical movement of securities.
- Clearstream provides other services to its customers, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing.
- Clearstream interfaces with domestic securities markets in over 30 countries through established depositary and custodial relationships.

- Clearstream's customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Clearstream's US customers are limited to securities brokers and dealers and banks.
- Indirect access to Clearstream is also available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream customer.
- Clearstream has established an electronic link with Euroclear to facilitate settlement of trades between Clearstream and Euroclear.

Euroclear

Euroclear has advised Fortis as follows:

- Euroclear is incorporated under the laws of Belgium as a bank and is subject to regulation by the Belgian Banking, Finance and Insurance Commission and the National Bank of Belgium.
- Euroclear holds securities for its participants and facilitates the clearance and settlement of securities transactions among them through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash.
- Euroclear provides various other services, including credit, custody, securities lending and borrowing and triparty collateral management, and interfaces with domestic markets in several countries.
- Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries.
- Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.
- All securities in Euroclear are held on a fungible basis. This means that specific certificates are not matched to specific securities clearance accounts.

Registration and Form

Except in certain limited circumstances, the Securities will not be issued in certificated form registrable in the names of individual beneficial owners of the Securities. Beneficial ownership in the Securities can only be held in the form of book-entry interests through financial institutions as direct or indirect participants in the X/N System, Euroclear and Clearstream.

Book-entry interests in the Securities sold in reliance on Regulation S under the Securities Act (the “**Unrestricted Securities**”) will be represented by the Unrestricted Global Certificate and held by the X/N System or a custodian of the NBB. Book-entry interests in the Securities sold in reliance on Rule 144A under the Securities Act (the “**Restricted Securities**”) will be represented by the Restricted Global Certificate and held by the X/N System or a custodian of the NBB.

The aggregate holdings of book-entry interests in the Securities in the X/N System, Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. The X/N System, Euroclear or Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Securities, will be responsible for establishing and maintaining accounts for the participants and customers having interests in the book-entry interests in the Securities. The Paying Agent and The Netherlands Paying Agent, as the case may be, will be responsible for ensuring that payments received by them from Fortis Bank for holders of interests in the Securities are credited to the X/N System participant, Euroclear or Clearstream, as the case may be.

Holders of beneficial interests in the Securities may incur fees normally payable in respect of the maintenance and operation of accounts in the X/N System, Euroclear and/or Clearstream.

In certain limited circumstances the Global Certificates may be exchanged for Definitive Securities. See “— *Exchange for Definitive Registered Securities*”. Such Definitive Securities, if evidencing an interest in a Security sold in reliance on Rule 144A under the Securities Act, will be legended as set forth under “*Transfer Restrictions*”.

Global Clearance and Settlement Procedures

The Securities are expected to be accepted for clearance by the X/N System, Euroclear and Clearstream under the common code 020420332 for the Securities issued pursuant to Regulation S and 020420499 for the Securities issued pursuant to Rule 144A. The ISIN for the Securities issued pursuant to Regulation S is BE 0119806116. The ISIN for the Securities issued pursuant to Rule 144A is BE 0119807122.

On original issue, as described above, the Securities will be represented by the Global Certificates, representing the aggregate principal amount of Securities sold pursuant to the offering. Interests in the Securities will be in uncertificated book-entry form. Purchasers holding book-entry interests in the Securities through the X/N System, Euroclear and Clearstream accounts will follow the settlement procedures of the X/N System, Euroclear and Clearstream, subject as described above. Book-entry interests in the Securities will be credited to Euroclear participant securities clearance accounts on the business day following the Closing Date against payment (for value the Closing Date).

Upon the issuance of the Global Certificates by Fortis Bank, the NBB, Euroclear and Clearstream will credit the respective principal amounts of the individual beneficial interests in the Global Certificates to the relevant accountholder(s), as notified by or on behalf of the lead managers. Ownership of beneficial interests in the Global Certificates will be limited to persons who maintain accounts with Euroclear and Clearstream or persons who hold interests through such persons and which are eligible investors holding the Securities in an exempt securities account. See “*Summary — Summary of Terms and Conditions of the Securities — Form and Denomination*”. Ownership of beneficial interests in the Global Certificates 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 and in accordance with the applicable procedures of the X/N System, Euroclear and Clearstream.

In the event of an increase or decrease in the aggregate principal amount of Securities represented by a Global Certificate, whether pursuant to redemption, the issue of registered Securities, or the purchase and cancellation of Securities represented by such Global Certificate or otherwise, such increase or decrease, as the case may be, of the aggregate principal amount of Securities represented by such Global Certificate shall be noted on a schedule thereto.

Neither Fortis Bank, the Parent Companies or the Trustee nor any of their respective agents will have any responsibility or liability for any aspect of the records relating to beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Exchange for Definitive Registered Securities

Interests in the Global Certificates will be exchangeable in whole but not in part for definitive Securities in fully registered form only if (A)(i) the Securities become ineligible for clearance and settlement through the X/N System, Euroclear and Clearstream and (ii) Fortis Bank is not able, after using reasonable efforts, to arrange for clearance and settlement of the Securities through a successor clearing system or (B) if as a result of any amendment to, or change in, the laws or regulations of Belgium (or any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation, by a revenue authority or a court or administration, of such laws or regulations which become effective on or after the Closing Date, Fortis Bank or any paying agent is or will be required to make any deduction or withholding from any payment in respect of the Securities which would not be required were the Securities in definitive registered form. In the event definitive securities are issued in exchange for the global certificate, such definitive securities will be issued in fully registered form without coupons attached and payments in respect of such securities will be made to holders of record as maintained in the register of the principal paying agent by check payable in euros, or, at the option of the holder of the security, by transfer to an account denominated in euro.

Secondary Market Trading

Secondary market sales of book-entry interests in the Securities held through Euroclear or Clearstream or purchases of book-entry interests in the Securities through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the normal procedures applicable to conventional eurobonds. Such transfers may be subject to certain restrictions.

General

Although the foregoing sets out the procedures of the NBB, Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Securities among participants of Euroclear and Clearstream, none of the NBB, Euroclear or Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of Fortis Bank nor the Parent Companies nor any of their respective agents will have responsibility or liability for the performance by the NBB, Euroclear or Clearstream or their respective participants or accountholders of their respective obligations under the rules and procedures governing their operations.

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PRINCIPAL EXECUTIVE OFFICE OF THE ISSUER

Fortis Bank
Montagne du Parc 3
1000 Brussels
Belgium

PRINCIPAL EXECUTIVE OFFICES OF THE SUPPORTING COMPANIES

Fortis SA/NV
Rue Royale 20
1000 Brussels
Belgium

Fortis N.V.
Archimedeslaan 6
3584 BA Utrecht
The Netherlands

LEGAL ADVISORS TO FORTIS

As to U.S. federal and New York law:
Davis Polk & Wardwell
99 Gresham Street
London EC2V 7NG
England

As to Belgian law:
Linklaters De Bandt
Brederode 13
1000 Brussels
Belgium

LEGAL ADVISORS TO THE LEAD MANAGERS

As to U.S. law:
Skadden, Arps, Slate, Meagher & Flom (UK) LLP
40 Bank Street
Canary Wharf
London E14 5DS
England

AUDITORS

As to Fortis SA/NV:
PricewaterhouseCoopers
Reviseurs d'Entreprises S.C.C.R.L.
Woluwedael 18
B-1932 Sint-Stevens-Woluwe
Belgium

As to Fortis N.V.:
KPMG Accountants N.V.
Burgemeester Rijnderslaan 10
1185 MC Amstelveen
The Netherlands

As to Fortis:
PricewaterhouseCoopers
Reviseurs d'Entreprises S.C.C.R.L.
Woluwedael 18
B-1932 Sint-Stevens-Woluwe
Belgium

KPMG Accountants N.V.
Burgemeester Rijnderslaan 10
1185 MC Amstelveen
The Netherlands

CALCULATION AGENT

Cazenove & Co. Ltd
20 Moorgate
London EC2R 6DA
England

TRUSTEE AND COUPON DETERMINATION AGENT

The Bank of New York
One Canada Square
London E14 5AL
England

LEGAL ADVISORS TO THE TRUSTEE

Ashurst
Broadwalk House
5 Appold Street
London EC2A 2HA
England

EURONEXT AMSTERDAM LISTING AGENT AND PAYING AGENT

Fortis Bank (Nederland) N.V.
Rokin 55
1000 AE Amsterdam
The Netherlands

