Financial Statements 2007 Fortis Bank

Contents

All amounts reported in the tables of these financial statements are denominated in millions of euros, unless stated otherwise. Because figures have been rounded off, small differences with previously reported figures may occur. Certain reclassifications have been made with regard to the prior year's Consolidated Financial Statements in order to make them comparable to the presentation for the year under review.

Fortis Bank

Fortis Bank S.A/N.V. combines the banking activities of Fortis, an international provider of banking and insurance services to personal, business and institutional customers. We deliver a total package of financial products and services through our own high-performance channels and via intermediaries and other partners.

Fortis is a leader in financial services in the Benelux region – one of Europe's wealthiest. Building on that leadership, we have developed an extensive European footprint in the retail banking market, operating through a variety of distribution channels. We offer financial services to companies, institutional clients and high net worth individuals and provide integrated solutions to the enterprise and the entrepreneur. Our unique expertise has made us a regional and in some cases global leader in niche markets, such as energy, commodities and transportation, and fund administration. We successfully combine our banking and insurance skills in growth markets in Europe and Asia, and we excel in bancassurance in several countries, like Belgium, Portugal and Malaysia.

Fortis ranks among Europe's top 20 financial institutions, with a market capitalisation of EUR 40 billion at year-end 2007. Together with ABN AMRO, we have a presence in over 50 countries and a dedicated, professional workforce of 85,000. All this makes us a leader in financial services in Europe, a top 3 private banker and a top tier asset manager.

THE CORE BUSINESSES OF FORTIS BANK

Retail banking

Retail Banking provides financial services to individuals, professionals and small businesses. Over six million active customers in eight countries currently use our integrated banking and insurance services, through proprietary and third-party networks, all embedded in a multi-channel environment.

Strategy

- Improve client satisfaction by implementing a fully segmented customer approach
- Adapt organisation to accelerate international development
- Continue to invest in our core markets and in developing new ones
- Develop consumer finance by leveraging existing networks
- Focus on bancassurance through our integrated distribution network
- Pursue cross-channel distribution strategy

Market position

Firm footprint in Europe

- Market leadership in Benelux – one of Europe's wealthiest regions: no. 1 credit card issuer and, together with ABN AMRO, no. 1 in retail financial services
- 2,500 Fortis branches across Europe, together with ABN AMRO network
- Around 100 credit shops in Germany, more than 180 in Poland and four in Turkey
- Products offered via post office network in Belgium and Ireland
- Independent brokers in the Netherlands and in Poland; tied agents in Belgium
- Consumer finance offering in seven countries with 220 million inhabitants; 4 million credit card holders in Benelux and Turkey

Key developments in 2007

- The introduction of MiFID in November has helped Fortis to provide enhanced customer care with personalised investment advice
- Reorganisation of Belgian branch network in order to refine customer segmentation and increase commercial autonomy
- Investment in network: 45 cash points in Belgium and 41 branches (total of 243) in Turkey
- Acquisition of Dominet in Poland
- Postbank, the 50/50 joint venture with An Post in Ireland, starts operating at over 250 post offices.

Asset Management & Private Banking

Fortis has established itself as a strong European asset and wealth manager. Fortis Investments is an innovative investment solutions provider with EUR 133 billion in assets under management. Our multi-product development skills are delivered through a global network of 21 autonomous investment centres. Fortis Private Banking aims to be the service provider of choice for high net worth and ultra high net worth clients, offering integrated and international solutions for their assets and liabilities. We have EUR 83 billion in assets under management and are present in 17 countries.

Business strategy

- Integrate ABN AMRO's asset gathering activities swiftly and seamlessly
- Leverage combined asset management capabilities in new territories (e.g. parts of Asia and the Americas) and accelerate private banking growth in the Asian region
- Enhance product offering with innovative solutions for assets and liabilities

Market position

Solid platforms in asset gathering

- Top tier global market position with an extensive asset management product offering sold in over 30 countries
- Together with ABN AMRO: European top 3 and strong Asian growth platform for wealth management on behalf of high net worth individuals

Key developments in 2007

- Fortis Investments acquires investment trust management activities in Japan
- Equity funds delivers strong performance
- Seventh consecutive year of double-digit net profit growth in asset management
- Chinese joint venture with Haitong Securities receives QDII licence
- Successful launch and placement by Private Banking of a basket of real estate funds, with subscription from many different countries

Merchant Banking

Merchant Banking offers tailored financial products and services to medium-sized Europe-oriented businesses and large international companies and institutions. We have established a strong regional or global position in many of our products and skills, making us well-placed to capture growth opportunities.

Business strategy

- Become the reference European cross-border partner for enterprise and entrepreneur
- Pursue focused growth by leveraging key client relationships and strong product franchises
- Sustain competitive edge by developing specialised financial services
- Exploit opportunities in the US and Asia by following key clients and leveraging existing expertise
- Continue to build excellence in operations, risk and IT

Market position

Strong market positions in niches

- Strong leadership position in Benelux
- High penetration among selected European customers (e.g. internationally active SMEs)
- Leading worldwide position in several specialised sectors (e.g. top 3 position in renewable energy, top 3 in commodities and top 5 in the shipping industry)
- 145 Business Centres, including those of ABN AMRO, across 19 countries Europe-wide and in China
- Leading global service provider in funds administration and financing and in on-exchange derivatives and securities clearing services for professional counterparties
- Top 3 global administrator in the hedge funds industry
- Top European player in international leasing and commercial finance
- Worldwide leader in trust and corporate services
- Solid private equity investment expertise coupled with a diversified alternative investments

Key developments in 2007

- Reinforcement of our global carbon banking leadership through sizeable transactions involving Certified Emission Reductions (CERs) with over 15 counterparties
- Increased number of deals in Specialised Finance, Investment Banking and Global Markets, thanks to close cooperation across business lines
- Double-digit growth at Commercial Banking, gaining market share in Europe
- Cooperation agreement with Intermarket Group enabling us to extend our product range in Central Europe to include factoring
- Integration of Merchant Banking and Commercial Banking, enhancing cross-selling opportunities

Credit ratings of Fortis Bank S.A./N.V.

	Long-term	Short-term
Standard & Poor's	*AA-*	*A-l+*
Moody's	*Aa2*	*P-l*
Fitch Ratings	*AA-*	*Fl*

Board of Directors

Name	Function
VOTRON Jean-Paul	Chairman Board of Directors
VERWILST Herman	Chairman Management Committee
CLIJSTERS Jos	Managing Director, Member of the Management Committee
DE BOECK Karel	Managing Director, Member of the Management Committee (until 31.10.2007)
DESCHÊNES Alain	Managing Director, Member of the Management Committee
DIERCKX Filip	Managing Director, Member of the Management Committee
HENRARD Luc	Managing Director, Member of the Management Committee (until 31.12.2007)
KLOOSTERMAN Lex	Managing Director, Member of the Management Committee
MITTLER Gilbert	Managing Director, Member of the Management Committee
BECKERS Lode	Director
DE BOECK Karel	Director (as from 01.11.2007)
DE MEY Jozef	Director
FEILZER Joop	Director (as from 26.04.2007)
MERSCH Walter	Director (until 26.04.2007)
MEYER Jean	Director
STEPHENNE Jean	Director
van HARTEN Peer	Director
van OORDT Robert	Director
van PEE Michel	Director (until 26.04.2007)
VANSTEENKISTE Luc	Director

College of accredited statutory auditors

KPMG Réviseurs d’Entreprises sccrl,
Represented by Mr Olivier MACQ

PricewaterhouseCoopers Réviseurs d’Entreprises sccrl,
Represented by Mr Luc DISCRY

Report of the Board of Directors

The Fortis Bank consolidated financial statements, including the 2006 and 2005 comparative figures, are published in accordance with International Financial Reporting Standards (IFRS) – including International Accounting Standards (IAS) and Interpretations, at 31 December 2007 and as adopted by the European Union.

Income statement

Full-year **net profit** clocked in at EUR 1,781 million, down 62% from the previous year. The deterioration of the US subprime market over the second half of 2007, particularly in the last quarter, led to large provisions taken to impair related instruments. Moreover, the capital gains in 2007 were 1,3 billion lower due to the sale of the participations in insurance companies in 2006.

Total income for the full year decreased with 5% to EUR 11.3 billion. The increase in net interest income, in net commissions and fees and in dividends and our share in results of associates was more than offset by a decrease in capital gains. Excluding the impact of capital gains, total income increased with 7%. Other realised and unrealised gains and losses were only slightly lower than last year despite the turmoil on the global capital markets, demonstrating the resilience of these activities thanks to their diversified nature.

Underlying total income growth (excluding capital gains) was well balanced across all major revenue lines, with almost half of the increase coming from higher net interest income and net commissions and fees, providing a very stable and recurring revenue base. In addition, about 75% of the underlying growth in net interest income and net commissions and fees was generated by activities earmarked as growth engines.

Commercial activity remained strong throughout 2007, resulting in 16% underlying growth in lending, a 5% increase in deposits and a 9% rise in funds under management. Credit risk-weighted commitments amounted to EUR 249 billion, up 12% in 2007, driven by sharp growth at Merchant & Private Banking.

The income growth (excluding capital gains) was more than offset by an increase in expenses, the latter being mainly driven by investments in growth and an 8% rise in the number of FTEs. The change in provisions for impairments was largely affected by impairments of the US CDO subprime portfolio.

Net interest income amounted to EUR 5,267 million, up 4% on last year. Underlying growth was actually 7% excluding ABN AMRO financing costs (EUR 92 million), lower prepayment fees on mortgages (EUR 75 million) and the one-off correction at Fortis Hypotheek Bank (EUR 38 million). This steep rise was fuelled chiefly by volume growth in loans and deposits and the release of provisions for interest reserves, more than offsetting margin pressure resulting from competition and the impact of a flatter yield curve.

Double-digit growth rates in net interest income were recorded at Commercial Banking, Corporate, Institutional & Public Banking, Energy, Commodities & Transportation and Turkey. This partly offset the slight decrease at deposit-taking businesses like Retail Banking Belgium. Growth of 22% at Merchant & Private Banking and a 3% rise at Retail Banking (both adjusted for the transfer of the retail activities of Fortis Banque France) more than compensated for the decline in ALM results at Other Banking.

The average duration of equity decreased from 5.8 years in 2006 to 5.3 years in 2007 as the flat yield curve presented no significant opportunities for mismatch results.

Robust business growth was evidenced by a steady increase in both **underlying loan volumes and deposits**. Underlying loan volumes (excluding securities lending and reverse repurchase agreements) rose by 16% in 2007, with commercial loans advancing 25% and residential mortgages 7%. Total customer deposits were up 5% on the 2006 year-end level. Retail customers continued to shift funds away from saving deposits to time deposits, affecting the net margin.

Credit risk-weighted commitments amounted to EUR 249 billion, up 12% in 2007. This increase was driven by strong volume growth, particularly at Merchant & Private Banking. At EUR 21 billion, market risk-weighted commitments were up 13%. Total risk-weighted commitments amounted to EUR 270 billion, up 13% in 2007.

Funds under management increased from EUR 182 billion to EUR 198 billion, up 9% compared with year-end 2006. Net inflow continued to grow sharply despite adverse market conditions in the third and fourth quarters of 2007, reaching EUR 13.4 billion, with Asset Management contributing 72% to this growth.

Net commissions and fees rose significantly in 2007, advancing 11% to EUR 3,065 million. The increase was fuelled mainly by higher funds under management, as well as by commissions and fees (EUR 46 million) relating to the acquisition and financing of ABN AMRO activities. About half of the increase in net commissions and fees came from the growth in funds under management, driven by a substantially higher fee base and strong net inflow at Asset Management and Private Banking. Cross-selling across Banking and Insurance accounted for 16% of the total rise in net commissions and fees, mainly on the distribution of insurance products through the banking network. The remainder of the increase (about one-third) came primarily from higher fees earned on securities brokerage, credit card commissions and payment transactions.

Capital gains on the investment portfolio amounted to EUR 881 million in 2007, down 59% compared to 2006. In 2006 the main divestments were Fortis Bank Insurance (1,345 million), Fortis Insurance (213 million), Banksys (55 million) and Bank Card Company (37 million). In 2007 a number of non-strategic equity holdings have been sold (including Banco Comercial Português, Kasbank, ICBC Asia and Aremas), in connection with the acquisition of ABN AMRO activities.

Other realised and unrealised gains and losses slightly decreased in 2007 with 4,6% to EUR 1,278 million partly due to the global capital markets turmoil. Excluding one-offs such as the non-qualifying hedge and the penalty on an internal financing repayment, other realised and unrealised gains and losses were up 6% in 2007.

Change in provisions for impairments reached EUR 2.8 billion in 2007 mainly due to the impairments on the super senior tranches of US sub-prime CDOs (EUR 2.8 billion) and other parts of the structured credit portfolio. Further deterioration of the US CDO sub-prime market over the last quarter of 2007 prompted the use of more severe assumptions in valuation models and, consequently, additional impairments on related instruments. At year-end, Fortis impaired 43% of the High Grade super senior tranches and 57% of the Mezzanine super senior tranches. All tranches ranked lower than super senior have been fully impaired. Taking these impairments into account, the remaining exposure on US sub-prime CDOs stood at EUR 2.9 billion at the end of 2007, EUR 2.6 billion of which in High Grade super senior tranches and EUR 0.3 billion in Mezzanine super senior tranches. IFRS 7 application also impacted negatively the impairments by EUR (25) million, the interests reserved being re-classed from net interest income into impairments. This negative evolution has been partly offset by the release of IBNR provision by EUR (179) million due to the revision of the parameters of calculation. As far as the loan book is concerned, specific provisions remained very limited.

Total expenses went up 12% to EUR 7,058 million in 2007. Two-thirds of this growth was driven by business developments at Merchant & Private Banking while the remainder stemmed from Retail Banking and Asset Management. Underlying expense growth came in at 10%, excluding costs relating to the ABN AMRO integration incurred in the fourth quarter, scope changes and one-offs. Various investments in growth accounted for 6%, while underlying cost growth was 4%. The cost/income ratio for 2007 stood at 61.9%.

Staff expenses amounted to EUR 4,032 million, rising by EUR 407 million or 11% in 2007. More than half of the increase was due to the rise in the number of FTEs in support of growth investments, while wage drift, accounted for 3%. The consolidation of acquisitions, the integration of ABN AMRO (EUR 17 million) and some one-offs were responsible for the balance of the increase.

The total number of Banking **FTEs** reached 46,861 at the end of 2007, up 8% (or 3,286 FTEs). Almost one-third of the increase related to recent acquisitions, including Dominet and Cinergy. Excluding scope changes, the balance of hiring took place at the businesses and countries defined as growth engines, ultimately divided equally between Merchant & Private Banking and Retail Banking. More specifically, recruitments were made to support the expansion of Consumer Finance, Turkey, Global Markets, Specialised Financial Services, Clearing Funds & Custody and Services to Hedge Funds. Retail Banking in the Benelux countries enhanced efficiency, mainly in the support functions, resulting in a 2% decrease in the number of FTEs.

Other expenses, including depreciation and amortisation went up 12% to EUR 2,902 million in 2007 compared to 2006. Strategic investments represent 7% of the increase and related mainly to upgrading of the technology infrastructure, expansion of the distribution networks in Germany, Turkey and Poland, and the expansion of Merchant & Private Banking in the US, UK and Asia. The remainder was due to underlying growth (3%) and to acquisitions, the ABN AMRO integration and one-offs (2%).

Total Banking recognised a tax credit for 2007, as **tax-deductible** losses in the US relating to Merchant & Private Banking's subprime exposure outweighed the tax expenses on Banking profit realised elsewhere. Excluding the subprime-related tax credit in the US, the effective tax rate was at a low 16% in 2007 comparable to 2006. The low tax rate was due mainly to the mix of capital gains (largely tax-exempt equity deals), the reduced corporate tax rate in the Netherlands and the establishment of the Belgian treasury centre whereas the structure of the Treasury and financial markets results was less favourable in 2007.

Balance sheet

The Balance sheet of Fortis Bank increased by 92,6 Bio (or 13,7%) reaching at 767,2 Bio The evolution of the Fortis Bank balance sheet was mainly impacted by the high level of trading, interbank activities and customer business of Global Markets. Funds generated via time deposits, repo's, debt certificates and short securities sales were utilised by reverse repo's, securities lending, deposits to the banks and higher trading assets.

Growth in Trading Assets and Liabilities were due higher volumes traded in the Dealing Room. Within the investment position the increase in associates and joint ventures was due to the ABN Amro transaction; largely offset by decreasing available for sale positions due to both non-replacement of maturing government bonds and sales from the government bonds portfolio.

Cash and Cash equivalents increased by 6,2Bio (or +29,9%). The increase was mainly due to higher activity within Merchant and Private Banking by +6,4 Bio, of which Global Markets was the main driver by 3,3 Bio. Within Global Markets this evolution was mainly due to an increase of reverse repos from banks maturing in less than 3 months adding 8,0 Bio; partly offset by a decrease in non-current accounts from banks maturing in less than 3 months (-3,1 Bio) as well as current accounts from banks (-1,4 Bio).

Due from banks increased by 29,0 Bio (or 32,5%) where Global Markets was the main contributor by 25,2 Bio. This increase can be split into major categories such as increased balances due to reverse repos (+16,3 Bio), higher securities lending receivables (+3,0 Bio), higher bank deposits (+2,2 Bio) and higher mandatory reserve deposits with Central Bank (+3,6 Bio). Securities lending receivables were up due to higher GSFG activities compared with previous year.
Reverse repos were strongly up at GMK Belgium due to the launch of new government repos and repos corporate.

Due from customers increased by 29,4 Bio (or 10,3%) reaching 315,3 Bio. The increase can be split into Retail Banking (+6,6 Bio or 8,5%) and Merchant and Private Banking (+21,8 Bio or 12,3%) and ALM (+0.9 Bio or 3,0%).
Within Merchant and Private Banking, strong loan growth was seen in *Corporate, Institutional and Public Banking*, *Commercial Banking, Private Banking* and *Energy, Commodities and Transportation* by 6,3 Bio (16,3%), 6,8 Bio (22,9%), 3,0 Bio (46,1%) and 6,4 Bio (46,3%) respectively. Retail Banking supported the growth by 6,6 Bio mainly by higher mortgage loan balances (+4,8 Bio) and consumer and commercial loans (+1,8 Bio).

Trading Assets increased by 4,7 Bio (or 6,7%) which can be allocated to Global Markets (4,7 Bio or +6,9%) due to an increase in fair values of derivatives by 7,7 Bio resulting mainly from volume growth in derivatives portfolio and steepening of yield curve which impacted rise in fair values of derivatives. This increase in fair value of derivatives was neutralized in the liabilities side. This was partly offset by the trading securities portfolio that decreased by 3,5 Bio especially in equity securities (-2,8 Bio which can be mainly contributed to GSFG activities), treasury bills (-1,5 Bio)
and other asset backed securities (-1,2 Bio); partly offset by an increase in corporate debts (+1,9 Bio).

Investments increased by 3,7 Bio (+2,7%) standing at 141,5 Bio. The increase within ALM (+19,7 Bio) was partly offset by the decline within Global Markets (-18,5 Bio). The decrease in Global Markets was mainly related to the decrease of the Available for Sale Government bonds portfolio by -14,3 Bio due to not reinvested maturing portfolio and to the impairments on the CDO portfolio (-2,2 bio)
The evolution in ALM can be mainly attributed to an increase in associates and joint ventures of 24,1 Bio due to the ABN Amro transaction; partly offset by a decrease of the Available for Sale Government bonds portfolio by -8,4 Bio
Goodwill and Other Intangible Assets increased by 0,58 Bio (or 59,1%) mainly within Retail Banking (+0,26 Bio) due to goodwill recognition (0,23 Bio) as a result of Dominet acquisition and the capitalization of internal software (0,28 Bio).

Strong increase of 17,9 Bio (or 29,5%) in **Accrued interest and Other assets** was mainly due to the increase in accrued income and deferred charges (+10,5 Bio), the increase in other assets (+3,8 Bio), the increase in receivables for trade date & settlement date differences (+1,5 Bio), and the increase in deferred tax assets (+1,3 Bio), mainly as a result of the deferred taxes on the impairment of the CDO portfolio. The referred trade date & settlement date differences are due to the fact that, because trade date accounting is applied, outstanding amounts from loans and deposits were recognized at trade date on the balance sheet affecting other assets and other liabilities until the cash settlement.

Trading Liabilities increased by 25,2Bio (or 39,2 %) and was driven by higher short positions.
24,6 Bio increase in Global Markets was mainly related to the increase of the Short Security Sales (16,1 Bio) and higher fair value liabilities of derivatives (+9,0 Bio).

Due to Banks increased by 15,0 Bio (or 8,5%) mainly in Merchant and Private Banking (+7,2 Bio) and ALM (7,5 Bio). The increase in Merchant and Private Banking was mostly attributable to increase in demand deposits (+2,6 Bio), higher repo balances (+7,8 Bio) and higher advances against collateral liabilities (+8,5 Bio) at GMK Belgium; partly offset by a decrease in the securities lending liabilities due to lower volumes in GSFG activities (-6,5 Bio) and lower time deposits (-5,2 Bio).
The increase in ALM was mainly attributable to higher time deposits (+7,5 Mio).

Due to customers increased by 7,1 Bio (+2,7%) and reaches 267,2 Bio.The increase can be
attributed to Merchant and Private Banking (+6,1 Bio or 3,9 %) and Retail Banking (+1,8 Bio or 2,0%). The increase within MPB was mainly due to higher demand deposits (+13,5 Bio) and securities lending due to customers (+1,2 Bio); partly offset by lower time deposits (-3,8 Bio) and lower repos with customers (-6,5 Bio). Retail Banking increased the balances in due to customers by 1,8 Bio mainly due to increasing time deposits by +8,7 Bio which was partly compensated by lower demand and savings deposits (-6,8 Bio).

Debt Certificates contributed to the liabilities growth by 4,7 Bio (+5,2%). The growth was supported by Global Markets (+3,5 Bio) and ALM (+1,8 Bio). The growth of the debt certificates portfolio was mainly attributable to debt securities held at fair value which grew by 4,6 Bio.

Subordinated Liabilities are increasing by 9 Bio (+64%) supporting the solvency ratio’s in line with the growth evolution of risk weighted commitments and the acquisition of ABN Amro.

Accrued Interest and Other Liabilities increased by 14,0 Bio (29,4%) of which 10,2 Bio was due to higher accrued interest and other charges. Of the remaining 3,8 Bio was 1,5 Bio due to an increase in balances due to differences between trade date and settlement date.

Shareholders' Equity increased by 16,7 Bio in 2007. Major item was the increase in share capital (and premium) ad 16,9 Bio. The net result for the period contributed to 1,8 Bio; partially compensated by the decrease in unrealised gains/losses by 1,6 Bio, the decrease in unrealized currency translation reserve by 0,3 Bio and distributed dividend by 0,2 Bio.

Risk management

Fortis Bank's activities are exposed to a series of risks including credit risk, market risk, liquidity risk and operational risk. To ensure that these risks are identified and adequately controlled and managed, Fortis Bank further streamlined the risk management process in 2007 and integrated it throughout the entire organisation. As part of this risk management system, the bank employs a number of internal control procedures and a whole array of risk indicators which are described further in this annual report.

Fortis Bank Consolidated Financial Statements 2007

Consolidated balance sheet

(before appropriation of profit)

	Note	31 December 2007	31 December 2006	31 December 2005
Assets				
Cash and cash equivalents	13	27,003	20,792	25,594
Assets held for trading	14	75,347	70,635	62,830
Due from banks	15	118,346	89,413	80,054
Due from customers	16	315,302	285,877	277,862
Investments:	17			
- *Held to maturity*		*4,234*	*4,505*	*4,669*
- *Available for sale*		*103,183*	*127,818*	*126,699*
- *Held at fair value through profit or loss*		*5,718*	*3,535*	*2,289*
- *Investment property*		*688*	*600*	*402*
- *Associates and joint ventures*		*27,699*	*1,352*	*1,285*
		141,522	137,810	135,344
Trade and other receivables	19	6,546	6,105	7,010
Property, plant and equipment	20	2,715	2,153	2,018
Goodwill and other intangible assets	21	1,559	980	635
Accrued interest and other assets	23	78,873	60,926	47,879
Total assets		**767,213**	**674,691**	**641,312**
Liabilities				
Liabilities held for trading	14	89,457	64,258	50,755
Due to banks	24	192,141	177,161	174,780
Due to customers	25	267,164	260,056	263,285
Debt certificates	26	95,054	90,360	76,827
Subordinated liabilities	27	23,097	14,080	12,490
Other borrowings	28	2,665	2,178	5,023
Provisions	29	842	717	795
Current and deferred tax liabilities	30	1,423	1,469	1,309
Accrued interest and other liabilities	31	61,504	47,514	40,749
Total liabilities		**733,347**	**657,793**	**626,013**
Shareholders' equity	3	33,436	16,700	15,091
Minority interests	4	430	198	208
Total equity		**33,866**	**16,898**	**15,299**
Total liabilities and equity		**767,213**	**674,691**	**641,312**

Consolidated income statement

	Note	2007	2006	2005
Income				
Interest income	34	92,653	70,197	64,695
Interest expense	40	(87,386)	(65,111)	(60,043)
Net interest income		**5,267**	**5,086**	**4,652**
Fee and commission income	38	4,243	3,583	2,894
Fee and commission expense	42	(1,178)	(819)	(604)
Net fee and commission income		**3,065**	**2,764**	**2,290**
Dividend, Share in result of associates and joint ventures				
and other investment income	35	518	292	263
Realised capital gains (losses) on investments	36	881	2,154	712
Other realised and unrealised gains and losses	37	1,278	1,339	805
Other income	39	317	270	273
Total income, net of interest expense		**11,326**	**11,905**	**8,995**
Change in impairments	41	(2,834)	(158)	(209)
Net revenues		**8,492**	**11,747**	**8,786**
Expenses				
Staff expenses	44	(4,032)	(3,625)	(3,370)
Depreciation and amortisation of tangible and intangible assets	43	(381)	(350)	(308)
Other expenses	45	(2,645)	(2,341)	(1,924)
Total expenses		**(7,058)**	**(6,316)**	**(5,602)**
Profit before taxation		**1,434**	**5,431**	**3,184**
Income tax expense	46	361	(690)	(733)
Net profit for the period before discontinued operations		**1,795**	**4,741**	**2,451**
Net gain on discontinued operations	22			253
Net profit for the period		**1,795**	**4,741**	**2,704**
Net profit attributable to minority interests		14	9	11
Net profit attributable to shareholders		**1,781**	**4,732**	**2,693**

Consolidated statement of changes in equity

	Share capital	*Share premium reserve*	*Other reserves*	*Currency translation reserve*	*Net profit attributable to shareholders*	*Unrealised gains and losses*	*Shareholders' equity*	*Minority interests*	*Total equity*
Balance at 1 January 2006	**3,112**	**4,889**	**1,633**	**15**	**2,693**	**2,749**	**15,091**	**208**	**15,299**
Net profit for the period					4,732		4,732	9	4,741
Revaluation of investments						(1,819)	(1,819)	(1)	(1,820)
Foreign exchange differences				(163)			(163)	(7)	(170)
Other non-owner changes in equity			15				15	3	18
Total non-owner changes in equity			*15*	*(163)*	*4,732*	*(1,819)*	*2,765*	*4*	*2,769*
Transfer			2,693		(2,693)				
Dividend			(1,155)				(1,155)	(15)	(1,170)
Increase of capital									
Treasury shares									
Other changes in equity									
Balance at 31 December 2006	**3,112**	**4,889**	**3,186**	**(148)**	**4,732**	**930**	**16,701**	**197**	**16,898**
Net profit for the period					1,781		1,781	14	1,795
Revaluation of investments						(1,627)	(1,627)	1	(1,626)
Foreign exchange difference				16			16	5	21
Other non-owner changes in equity			(27)				(27)	(8)	(35)
Total non-owner changes in equity			*(27)*	*16*	*1,781*	*(1,627)*	*143*	*12*	*155*
Transfer			4,732		(4,732)				
Dividend			(225)				(225)	(10)	(235)
Increase of capital	1,582	15,368					16,950	231	17,181
Treasury shares									
Equity component of subordinated liabilities			(131)				(131)		(131)
Other changes in equity			(2)						(2)
Balance at 31 December 2007	**4,694**	**20,257**	**7,533**	**(132)**	**1,781**	**(697)**	**33,438**	**430**	**33,866**

Changes in equity are described in greater detail in note 3 and note 4.

Consolidated cash flow statement

	2007	2006	2005
Profit before taxation	**1,434**	**5,431**	**3,437**
Adjustments on non-cash items included in profit before taxation:			
(Un)realised gains (losses)	(1,017)	(1,873)	(788)
Depreciation, amortisation and accretion	448	473	(2,096)
Provisions and impairments	2,941	143	340
Share of profits in asssociates and joint ventures	(186)	(60)	(287)
Share based compensation expense			
Changes in operating assets and liabilities:			
Assets and liabilities held for trading	21,192	6,064	(3,648)
Due from banks	(29,402)	(9,499)	(16,526)
Due from customers	(32,271)	(10,468)	(44,949)
Other receivables	(554)	860	(2,976)
Due to banks	14,758	1,919	49,220
Due to customers	9,123	(2,075)	30,639
Net changes in all other operational assets and liabilities	2,890	(6,348)	(5,502)
Dividend received from associates			
Income tax paid	(512)	(212)	(433)
Cash flow from operating activities	**(11,156)**	**(15,645)**	**6,431**
Purchases of investments	(74,494)	(73,305)	(56,198)
Proceeds from sales and redemptions of investments	86,989	68,495	48,022
Purchases of investment property	(110)	(220)	(82)
Proceeds from sales of investment property	37	25	28
Purchases of property, plant and equipment	(1,000)	(357)	(265)
Proceeds from sales of property, plant and equipment	130	36	145
Acquisition of subsidiaries, associates and joint ventures, net of cash acquired	(24,133)	(167)	(792)
Divestments of subsidiaries, associates and joint ventures, net of cash sold	(38)	2,913	
Purchase of intangible assets	(368)	(237)	(48)
Proceeds from sales of intangible assets			5
Change in scope of consolidation	(6)	48	
Cash flow from investing activities	**(12,993)**	**(2,769)**	**(9,185)**
Proceeds from the issuance of debt certificates	136,283	61,928	60,150
Payment of debt certificates	(129,039)	(45,419)	(57,175)
Proceeds from the issuance of subordinated liabilities	11,554	2,622	2,321
Payment of subordinated liabilities	(2,535)	(1,268)	(916)
Proceeds from the issuance of other borrowings	2,753	2,030	1,175
Payment of other borrowings	(4,435)	(4,960)	(1,458)
Proceeds from the issuance of shares	16,818		
Purchases of treasury shares			
Proceeds from sales of treasury shares			
Dividends paid to shareholders of the parent company	(225)	(1,155)	(706)
Dividends paid to minority interests	(10)	(15)	(15)
Repayment of capital (including minority interests)			1
Cash flow from financing activities	**31,164**	**13,763**	**3,377**
Effect of exchange rate differences on cash and cash equivalents	(804)	(151)	136
Net increase (decrease) of cash and cash equivalents	**6,211**	**(4,802)**	**759**
Cash and cash equivalents - at 1 January	**20,792**	**25,594**	**24,835**
Cash and cash equivalents - 31 December	**27,003**	**20,792**	**25,594**
Supplementary disclosure of operating cash flow information			
Interest received	83,333	65,048	61,750
Dividend received from investments	151	123	119
Interest paid	(78,279)	(59,926)	(59,093)

General Notes

1 Accounting policies

1.1 General

The Fortis Bank consolidated financial statements, including the 2006 and 2005 comparative figures, are prepared in accordance with IFRSs – including International Accounting Standards ('IAS') and Interpretations – at 31 December 2007 and as adopted by the European Union. For IAS 39, Financial Instruments: Recognition and Measurement, the exclusion regarding hedge accounting (the so-called 'carve-out') decreed by the European Union on 19 November 2004 is taken into account.

Where accounting policies are not specifically mentioned below, reference should be made to the IFRSs as adopted by the European Union.

1.2 Accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying these accounting policies. Actual results may differ from those estimates and judgemental decisions.

Judgements and estimates are principally made in the following areas:
- estimation of the recoverable amount of impaired assets
- determination of fair values of non-quoted financial instruments
- determination of the useful life and the residual value of property, plant and equipment, investment property and intangible assets
- actuarial assumptions related to the measurement of pension obligations and assets
- estimation of present obligations resulting from past events in the recognition of provisions.

1.3 Changes in accounting policies

The accounting policies used to prepare these 2007 consolidated annual financial statements are consistent with those applied for the year ended 31 December 2006.

On 1 June 2007 the European Union endorsed the two following IFRICs:

- IFRIC 10, *Interim Financial Reporting and Impairment*. This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The accounting policies of Fortis Bank were already in line with this interpretation.
- IFRIC 11, IFRS 2: *Group and Treasury Share Transaction*, applicable as from the financial year 2008. This interpretation provides further guidance on the implementation of IFRS 2, *Share-based Payment*. Fortis Bank is evaluating the effect of this interpretation for implementation in 2008.

On 6 September 2007, the IASB issued a revised version of IAS 1 *Presentation of Financial Statements* applicable as from the financial year 2009. The changes will only have an impact on the presentation, not on recognition or measurement.

On 21 November 2007, the European Union endorsed IFRS 8, *Operating Segments*. Fortis Bank is evaluating the effect of this Standard for implementation in 2009.

1.4 Segment reporting

Primary reporting format – business segments

On 12 October 2006 Fortis Bank announced organisational changes to support the evolution of its growth strategy. This organisation has been operational since 1 January 2007.

The primary format for reporting segment information is based on business segments. Fortis Bank’s reportable business segments represent groups of assets and operations engaged in providing financial products or services, which are subject to differing risks and returns.

Fortis Bank's core activity is **Banking**. As such, Fortis Bank is organised on a worldwide basis into two businesses, further subdivided into business segments:

Retail Banking

- Retail Banking Network
- Retail Banking Asset Management

Merchant & Private Banking

- Merchant & Private Banking Clients
- Merchant & Private Banking Skills

Activities not related to Banking and elimination differences are reported separately from the Banking activities.

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

On 5 November 2007 Fortis announced that it would reorganise its top management structure as of 1 January 2008. The adequate management structure will not only facilitate the successful integration of the acquired businesses of ABN Amro but will also support the development of Fortis Bank as a whole. Fortis Bank will start to report according to the new organisational structure as of the first quarter 2008.

Secondary reporting format – geographical segments

A geographical segment is engaged in providing products or services within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

Fortis Bank’s geographical segments for reporting purposes are as follows:

- Benelux (Belgium, the Netherlands, Luxembourg)
- Other European Countries
- North America
- Asia
- Other.

1.5 Consolidation principles

Subsidiaries

The consolidated financial statements include those of Fortis Bank and its subsidiaries. Subsidiaries are those companies, of which Fortis Bank, either directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities ('control'). Subsidiaries are consolidated from the date on which effective control is transferred to Fortis Bank and are no longer consolidated from the date that control ceases. Subsidiaries acquired exclusively with a view to resale are accounted for as non-current assets held for sale (see 1.21).

Fortis Bank sponsors the formation of Special Purpose Entities ('SPEs') primarily for the purpose of asset securitisation transactions, structured debt issuance, or to accomplish another well-defined objective. Some of the SPEs are bankruptcy-remote companies whose assets are not available to settle the claims of Fortis Bank. SPEs are consolidated if, in substance, they are controlled by Fortis Bank.

Intercompany transactions, balances and gains and losses on transactions between the Fortis Bank companies are eliminated. Minority interests in the net assets and net results of consolidated subsidiaries are shown separately on the balance sheet and income statement. Minority interests are stated at the fair value of the net assets at the date of acquisition. Subsequent to the date of acquisition, minority interests comprise the amount calculated at the date of acquisition and the minority's share of changes in equity since the date of acquisition.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether Fortis Bank controls another entity.

Joint ventures

Investments in joint ventures are accounted for using the equity method. Joint ventures are contractual agreements whereby Fortis Bank and other parties undertake an economic activity that is subject to joint control.

Associates

Investments in associates are accounted for using the equity method. These are investments where Fortis Bank has significant influence, but which it does not control. The investment is recorded at Fortis Bank's share of the net assets of the associate. The ownership share of net income for the year is recognised as investment income and Fortis Bank's share in the investment's post-acquisition direct equity movements are recognised in equity. Gains on transactions between Fortis Bank and investments accounted for using the equity method are eliminated to the extent of Fortis Bank's interest. Losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Adjustments are made to the financial statements of the associates to ensure consistent accounting policies across Fortis Bank.

Losses are recognised until the carrying amount of the investment is reduced to nil and further losses are only recognised to the extent that Fortis Bank has incurred legal or constructive obligations or made payments on behalf of an associate.

1.6 Foreign currency

The consolidated financial statements are stated in euros, which is the functional currency of Fortis Bank.

Foreign currency transactions

For individual entities of Fortis Bank, foreign currency transactions are accounted for using the exchange rate at the date of the transaction.

Outstanding balances in foreign currencies at year end are translated at year end exchange rates for monetary items.

Translation of non-monetary items depends on whether the non-monetary items are carried at historical cost or at fair value. Non-monetary items carried at historical cost are translated using the historical exchange rate that existed at the date of the transaction. Non-monetary items that are carried at fair value are translated using the exchange rate on the date that the fair values are determined.

The resulting exchange differences are recorded in the income statement as foreign currency gains (losses), except for those non-monetary items whose fair value change is recorded as a component of equity.

The distinction between exchange differences (recognised in the income statement) and unrealised fair value results (recognised in equity) on available-for-sale financial assets is determined according to the following rules:

- the exchange differences are determined based on the evolution of the exchange rate calculated on the previous balances in foreign currency
- the unrealised (fair value) results are determined based on the difference between the balances in euros of the previous and the new period, converted at the new exchange rate.

Foreign currency translation

On consolidation, the income statement and cash flow statement of entities whose functional currency is not denominated in euros are translated into the presentation currency of Fortis Bank (euros), at average daily exchange rates for the current year (or exceptionally at the exchange rate at the date of the transaction if exchange rates fluctuate significantly) and their balance sheets are translated using the exchange rates prevailing at the balance sheet date. Translation exchange differences are recognised in equity under the heading 'currency translation reserve'. On disposal of a foreign entity, such exchange differences are recognised in the income statement as part of the gain or loss on the sale.

Exchange differences arising on monetary items, borrowings and other currency instruments, designated as hedges of a net investment in a foreign entity are recorded in equity (under 'currency translation reserve') in the consolidated financial statements, until the disposal of the net investment, except for any hedge ineffectiveness that is immediately recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate on the balance sheet date. All resulting differences are recognised in equity under the heading ‘currency translation reserve’ until disposal of the foreign entity when a recycling to the income statement takes place.

The following table shows the rates of the most relevant currencies for Fortis Bank.

	Rates at year end		Average rates	
	2007	2006	2007	2006
1 EURO =				
Pound sterling	0,73	0,67	0,68	0,68
US dollar	1,47	1,32	1,37	1,26
Japanese Yen	164,58	156,84	161,29	146,01

1.7 Trade and settlement date

All purchases and sales of financial assets requiring delivery within the time frame established by regulation or market convention are recognised on the trade date, which is the date when Fortis Bank becomes a party to the contractual provisions of the financial assets.

Forward purchases and sales other than those requiring delivery within the time frame established by regulation or market convention are recognised as derivative forward transactions until settlement.

1.8 Offsetting

Financial assets and liabilities are offset and the net amount reported on the balance sheet if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.9 Classification and measurement of financial assets and liabilities

Fortis Bank classifies financial assets and liabilities based on the business purpose of entering into these transactions.

Financial assets

Consequently, financial assets are classified as assets held for trading, investments, due from banks and due from customers.

The measurement and income recognition in the income statement depend on the IFRS classification of the financial assets, being: (a) loans and receivables; (b) held-to-maturity investments; (c) financial assets at fair value through profit or loss and (d) available-for-sale financial assets. This IFRS classification determines the measurement and recognition as follows:

a) Loans and receivables are initially measured at fair value (including transaction costs) and subsequently measured at amortised cost using the effective interest method, with the periodic amortisation in the income statement.

b) Held-to-maturity investments consist of instruments with fixed or determinable payments and fixed maturity for which the positive intent and ability to hold to maturity is demonstrated. They are initially measured at fair value (including transaction costs) and subsequently measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the income statement.

c) Financial assets at fair value through profit or loss include:
- financial assets held for trading, including derivative instruments that do not qualify for hedge accounting
- financial assets that Fortis Bank has irrevocably designated at initial recognition or first-time adoption of IFRS as held at fair value through profit or loss, because:
  - the host contract includes an embedded derivative that would otherwise require separation
  - it eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch')
  - it relates to a portfolio of financial assets and/or liabilities that are managed and evaluated on a fair value basis.

d) Available-for-sale financial assets are those that are otherwise not classified as loans and receivables, held-to-maturity investments, or financial assets designated at fair value through profit or loss. Available-for-sale financial assets are initially measured at fair value (including transaction costs), and are subsequently measured at fair value with unrealised gains or losses from fair value changes reported in equity.

Financial liabilities

Financial liabilities are classified as liabilities held for trading, due to banks, due to customers, debt certificates, subordinated liabilities and other borrowings.

The measurement and recognition in the income statement depends on the IFRS classification of the financial liabilities, being: (a) financial liabilities at fair value through profit or loss, and (b) other financial liabilities. This IFRS classification determines the measurement and recognition in the income statement as follows:

a) Financial liabilities at fair value through profit or loss include:
- financial liabilities held for trading, including derivative instruments that do not qualify for hedge accounting
- financial liabilities that Fortis Bank has irrevocably designated at initial recognition or first-time adoption of IFRS as held at fair value through profit or loss, because
  - the host contract includes an embedded derivative that would otherwise require separation
  - it eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch')
  - it relates to a portfolio of financial assets and/or liabilities that are managed and evaluated on a fair value basis.

b) Other financial liabilities are initially recognised at fair value (including transaction costs) and subsequently measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the income statement.

1.10 Fair value of financial instruments

The fair value of a financial instrument is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows. Such techniques include market prices of comparable investments, discounted cash flows, option pricing models and market multiples valuation methods. In the rare case where it is not possible to determine the fair value of a financial instrument, it is accounted for at cost.

On initial recognition, the fair value of a financial instrument is the transaction price, unless the fair value is evidenced by observable current market transactions in the same instrument, or is based on a valuation technique that includes inputs only from observable markets.

The principal methods and assumptions used by Fortis Bank in determining the fair value of financial instruments are:

- Fair values for securities available for sale or at fair value through profit or loss are determined using market prices from active markets. If no quoted prices are available from an active market, the fair value is determined using discounted cash flow models. Discount factors are based on the swap curve plus a spread reflecting the risk characteristics of the instrument. Fair values for securities held to maturity (only necessary for disclosures) are determined in the same way.
- Fair values for derivative financial instruments are obtained from active markets or determined using, as appropriate, discounted cash flow models and option pricing models.
- Fair values for unquoted private equity investments are estimated using applicable market multiples (e.g. price/earnings or price/cash flow ratios) refined to reflect the specific circumstances of the issuer.
- Fair values for loans are determined using discounted cash flow models based upon Fortis Bank's current incremental lending rates for similar type loans. For variable-rate loans that re-price frequently and have no significant change in credit risk, fair values are approximated by the carrying amount. Option pricing models are used for valuing caps and prepayment options embedded in loans that have been separated in accordance with IFRS.
- Off-balance-sheet commitments or guarantees are fair valued based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standings.
- For short-term payables and receivables, the carrying amounts are considered to approximate fair values.

1.11 Measurement of impaired assets

An asset is impaired when its carrying amount exceeds its recoverable amount. Fortis Bank reviews all of its assets at each reporting date for objective evidence of impairment.

The carrying amount of impaired assets is reduced to its estimated recoverable amount and the amount of the change in the current year is recognised in the income statement. Recoveries, write-offs and reversals of impairment are included in the income statement as part of change in impairment.

If in a subsequent period the amount of the impairment on assets other than goodwill or available-for-sale equity instruments decreases, due to an event occurring after the write-down, the amount is reversed by adjusting the impairment and is recognised in the income statement.

Financial assets

A financial asset (or group of financial assets) is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event (or events) has an impact on the estimated future cash flows of the financial asset (or group of financial assets) that can be reliably estimated.

For equity securities, the triggers used to determine whether there is objective evidence of impairment include, amongst others, the consideration whether the fair value is substantially below cost at the balance sheet date, or has been below cost for a prolonged period at the balance sheet date.

Depending on the type of financial asset, the recoverable amount can be estimated as follows:

- the fair value using an observable market price
- present value of expected future cash flows discounted at the instrument's original effective interest rate (for financial assets carried at amortised cost)
- based on the fair value of the collateral.

Impairments to available-for-sale equity instruments cannot be reversed through the income statement in subsequent periods.

Goodwill and other intangible assets

See 1.20: Goodwill and other intangible assets.

Other assets

For non-financial assets, the recoverable amount is measured as the higher of the fair value less cost to sell and the value in use. Fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

1.12 Cash and cash equivalents

Content

Cash and cash equivalents comprise cash on hand, freely available balances with central banks and other financial instruments with less than three months maturity from the date of acquisition.

Cash flow statement

Fortis Bank reports cash flows from operating activities using the indirect method, whereby the net result is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Interest received and interest paid are presented as cash flows from operating activities in the cash flow statement. Dividends received are classified as cash flows from operating activities. Dividends paid are classified as cash flows from financing activities.

1.13 Due from banks and due from customers

Classification

Due from banks and due from customers include loans originated by Fortis Bank by providing money directly to the borrower or to a sub-participation agent and loans purchased from third parties that are carried at amortised cost. Debt securities acquired on the primary market directly from the issuer are recorded as loans, provided there is no active market for those securities. Loans that are originated or purchased with the intent to be sold or securitised in the short-term are classified as assets held for trading. Loans that are designated as held at fair value through profit or loss or available for sale are classified as such at initial recognition.

Measurement

Incremental costs incurred and loan origination fees earned in securing a loan are deferred and amortised over the life of the loan as an adjustment to the yield.

Impairment

A credit risk for specific loan impairment is established if there is objective evidence that Fortis Bank will not be able to collect all amounts due in accordance with contractual terms. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows or, alternatively, the collateral value less costs to sell if the loan is secured.

An ‘incurred but not reported’ (IBNR) impairment on loans is recorded when there is objective evidence that incurred losses are present in components of the loan portfolio, without having specifically identified impaired loans. This impairment is estimated based upon historical patterns of losses in each component, reflecting the current economic climate in which the borrowers operate and taking into account the risk of difficulties in servicing external debt in some foreign countries based on an assessment of the political and economic situation.

Impairments are recorded as a decrease in the carrying value of due from banks and due from customers.

When a specific loan is identified as uncollectible and all legal and procedural actions have been exhausted, the loan is written off against the related charge for impairment; subsequent recoveries are credited to change in impairment in the income statement.

1.14 Sale and repurchase agreements and lending/borrowing securities

Securities subject to a repurchase agreement (‘repos‘) are not derecognised from the balance sheet. The liability resulting from the obligation to repurchase the assets is included in ‘due to banks’ or ‘due to customers’ depending on the type of counterparty. Securities purchased under agreements to resell (‘reverse repos’) are not recognised on the balance sheet. The right to receive cash from the counterparty is recorded as due from banks or due from customers depending on the type of counterparty. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities lent to counterparties remain on the balance sheet. Similarly, securities borrowed are not recognised on the balance sheet. If borrowed securities are sold to third parties, the proceeds from the sale and a liability for the obligation to return the collateral are recorded. The obligation to return the collateral is measured at fair value through profit or loss and is classified as a liability held for trading. Cash advanced or received related to securities borrowing or lending transactions is recorded as due from banks/due from customers or due to banks/due to customers.

1.15 Assets and liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking
- a derivative (except for a derivative that is a designated and effective hedging instrument).

Assets and liabilities held for trading are initially recognised and subsequently measured at fair value through profit or loss. The (realised and unrealised) results are included in ‘other realised and unrealised gains and losses’. Interest received (paid) on assets (liabilities) held for trading is reported as interest income (expense). Dividends received are included in ‘dividend and other investment income’.

1.16 Investments

Management determines the appropriate classification of its investment securities at the time of the purchase. Investment securities with a fixed maturity where management has both the intent and the ability to hold to maturity are classified as held to maturity. Investment securities to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, are classified as available for sale. Investment securities that are acquired for the purpose of generating short-term profits are considered to be held for trading. Any investment, other than investments in equity instruments without a quoted market price in an active market, may be designated on initial recognition as a financial instrument at fair value through profit or loss. Once an asset has been designated as held at fair value through profit or loss it cannot be transferred to a different category.

Held-to-maturity investments are carried at amortised cost less any impairment changes. Any difference between the initial recognition amount resulting from transaction costs, initial premiums or discounts is amortised over the life of the investment using the effective interest method. If a held-to-maturity investment is determined to be impaired, the impairment is recognised in the income statement.

Available-for-sale investment securities are held at fair value. Changes in the fair value are recognised directly in equity until the asset is sold unless the asset is hedged by a derivative. If an investment is determined to be impaired, the impairment is recognised in the income statement. For impaired available-for-sale investments, unrealised losses previously recognised in equity are transferred to the income statement when the impairment occurs.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment was recognised in the income statement, the impairment is reversed, with the amount of the reversal recognised in the income statement. Impairments recognised in the income statement for an investment in an equity instrument classified as available for sale are not reversed through the income statement.

Available-for-sale investment securities that are hedged by a derivative are carried at fair value with movements in fair value recognised through the income statement for the part attributable to the hedged risk and through equity for the remaining part.

Held-for-trading assets and assets designated as held at fair value through profit or loss are carried at fair value. Changes in the fair value are recognised in the income statement.

Investment property

Investment properties are those properties held to earn rental income or for capital appreciation. Fortis Bank may also use certain investment properties for its own use. If the own use portions can be sold separately or leased out separately under a finance lease, these portions are accounted for as property, plant and equipment. If the own use portions cannot be sold separately, the property is treated as investment property only if Fortis Bank holds an insignificant portion for its own use.

Investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The residual value and the useful life of investment property are determined for each significant part separately (component approach) and are reviewed at each year end.

Fortis Bank rents its investment property under various non-cancellable rental contracts. Certain contracts contain renewal options for various periods of time; the rental income associated with these contracts is recognised on a straight-line basis over the rental term as investment income.

Transfers to, or from, investment property are only made when there is a change of use:

- into investment property at the end of owner-occupation, or at the start of an operating lease to a another party, or at the end of construction or development
- out of investment property at the commencement of owner-occupation, or start of development with a view to sale.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.17 Leasing

Fortis Bank as a lessor

Assets leased under operating leases are included in the consolidated balance sheet (1) under investment property (buildings), and (2) under property, plant and equipment (equipment and motor vehicles). They are recorded at cost less accumulated depreciation. Rental income, net of any incentives given to lessees, is recognised on a straight-line basis over the lease term. Initial direct costs incurred by Fortis Bank are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Fortis Bank has also entered into finance leases, in which substantially all the risks and rewards related to ownership of the leased asset, other than legal title, are transferred to the customer.

When assets held are subject to a finance lease, the present value of the lease payments and any guaranteed residual value is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease interest income is recognised over the term of the lease based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of finance leases. Initial direct costs incurred by Fortis Bank are included in the finance lease receivable and allocated against lease interest income over the lease term.

Fortis Bank as a lessee

Fortis Bank principally enters into operating leases for the rental of equipment and land and buildings. Payments made under such leases are typically charged to the income statement principally on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Any incentives received from the lessor in relation to operating leases are recognised as a reduction of rental expense over the lease term on a straight-line basis.

If the lease agreement transfers substantially all the risk and rewards incident to ownership of the asset, the lease is recorded as a finance lease and the related asset is capitalised. At inception, the asset is recorded at the lower of the present value of the minimum lease payments or fair value and depreciated over the shorter of its estimated useful life or the lease term. The corresponding lease obligation, net of finance charges, is recorded as borrowings. The interest element of the finance cost is charged to the income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the obligation for each period.

1.18 Other receivables

Other receivables arising from the normal course of business and originated by Fortis Bank are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method, less impairments.

1.19 Property, plant and equipment

All real estate held for own use and fixed assets are stated at cost less accumulated depreciation (except for land that is not depreciated) and any accumulated impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

The depreciation of buildings is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The useful life of the buildings is determined for each significant part separately (component approach) and is reviewed at each year end. The real estate is therefore split into the following components: structure, closing, techniques and equipment, heavy finishing and light finishing.

The maximum useful life of the components is as follows:

Structure	50 years for offices and retail; 70 years for residential
Closing	30 years for offices and retail; 40 years for residential
Techniques and equipment	20 years for offices; 25 years for retail and 40 years for residential
Heavy finishing	20 years for offices; 25 years for retail and 40 years for residential
Light finishing	10 years for offices, retail and residential

Land has an unlimited useful life and is therefore not depreciated. IT, office and equipment are depreciated over their respective useful lives, which have been determined individually.

As a general rule, residual values are considered to be zero.

Repairs and maintenance expenses are charged to the income statement when the expenditure is incurred. Expenditures that enhance or extend the benefits of real estate or fixed assets beyond their original use are capitalised and subsequently depreciated.

For borrowing costs to finance the construction of property, plant and equipment: see 1.32 Borrowing costs.

1.20 Goodwill and other intangible assets

Intangible Assets

An intangible asset is an identifiable non-monetary asset and is recognised at cost if, and only if, it will generate future economic benefits and if the cost of the asset can be measured reliably.

Intangible assets with indefinite lives, which are not amortised, are instead tested for impairment at least annually. Any impairment loss identified is recognised in the income statement. Intangibles are recorded on the balance sheet at cost less any accumulated amortization and any accumulated impairment losses. The residual value and the useful life of intangible assets are reviewed at each year end. With the exception of goodwill, Fortis Bank does not have intangible assets with indefinite useful lives.

Intangible assets with definite lives are amortised over the estimated useful life.

Goodwill

Acquisitions of companies are accounted for using the purchase method of accounting. Goodwill represents the excess of the fair value of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination over Fortis Bank’s interest in the fair value of assets acquired and liabilities and contingent liabilities assumed. Goodwill arising on the acquisition of a subsidiary is reported on the balance sheet as an intangible asset. Goodwill arising on business combinations before 1 January 2004 is deducted from equity and is not restated under IFRS. At acquisition date, it is allocated to those cash-generating units that are expected to benefit from the synergies of the business combination. It is not amortised, but instead is tested for impairment. Goodwill arising on the acquisition of an associate is presented as part of the investment in the associate.

Any excess of the acquired interest in the net fair value of the acquiree’s assets, liabilities and contingent liabilities over the acquisition cost is recognised immediately in the income statement.

Fortis Bank assesses the carrying value of goodwill annually or, more frequently, if events or changes in circumstances indicate that such carrying value may not be recoverable. If such indication exists, the recoverable amount is determined for the cash-generating unit to which goodwill belongs. This amount is then compared to the carrying amount of the cash-generating unit and an impairment loss is recognised if the recoverable amount is less than the carrying amount. Impairment losses are recognised immediately in the income statement.

In the event of an impairment loss, Fortis Bank first reduces the carrying amount of goodwill allocated to the cash generating unit and then reduces the other assets in the cash-generating unit pro rata on the basis of the carrying amount of each asset in the cash generating unit. Previously recognised impairment losses relating to goodwill are not reversed.

Fortis Bank may obtain control of a subsidiary in more than one transaction. When this occurs, each exchange transaction is treated separately by Fortis Bank. The cost of each transaction is compared to the fair value of each transaction to determine the amount of goodwill associated with that individual transaction. Before Fortis Bank obtains control of the entity, the transaction may qualify as an investment in an associate and be accounted for using the equity method. If so, the fair value of the investee's identifiable net assets at the date of each earlier transaction will have been determined in applying the equity method to the investment.

Other intangible assets

Internally generated intangible assets

Internally generated intangible assets are capitalised when Fortis Bank can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets arising from research and internally generated goodwill are not capitalised.

Software

Software for computer hardware that cannot operate without that specific software, such as the operating system, is an integral part of the related hardware and it is treated as property, plant and equipment. If the software is not an integral part of the related hardware, the costs incurred during the development phase for which Fortis Bank can demonstrate all of the above-mentioned criteria are capitalised as an intangible asset and amortised using the straight-line method over the estimated useful life. In general, such software is amortised over a maximum of 5 years.

Other intangible assets with definitive lives

Other intangible assets include intangible assets with definite lives, such as trademarks and licenses that are generally amortised over their useful lives using the straight-line method. Intangible assets with finite lives are reviewed at each reporting date for indicators of impairment. In general, such intangible assets have an expected useful life of 10 years at most.

1.21 Non-current assets held for sale and discontinued operations

Non-current assets or a group of assets and liabilities are those for which Fortis Bank will recover the carrying amount from a sale transaction that is expected to qualify as a sale within a year, instead of through continuing use.

A discontinued operation is a part of Fortis Bank that has been disposed of or is classified as held for sale and

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Non-current assets held for sale (and disposal groups) are not depreciated but measured at the lower of its carrying amount and fair value less costs to sell, and are separately presented on the balance sheet.

Results on discontinued operations are presented separately in the income statement.

1.22 Derivative financial instruments and hedging

Recognition and classification

Derivatives are financial instruments such as swaps, forward and future contracts, and options (both written and purchased). The value of these financial instruments changes in response to change in various underlying variables, require little or no net initial investment, and are settled at a future date.

All derivatives are recognised on the balance sheet at fair value on the trade date:

- derivatives held for trading in ‘assets held for trading’ and ‘liabilities held for trading’
- derivatives that qualify for hedge accounting in ‘accrued interest and other assets’ and ‘accrued interest and other liabilities’.

Subsequent changes in the clean fair value (i.e. excluding the interest accruals) of derivatives are reported in the income statement under ‘other realised and unrealised gains and losses’.

Financial assets or liabilities can include embedded derivatives. Such financial instruments are often referred to as hybrid financial instruments. Hybrid financial instruments include reverse convertible bonds (bonds whose repayment may take the form of equities) or bonds with indexed interest payments. If the host contract is not carried at fair value through profit or loss and the characteristics and risks of the embedded derivative are not closely related to those of the host contract, the embedded derivative should be separated from the host contract and measured at fair value as a stand-alone derivative. Changes in the fair value are recorded in the income statement. The host contract is accounted for and measured applying the rules of the relevant category of the financial instrument.

However, if the host contract is carried at fair value through profit or loss or if the characteristics and risks of the embedded derivative are closely linked to those of the host contract, the embedded derivative is not separated and the hybrid financial instrument is measured as one instrument.

Embedded derivatives requiring separation are reported as hedging derivatives or derivatives held for trading as appropriate.

Hedging

On the date a derivative contract is entered into, Fortis Bank may designate this contract as either (1) a hedge of the fair value of a recognised asset or liability (fair value hedge); (2) a hedge of a net investment in a foreign entity or; (3) a hedge of future cash flows attributable to a recognised asset or liability or a forecasted transaction (cash flow hedge). Hedges of firm commitments are fair value hedges, except for hedges of foreign exchange risk, which are accounted for as cash flow hedges.

At the start of the transaction, Fortis Bank documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

Fortis Bank also documents its assessment - both at the start of the hedge and on an ongoing basis - of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Only assets, liabilities, firm commitments or highly probable forecast transactions that involve a party external to Fortis Bank are designated as hedged items.

The change in fair value of a hedged asset or liability that is attributable to the hedged risk and the change in the fair value of the hedging instrument in a fair value hedge are recognised in the income statement. The change in the fair value of interest-bearing derivative instruments is presented separately from interest accruals.

If the hedge no longer meets the criteria for hedge accounting or is otherwise discontinued, the adjustment to the carrying amount of a hedged interest-bearing financial instrument that results from hedge accounting is amortised using the new effective interest rate calculated on the hedge discontinuance date.

Fair value hedge accounting is applied as from 1 January 2005 for portfolio hedges of interest rate risk (‘macro hedging’). Macro hedging implies that a group of derivatives (or proportions) are viewed in combination and jointly designated as the hedging instrument. Although the portfolio may, for risk management purposes, include assets and liabilities, the amount designated is an amount of assets or an amount of liabilities. In this context, the starting difference between the fair value and the carrying value of the hedged item at designation of the hedging relationship is amortised over the remaining life of the hedged item. For macro hedges, Fortis Bank uses the ‘carved out’ version of IAS 39 adopted by the European Union which removes some of the limitations on fair value hedges and the strict requirements on the effectiveness of those hedges. Under this version, the impact of the changes in the estimates of the repricing dates is only considered ineffective if it leads to under hedging.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity under the caption ‘unrealised gains and losses’. Any hedge ineffectiveness is immediately recognised in the income statement.

When the hedge of a forecasted transaction or firm commitment results in the recognition of a non-financial asset or of a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of that non-financial asset or liability. Otherwise, amounts deferred in equity are transferred to the income statement and classified as profit or loss in the periods during which the hedged firm commitment or forecasted transaction affects the income statement.

This also applies if the hedge no longer meets the criteria for hedge accounting or is otherwise discontinued, but the hedged forecasted transactions or firm commitments are still expected to occur. If the hedged forecasted transactions or firm commitments are no longer expected to occur, the amounts deferred in equity are transferred to the income statement directly.

For net investment hedges: see 1.6 Foreign currency.

1.23 Securitisations

Fortis Bank securitises various consumer and commercial financial assets. These securitisations may take the form of a sale of the related assets or a credit risk transfer through the use of funded credit derivatives to special purpose entities. These special purpose entities then issue various security tranches to investors. The financial assets included in a securitisation are fully or partially derecognised when Fortis Bank transfers substantially all risks and rewards of the assets or portions thereof or when Fortis Bank neither transfers nor retains substantially all risks and rewards but does not retain control over the financial assets transferred.

1.24 Debt certificates, subordinated liabilities and other borrowings

Debt certificates, subordinated liabilities and other borrowings are initially recognised at fair value net of direct transaction costs incurred. Subsequently, they are measured at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Debt that can be converted into Fortis Bank's own shares is separated into two components on initial recognition: (a) a liability instrument and, (b) an equity instrument. The liability component is first determined by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that does not have an associated equity component.

The carrying amount of the equity instrument represented by the option to convert the instrument into common shares is then determined by deducting the carrying amount of the financial liability from the amount of the compound instrument as a whole.

Preference shares, which carry a mandatory coupon, or which are redeemable on a specific date or at the option of the shareholder, including those preferred shares that establish such a contractual obligation indirectly through their terms and conditions are classified as borrowings. The dividends on these preference shares are recognised in the income statement as interest expense on an amortised cost basis using the effective interest method.

If Fortis Bank purchases its own debt, it is removed from the balance sheet and the difference between the carrying amount of the liability and the consideration paid is included in the income statement.

In determining whether preference shares are classified as a financial liability or as an equity instrument, Fortis Bank assesses the particular rights attached to the shares to determine whether they exhibit the fundamental characteristic of a financial liability.

1.25 Employee benefits

Pension liabilities

Fortis Bank operates a number of defined benefit and defined contribution plans throughout its global activities, in accordance with local conditions or industry practices. The pension plans are generally funded through payments to insurance companies or trustee administered plans, determined by periodic actuarial calculations.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependant on one or more factors such as age and years of service. A defined contribution plan is a pension plan under which Fortis Bank pays fixed contributions. Qualified actuaries calculate the pension assets and liabilities at least annually.

For defined benefit plans, the pension costs and related pension assets or liabilities are estimated using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final liability. Under this method, the cost of providing these benefits is charged to the income statement to spread the pension cost over the service lives of employees. The pension liability is measured at the present value of the estimated future cash outflows using interest rates determined by reference to market yields on high quality corporate bonds that have terms to maturity approximating the terms of the related liability. Net cumulative unrecognised actuarial gains and losses for defined benefit plans exceeding the corridor (greater than 10% of the present value of the defined benefit obligation or 10% of the fair value of any plan assets) are recognised in the income statement over the average remaining service lives of the employees.

Past-service costs are recognised immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Assets that support the pension liabilities of an entity, must meet certain criteria in order to be classified as ‘qualifying pension plan assets’. These criteria relate to the fact that the assets should be legally separate from Fortis Bank or its creditors. If these criteria are not met, the assets are included in the relevant item on the balance sheet (such as investments, property, plant and equipment). If the assets meet the criteria, they are netted against the pension liability.

Because Fortis Bank has defined benefit plans that are funded through related insurance companies, the related assets are non-qualifying as plan assets, and must be considered as "reimbursement rights" according to IAS 19. This means that these assets may not be deducted from the defined benefit obligations in determining the defined benefit liability, but are shown as separate assets, called "reimbursement rights", expressing the right of reimbursement of expenditures (required to settle the defined benefit obligations) by the related party.

When the fair value of the plan assets is netted against the present value of the obligation of a defined benefit plan, the resulting amount could be negative (an asset). In this case, the recognised asset cannot exceed the total of any cumulative unrecognised net actuarial losses and past service costs, and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Benefit plans that provide long-term service benefits, but that are not pension plans, are measured at present value using the projected unit credit method.

Fortis Bank’s contributions to defined contribution pension plans are charged to the income statement in the year to which they relate.

Other post-retirement liabilities

Some of the Fortis Bank companies provide post-retirement employee benefits to retirees such as preferential interest rate loans and health care insurance. Entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. Expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. These liabilities are determined based on actuarial calculations.

Equity compensation benefits (or equity participation plans)

Share options and restricted shares are granted to directors and to employees for services received. The fair value of the services received is determined by reference to the fair value of the share options and restricted shares granted. Compensation expense is measured on the grant date based on the fair value of the options and restricted shares and is recognised over the vesting period of the options and restricted shares.

The fair value of the share options is determined using an option-pricing model that takes into account the stock price at the grant date, the exercise price, the expected life of the option, the expected volatility of the underlying stock and the expected dividends on it, and the risk-free interest rate over the expected life of the option. When Fortis Bank or one of its subsidiaries grants options on Fortis shares to their employees, the related expenses are invoiced by the parent company and recorded as staff expenses. The excise or expiration of these options has no impact on the accounts of Fortis Bank.

Loans granted at preferential rates

Loans are sometimes provided to employees at an interest rate which is lower than the market rate. The terms of the loans granted at preferential rates state that employees lose the benefit of receiving a preferential rate upon termination of employment, at which time the interest rate on the loan is adjusted to the current market rate. However, some Fortis Bank entities allow their employees to keep the preferential rate subsequent to retirement.

For the first category, the difference between the net present value of the loans at preferential rate and the net present value at the prevailing market rate is recognised in the balance sheet as a deferred compensation expense and recorded under operating and administrative expenses over the period that the employee obtains the benefit. Likewise, interest income is corrected to show the loans at market rate.

When loans continue after retirement and the former employees continue to benefit from preferential rates due to their past service at Fortis Bank, this benefit is taken into account in determining post-retirement benefits other than pensions.

Employee entitlements

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

1.26 Provisions, contingencies, commitments and financial guarantees

Provisions

Provisions are liabilities involving uncertainties in the amount or timing of payments. Provisions are recognised if there is a present obligation to transfer economic benefits, such as cash flows, as a result of past events and if a reliable estimate can be made at the balance sheet date. Provisions are established for certain guarantee contracts for which Fortis Bank is responsible to pay upon default of payment. Provisions are estimated based on all relevant factors and information existing at the balance sheet date, and are typically discounted at the risk-free rate.

Contingencies

Contingencies are those uncertainties where an amount cannot be reasonably estimated or when it is not probable that payment will be required to settle the obligation.

Commitments

Loan commitments that allow for draw down of a loan within the timeframe generally established by regulation or convention in the market place are not recognised as derivative financial instruments. Loan commitments that are designated as at fair value through profit or loss or where Fortis Bank has a past practice of selling the assets resulting from its loan commitments are recognised on the balance sheet at fair value with the resulting change recognised in the income statement. Acceptances comprise undertakings by Fortis Bank to pay bills of exchange drawn on customers. Fortis Bank expects most acceptances to be settled simultaneously with the reimbursement from customers. Acceptances are not recognised in the balance sheet and are disclosed as commitments.

Financial guarantees

Financial guarantee contracts that require payments to be made in response to changes in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variables, and non-financial variables which are not specific to a party to the contract, are accounted for as derivatives.

Financial guarantee contracts requiring Fortis Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are accounted for as insurance contracts if significant insurance risk is transferred to Fortis Bank.

1.27 Equity

Share capital

Share issue costs

Incremental costs directly attributable to the issue of new shares or share options, other than on a business combination, are deducted from equity net of any related income taxes.

Other equity components

Other elements recorded in equity are related to:

- direct equity movements associates (see 1.5)
- foreign currency (see 1.6)
- available-for-sale investments (see 1.16)
- cash flow hedges (see 1.22)

1.28 Interest income and expense

Interest income and interest expense are recognised in the income statement for all interest-bearing instruments (whether classified as held to maturity, available for sale, held at fair value through profit or loss or derivatives) on an accrual basis using the effective interest method based on the actual purchase price including direct transaction costs. Interest income includes coupons earned on fixed and floating rate income instruments and the accretion or amortisation of the discount or premium.

Once a financial asset has been written down to its estimated recoverable amount, interest income is thereafter recognised based on the effective interest rate that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

1.29 Realised and unrealised gains and losses

For financial instruments classified as available for sale, realised gains or losses on sales and divestments represent the difference between the proceeds received and the initial book value of the asset or liability sold, minus any impairment losses recognised in the income statement after adjusting for the impact of any fair value hedge accounting adjustments. Realised gains and losses on sales are included in the income statement in the caption ‘realised capital gains (losses) on investments’.

For financial instruments carried at fair value through profit or loss, the difference between the carrying value at the end of the current reporting period and the previous reporting period is included in ‘other realised and unrealised gains and losses’.

For derivatives, the difference between the carrying clean fair value (i.e. excluding the unrealised portion of the interest accruals) at the end of the current reporting period and the previous reporting period is included in ‘other realised and unrealised gains and losses’.

Previously recognised unrealised gains and losses recorded directly into equity are transferred to the income statement upon derecognition or upon the financial asset becoming impaired.

1.30 Fee and commission income

Fees as integral part of effective interest rate

Fees that are an integral part of the effective interest rate of a financial instrument are generally treated as an adjustment to the effective interest rate. This is the case for origination fees, received as compensation for activities such as evaluating the borrower’s financial condition, evaluating and recording guarantees, etc., and also for origination fees received on issuing financial liabilities measured at amortised cost. Both types of fees are deferred and recognised as an adjustment to the effective interest rate. However, when the financial instrument is measured at fair value through profit or loss, the fees are recognised as revenue when the instrument is initially recognised.

Fees recognised as services are provided

Fees are generally recognised as revenue as the services are provided. If it is unlikely that a specific lending arrangement will be entered into and the loan commitment is not considered a derivative, the commitment fee is recognised as revenue on a time proportion basis over the commitment period.

Fees recognised upon completion of the underlying transaction

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, are recognised upon completion of the underlying transaction. Commission revenue is recognised when the performance obligation is complete.

Loan syndication fees are recognised as revenue when the syndication has been completed.

1.31 Transaction costs

Transaction costs are included in the initial measurement of financial assets and liabilities other than those measured at fair value through profit or loss. Transaction costs refer to incremental costs directly attributable to the acquisition or disposal of a financial asset or liability. They include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

1.32 Borrowing costs

Borrowing costs are generally expensed as incurred. Borrowing costs that are directly attributable to the acquisition or construction of an asset are capitalised while the asset is being constructed as part of the cost of that asset. Capitalisation of borrowing costs should commence when:

- expenditures for the asset and borrowing costs are being incurred
- activities necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation ceases when the asset is substantially ready for its intended use or sale. If active development is interrupted for an extended period, capitalisation is suspended. Where construction occurs piecemeal and use of each part is possible as construction continues, capitalisation for each part ceases upon substantial completion of that part.

For borrowing associated with a specific asset, the actual rate on that borrowing is used. Otherwise, a weighted average cost of borrowings is used.

1.33 Income tax expenses

Income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise. The tax effects of income tax losses available for carry-forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which those losses can be utilised.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

The rates enacted or substantively enacted at the balance sheet date are used to determine deferred taxes.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates, and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Current and deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges which are charged or credited directly to equity is also credited or charged directly to equity and is subsequently recognised in the income statement together with the deferred gain or loss.

2 Acquisitions and disposals

The following major acquisitions and disposals were made in 2007, 2006 and 2005.

2.1 ABN-AMRO

Please find a detailed overview of the acquisition of ABN AMRO in note 18.

2.2 Dominet

Fortis Bank finalised on 22 March 2007 the acquisition of 100% of the shares of Dominet SA, the parent company of Dominet Bank SA. Dominet is a full-service retail bank with 869 employees and a modern nation-wide branch network in Poland. It occupies a strong position in the car finance segment and has a fast-growing portfolio of cash loans. Dominet also supplies other banking products to retail customers.

The acquisition price was EUR 240 million and the goodwill was EUR 221 million. The initial accounting for the acquisition, involving identifying and determining the fair values of the assets, liabilities, contingent liabilities and the cost of the acquisition, including directly attributable costs to the transaction was finalised in the fourth quarter.

The primary factors contributing to the recognition of goodwill are the valuation of the distribution channel, the client relations and the relations with the franchises. The impact of the acquisition of Dominet on Fortis Bank's consolidated balance sheet was at acquisition date as follows:

Assets		Liabilities	
Cash and cash equivalents	10	Due to banks	92
Due from banks	26	Due to customers	260
Due from customers	267	Debt certificates	8
Investments	60	Subordinated liabilities	8
Property, plant and equipment	20	Accrued interest and other liabilities	22
Intangible assets	225	**Total liabilities**	**390**
Accrued interest and other assets	22		240
		Cost price	
Total assets	**630**	**Total liabilities and cost price**	**630**

Dominet realised a result of EUR 1 million in 2007.

2.3 Other Acquisitions

The other acquisitions that took place in 2007, 2006 and 2005 are:

Acquired company	*Quarter of acquisition*	*Acquisition amount*	*Percentage acquired*	*Capitalised intangible assets*	*Goodwill/ (negative goodwill)*	*Segment*
Fortis Lease SPA	Q1 2005	52	100	23	5	Merchant & Private Banking
Dişbank	Q3 2005	919	93	49	333	Multi-segment Banking
Atradius	Q4 2005	64	100	0	36	Merchant & Private Banking
Dryden	Q4 2005	79	100	7	(17)	Merchant & Private Banking
Dreieck Industrie Leasing AG	Q1 2006	64	100	29	4	Merchant & Private Banking
O'Connor & Company	Q1 2006	58	100	0	14	Merchant Banking
Von Essen KG Bankgesellschaft	Q1 2006	93	100	3	31	Retail Banking
Cadogan	Q4 2006	119	70		116	Retail Banking
FEMT and FBECC	Q4 2006	356	100		138	Merchant & Private Banking

In 2007, as in previous years, Fortis Bank made also several smaller acquisitions.

The amounts of the capitalised intangible assets and the goodwill presented above are the initial amounts, converted to euro and taking into account changes that were necessary because the accounting for a business combination was only determined provisionally by the end of the period in which the combination was effected. Subsequent changes due to net exchange differences and other changes are excluded. These acquisitions did not have a substantial impact on Fortis Bank's financial position and performance.

Detailed information on the acquisition of Fortis Energy Marketing & Trading (FEMT), FB Energy Canada, Corp. (FBECC) and Cadogan is provided in the Fortis Bank Consolidated Financial Statements 2006.

Fortis Bank announced on 5 October 2006, that it signed a final agreement with An Post, the Irish postal service, for the creation of a joint venture, called Postbank Ireland Ltd, through which a broad range of financial products and services will be offered to the Irish market. The new bank is a 50/50 partnership between An Post and Fortis Bank, with an initial capital of EUR 112 million. The European Commission approved Fortis's joint venture with An Post on 12 January 2007. On 18 April 2007 the Irish Financial regulator granted a banking license to An Post Financial Services and the joint venture was effectively launched at 1 May 2007. In accordance with Fortis Bank Accounting Policies, this investment is accounted for using the equity method and is reported in the section Investments in associates and joint ventures in the balance sheet.

On 19 April 2007, Fortis Bank acquired Captive Finance Limited, a finance company specialised in vendor lease financing with a strong position in the technology sector, for a total cash consideration of EUR 31 million.

2.4 Assets and liabilities of acquisitions and disposals

The table below provides details on the assets and liabilities resulting from the acquisitions or disposals of consolidated subsidiaries, associates and joint ventures at the date of acquisition or disposal.

	2007		*2006*		*2005*	
	Acquisitions	*Divestments*	*Acquisitions*	*Divestments*	*Acquisitions*	*Divestments*
Assets and liabilities of acquisitions and divestments						
Cash and cash equivalents	13	(35)	459	(71)	433	
Assets held for trading			592		180	
Due from banks	26		155	(2)	326	
Due from customers	291		1,491		3,131	
Investments	23,898		233	(2,101)	1,225	
Other receivables	35		79	(27)	409	
Property, plant and equipment	22	(1)	82	(2)	88	
Goodwill and other intangible assets	277	(14)	234		495	
Accrued interest and other assets	31	12	369	(139)	234	
Liabilities held for trading			427		103	
Due to banks	118	(25)	643		2,280	
Due to customers	260		1,655		2,562	
Debt certificates	8		1			
Subordinated liabilities	8		35			
Other borrowings						
Provisions					44	
Current and deferred tax liabilities	1	(1)	16	(21)	46	
Accrued interest and other liabilities	58	(13)	289	(25)	240	
Unrealised gains and losses				(761)		
Minority interests		4	2		43	
Net assets acquired / Net assets divested	**24,140**	**(3)**	**626**	**(1,535)**	**1,203**	
Negative goodwill	6	6			22	
Gain (loss) on disposal gross				1,449		
Taxes on gain (loss) on disposal						
Gain on disposal net of taxes						
Cash used for acquisitions / received from divestments:						
Total purchase consideration / Proceeds from sale	(24,146)	(3)	(626)	2,984	(1,225)	
Less: Cash and cash equivalents acquired / divested	13	(35)	459	(71)	433	
Less: Non-cash consideration						
Cash used for acquisitions / received for divestments	**(24,133)**	**(38)**	**(167)**	**2,913**	**(792)**	

3 Shareholders' equity

The following table shows the composition of Shareholders' equity at 31 December 2007.

Share capital	
- Ordinary shares: 241,935,663 shares issued	4,694
Share premium reserve	20,257
Other reserves	7,533
Currency translation reserve	(132)
Net profit attributable to shareholders	1,781
Unrealised gains and losses	(697)
Shareholders' equity	**33,436**

3.1 Currency translation reserve

The Currency translation reserve is a separate component of Shareholders' equity in which are reported the exchange differences, arising from translation of the results and financial positions of foreign operations that are included in the Fortis Bank Consolidated Financial Statements.

Fortis Bank hedges net investments in foreign operations. The net investment in a foreign operation is Fortis Bank's interest in the net assets of that operation. Exchange differences arising on borrowings and other currency instruments designated as hedging instruments of such investments are also recorded in equity (under the heading Currency translation reserve) until the disposal of the net investment, except for any hedge ineffectiveness which will be immediately recognised in the income statement. On disposal of a foreign entity, such exchange differences are recognised in the income statement as part of the gain or loss on the sale.

Until 2005, the exchange differences arising on borrowings and other currency instruments designated as hedging instruments of investments in foreign operations, were reported as Unrealised gains and losses and not included in the Currency translation reserve.

3.2 Unrealised gains and losses included in Shareholders' equity

The table below shows changes in Unrealised gains and losses included in Shareholders' equity.

	Available for sale investments	*Revaluation of associates*	*Cashflow hedges*	*Held for sale*	*Total*
31 December 2007					
Gross	(955)	(7)	(4)		(966)
Related tax	269				269
Minority interests					
Total	**(686)**	**(7)**	**(4)**		**(697)**
31 December 2006					
Gross	1,061	32	1		1,094
Related tax	(164)				(164)
Minority interests					
Total	**897**	**32**	**1**		**930**
31 December 2005					
Gross	2,614	135	1	781	3,531
Related tax	(763)			(20)	(783)
Minority interests	1				1
Total	**1,852**	**135**	**1**	**761**	**2,749**

Unrealised gains and losses in Available for sale investments are discussed in detail in note 17.2. Changes in the fair value of derivatives that are designated and qualify as cash flow hedged are recognised as an unrealised gain or loss in Shareholders' equity. Any hedge ineffectiveness is immediately recognised in the income statement.

The table below shows changes in gross Unrealised gains and losses included in Shareholders' equity for 2007 and 2006.

	Available for sale investments	*Revaluation of associates*	*Cashflow hedges*	*Held for sale*	*Total*
Changes in unrealised gains (losses) during the year	(1,707)	(11)	(2)		(1,720)
Reversal unrealised gains (losses) because of sales	(297)	(2)			(299)
Foreign exchange differences	19				19
Divestment of associates					
Other	(31)	(26)	(3)		(60)
Gross unrealised gains (losses) at 31 December 2007	**(955)**	**(7)**	**(4)**		**(966)**

	Available for sale investments	*Revaluation of associates*	*Cashflow hedges*	*Held for sale*	*Total*
Gross unrealised gains (losses) at 1 January 2006	**2,614**	**135**	**1**	**781**	**3,531**
Changes in unrealised gains (losses) during the year	(1,218)	(49)			(1,267)
Reversal unrealised gains (losses) because of sales	(349)	(17)			(366)
Foreign exchange differences	(6)				(6)
Divestment of associates		(20)		(781)	(801)
Other	20	(17)			3
Gross unrealised gains (losses) at 31 December 2006	**1,061**	**32**	**1**		**1,094**

4 Minority interests

The following table provides information about the most significant minority interests in companies of Fortis Bank.

	% of minority interest	Amount at 31 December 2007	Amount at 31 December 2006	Amount at 31 December 2005
Group company				
Fortis Bank AS (Turkey)	6.0%	59	43	46
Moeara Enim	30.0%	136	140	147
Fortis Banque Luxembourg S.A.	0.1%	3	3	4
Fortis FBN Preferred Investment B.V.	0,.1%	210		
Other		22	12	11
Total		**430**	**198**	**208**

5 Risk management

5.1 Introduction

Sound risk management is one of the key pillars of support for a strategy of sustainable profitable growth and therefore a core competency at Fortis Bank. Fortis Bank relies upon a strong risk management framework for several reasons: to ensure that it maintains consistently high standards of risk management, to raise executive management's awareness and understanding of the risks being taken, to encourage optimisation of the risk/return ratio and to measure group-wide economic capital. The risk management framework resides at all levels within the group.

Fortis Bank executes its risk strategy and undertakes controlled risk-taking activities within its risk management framework. This framework combines core policies and methods and process design with broad oversight and is supported by risk performance monitoring at group and local business level. Fortis Bank continuously reviews and upgrades its risk management framework in order to align its long-term strategy in the field with lessons learned through its own and general best practices. The following figure shows the Fortis Bank risk governance framework.

Each of the interrelated components of the risk governance framework is described in this section, including a quantitative and qualitative overview of Fortis Bank' risk exposure.

5.2 Philosophy, Strategy and principles for sound risk management

5.2.1 Risk Management Philosophy

Fortis Bank defines risk as the deviation from anticipated outcomes that may affect the value, capital or earnings of Fortis Bank. Fortis Bank' risk thus stems from its exposure to external or internal risk factors in conducting its business activities. Risk taking is an integral part of Fortis Bank' value proposition to its shareholders. Fortis Bank aims to take risks of which it has a good understanding and which can be adequately managed either at individual or at overall portfolio level. Fortis Bank actively seeks exposure to these risks if it is efficient and affordable to do so. Risks that are not actively sought but rather arise as a consequence of conducting business are reduced to acceptable levels.

Fortis Bank aims to meet its shareholders and stakeholders expectations and to take and manage risks in a controlled and transparent manner.

5.2.2 Risk Management Principles

At Fortis Bank, risk management is based on the four guiding principles resulting from the risk governance framework:

- *Optimising risk/return in a controlled manner at high standards:* Fortis Bank is a professional risk taker; assuming risk (both actively and passively) is intrinsic to how Fortis Bank creates value for its shareholders. To ensure Fortis Bank delivers superior shareholder value creation, its risk taking is both controlled and directed towards businesses that provide shareholders with attractive risk-adjusted returns.
- *Clearly established responsibility and accountability:* Fortis Bank operates according to the principle of delegated authority. Individuals or business units are fully responsible for their decisions and their incentives are aligned with Fortis Bank' business objectives.
- *Independent and properly resourced risk management functions:* Risk-taking activities require the independent supervision of the risk management function. Well-resourced independent risk management, which is clearly separate from any business decisions, is essential in order to avoid conflicts of interest, to ensure proper risk governance and, consequently, to enforce the Group Risk Policy.
- *Open risk culture to promote trust and confidence:* Risk transparency and responsiveness to change are integral to Fortis Bank' business culture. Fortis Bank has institutionalised processes to facilitate risk management knowledge sharing within the group and with external stakeholders.

5.2.3 Risk Strategy

Fortis Bank' risk strategy sets out how, what type of risks and to what extent risks are taken in order to achieve Fortis Bank' business objectives. It also sets out to what extent undesired risks should be mitigated and avoided. Hence, Fortis Bank' risk tolerance and risk appetite are components of its risk strategy. The risk strategy should not be considered independently, as it is based in part on Fortis Bank' corporate strategy, is aligned with Fortis Bank' strategic objectives, and leads to Fortis Bank' planning and capital management processes.

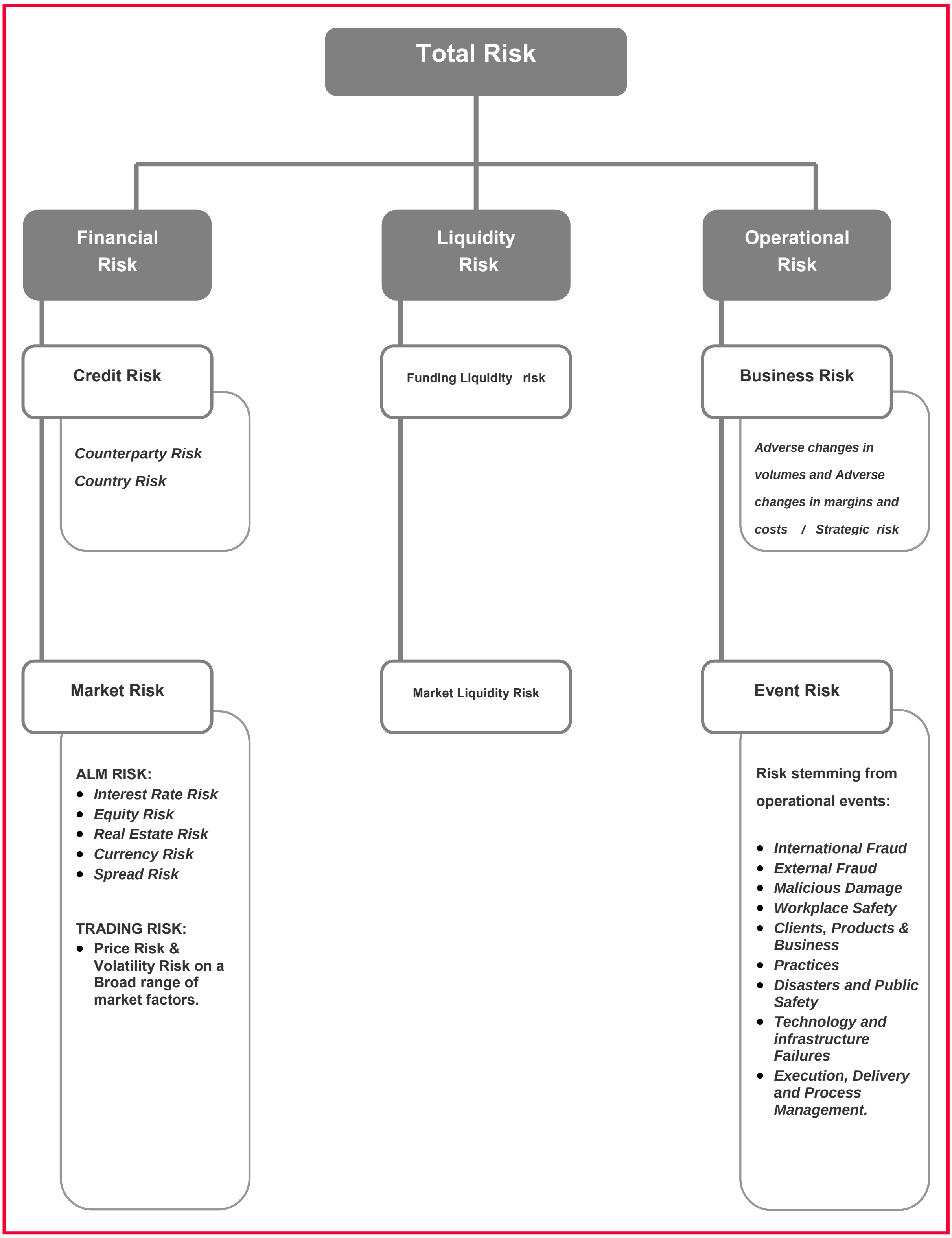
Fortis Bank' attitude towards risk reflects its desire or willingness to actively take certain risks (and to what extent) and to avoid or mitigate others. Fortis Bank has classified each type of risk to which it is exposed into the following categories:

Core risks: those risks to which Fortis Bank actively seeks exposure when it is efficient for the group to do so and where exposure can be contained and managed either at individual or at overall portfolio level. Fortis Bank aims to continuously improve its understanding of risk to extend the universe of risks it underwrites and intermediates and to enhance its ability to manage existing risk exposures.

The main sub-categories of core risks are credit risk, market risk (ALM risk and trading risk) and liquidity risk. Liquidity risk can be further split into funding risk and market liquidity risk.

Non-core risks: risks that as a rule are not actively sought but arise as a consequence of conducting business. These include, but are not limited to, operational risk. Operational risk can be further broken down into business risk and event risk. These risks are reduced to acceptable levels, taking into account the cost and benefit trade-offs. As such, Fortis Bank manages its operational risks and protects its reputation by ensuring that its business practices conform to the highest standards of integrity as specified in its Code of Conduct.

In addition to the strategic classification defined above, Fortis Bank uses a standard risk taxonomy that includes all material risks. It is reviewed and updated on a yearly basis to ensure that all material risks are identified, defined and fed into the risk governance framework. Fortis Bank' current risk taxonomy is summarised in the following chart.



A detailed explanation of each risk type is provided in the descriptions of the related risk management framework and process.

5.3 Risk management organisation

Fortis Bank' Risk Management organisation is designed to enable the implementation of Fortis Bank' risk strategy and to ensure:

- clear responsibility and accountability regarding risk management
- independence of the risk management functions
- transparent and coherent risk-related decision-making throughout Fortis Bank Group, covering all risks of the Fortis Bank risk taxonomy.

5.3.1 Risk management and monitoring

Risk management and monitoring are performed throughout Fortis Bank Group by delegated authorities ranging from the local risk management organisation in geographical areas, to the business risk management and to Central Risk Management in close cooperation with Asset & Liability Management.

5.3.1.1 Central Risk Management (CRM)

The Central Risk Management (CRM) department is headed by the Chief Risk Officer. Its primary role is to ensure that the group pursues consistently high standards of risk management, to raise executive management's awareness and understanding of the risks being taken, to encourage optimisation of the risk/return ratio, to measure group-wide economic capital and to validate risk models.

CRM provides support to the businesses regarding risk issues and supports the work of the various risk committees. It also coordinates the implementation of risk initiatives and risk communication.

The presence of an integrated risk management framework is perceived as one of Fortis Bank' strengths by internal parties (Fortis Audit Services, Investor Relations) and external parties (rating agencies, investment analysts and regulators). CRM is also responsible for coordinating communication with these parties.

5.3.1.2 Asset & Liability Management (ALM)

Asset & Liability Management (ALM) is charged with closely monitoring all ALM risks related to the balance sheet of Fortis Bank Group. ALM performs its duties in accordance with the decisions made by the Group ALCO and with due observance of the conditions set by Fortis Bank and the Supervisors. ALM defines Fortis Bank' risk appetite and manages its risks by setting up risk guidelines and risk levels. It aims to apply the best practices in risk management that have been defined by the regulators and rating agencies.

5.3.1.3 Businesses Risk Management

Each business:

- is responsible for managing its inherent risks within the limits, policies and guidelines set by regulators and Central Risk Management
- has a Business Risk Committee, which supports its management team in ensuring that key risks are well understood and that appropriate risk management procedures are in place
- is responsible for managing its inherent risks and ensuring that it has comprehensive risk management systems in place, which cover the full risk taxonomy.

The double reporting lines between the Business Chief Risk Officer (and the Business Chief Executive Officer) and the Group Chief Risk Officer are designed :

- to reinforce the principles of full transparency on risk-related information (risk quantification, profitability, reserves, limits, capital, methodologies, assumptions, risk management organisation, etc.) between the businesses and CRM and
- to check the compliance with group policies, guidelines and limits, and independence of the risk function in the risk decision and monitoring process.

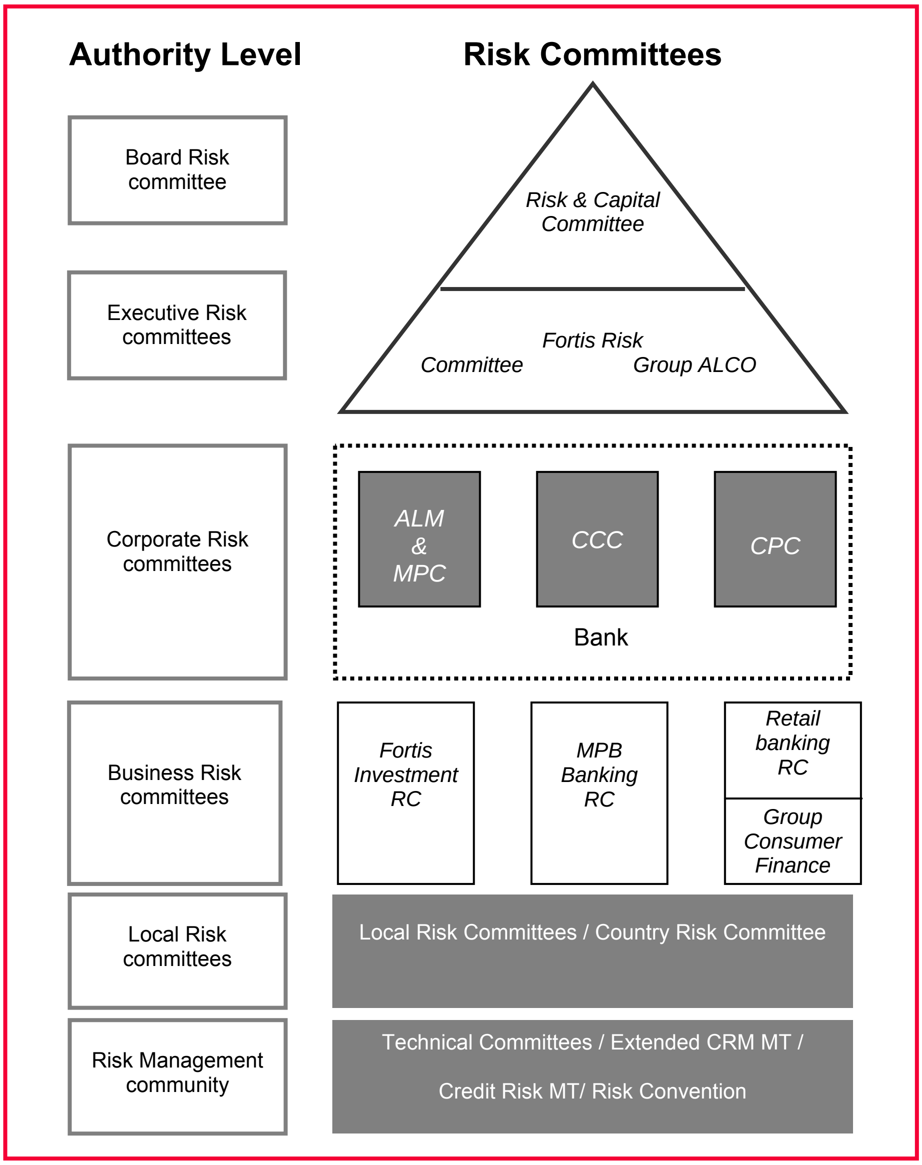
5.3.1.4 Fortis Audit Services (FAS)

Fortis Audit Services supports the achievement of Fortis Bank' objectives by providing professional and independent assurance. FAS evaluates the effectiveness of governance, risk and control processes and recommends solutions for optimising them.

Fortis Audit Services regularly audits the risk management functions of Fortis Bank at group, business and local levels.

5.3.2 Fortis Bank Risk Committee Structure

A comprehensive risk committee structure ensures that risk decisions are taken at the appropriate level.



The overall responsibility for the risks taken by Fortis Bank rests with the Fortis Bank Board. In order to fulfil its risk mission, the Fortis Bank Board has the support of both the Fortis Bank Risk and Capital Committee and the Fortis Bank Audit Committee (AC). The Fortis Bank Board has delegated the day-to-day management to the Executive Committee (ExCo) under the leadership of the Chief Executive Officer (CEO).

5.3.2.1 Board Risk Committees

Risk and Capital Committee (RCC)
Composed of non-executive Board members, the RCC meets at least three times a year and assists the Board in understanding the risks run by Fortis Bank , overseeing the proper management of these risks, and ensuring the adequacy of Fortis Bank' capital relative to these risks and to those inherent to its overall operations.

The main responsibilities of the RCC are to approve the risk governance framework and to make recommendations to the Board on the target risk profile and the related relevant policies.

Fortis Bank Audit Committee (AC)
Not being a risk committee, the role of the AC is to assist the Board in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense within Fortis Bank, including internal control over financial reporting.

At least once a year the AC, on behalf of the Board of Directors, reviews the quality and effectiveness of procedures and structures under which risks at Fortis Bank are managed, risk-related accounting policies, capital assessment procedures and the performance of the internal control system.

5.3.2.2 Fortis Bank Executive Risk Committees
The CEO reports to the Fortis Bank Board on Fortis Bank' risk profile and capital adequacy and presents proposals to the Fortis Bank Board on risk policies and rules and on financing Fortis Bank Group transactions. The ExCo is supported in its tasks by the Executive Risk Committees.

5.3.2.3 Fortis Bank Risk Committee (FRC)
The Fortis Bank Risk Committee, chaired by the Fortis Bank Chief Risk Officer, supports the CEO and the Executive Committee in ensuring that the Group has an adequate understanding of its key risks and that it has a sound risk management in place. A key role of the Fortis Bank Risk Committee is to guarantee the consistency of risk management approaches across the Group and to make sure that risk-related topics at group level have been taken into account.

5.3.2.4 Group Asset and Liability Committee (Group ALCO)
The Group ALCO approves the group strategic asset allocation and monitors overall Group-ALM exposure. Its responsibilities are asset and liability management, monitoring and control.

5.3.2.5 Corporate Risk Committees
The Fortis Bank Board is supported in its tasks by the following Corporate Risk Committees:

- *The Central Asset & Liability Management and Market Policy Committee* (ALM & MPC) defines the bank's balance sheet management policies and limits, monitors the balance sheet structure, approves ALM risk management structures, agrees on significant transactions affecting the balance sheet and signs off on new products launched by the business lines. These tasks also include monitoring of trading risk limits.
- *The Central Operational risk Policy Committee* (OPC) establishes norms, policies and measurement standards in relation to operational risk-linked exposure.
- *The Central Credit Policy Committee* (CPC) approves credit risk policies and processes, decides on concentration limits, signs off on new credit products and monitors credit portfolio quality and credit delegation limits.

- *The Central Credit Committee* (CCC) decides on individual obligor risks, including country and bank limits, and approves transactions above a certain level affecting the balance sheet, within the lending limit of the bank.
- *The Fortis Bank Group Committee on Impairments and Provisions* (FGCIP) supervises worldwide Value Adjustments (VA) on a consolidated basis.

5.3.2.6 Technical Risk Committees & Platforms

The Technical Risk Committees & Platforms consist of the following:

- *The Capital Platform* acts as a discussion forum for group capital related topics. The main purpose of the Capital Platform is information and know-how-sharing on capital related matters as well as ensuring alignment on capital related topics.
- *The Model Acceptance Group* (MAG) takes decisions about technical/methodological issues, assessing regulatory compliance and consistency pertaining to credit risk assessment methodologies and model application.
- *The Operational ALCO Committee* is an implementation committee that takes the appropriate measures required to implement decisions taken by the Group ALCO.
- The Liquidity & Funding Competence Centre (LFCC) is responsible for:
  - steering and prioritisation of Fortis Bank' liquidity
  - the exchange of cross-sector knowledge of liquidity issues and advice on solutions for funding liquidity problems.

5.4 Financial Risks

Financial risk encompasses two types of risk: credit risk and market risk.

5.4.1 Credit risk

Credit risk is defined as the risk to earnings or capital arising from an obligor's failure to meet the terms of any contract or to otherwise fail to perform as agreed.

5.4.1.1 Credit Risk Management

All credit risk management within Fortis Bank is governed by one policy, the Fortis Bank Credit Policy. This policy contains a set of principles, rules, guidelines and procedures for identifying, measuring, approving and reporting credit risk within Fortis Bank. The Fortis Bank Credit Policy establishes a consistent framework for all credit risk-generating activities, either through direct lending relationships or through other activities resulting in credit risk such as investment activities. The policy is subdivided into four categories: principles and framework, cross-business policies, business-specific policies and instructions.

The principles and framework section comprises the core values and parameters that define Fortis Bank' risk tolerance and characterise its credit culture. These are universal and unchanging, with the exception of the Credit Risk Strategy (embedded in the Credit Risk Charter), which is subject to change in response to market developments and business strategy. Cross-business policies, business-specific policies and instructions are dynamic, i.e. they are subject to amendment or review based on changing circumstances and accumulated experience.

Cross-business policies describe the framework according to which a specific product or credit activity must be organised across more than one business or within Fortis Bank as a whole.

Business-specific policies provide specific guidance on all aspects of a specific product or credit activity restricted to one business. They are formulated and developed within the business to ensure applicability and ownership. Instructions give detailed information on processes related to credit activities.

5.4.1.2 The credit lifecycle

The basis for effective credit risk management is the identification of existing and potential credit risk inherent in any product or activity. This process includes the gathering of all relevant information concerning the products offered, the counterparties involved and all other elements that may influence the credit risk.

Assessing the credit risk of a proposed agreement consists of:

- analysis of the probability that the counterparty will fail to meet its obligations, including the risk classification on the Fortis Bank Master scale
- analysis of the possibilities of fulfilling the counterparty's obligations by other means in the event that the counterparty fails to meet its obligations by itself
- formulation of an independent and substantiated opinion.

Counterparty acceptance criteria are the conditions that Fortis Bank applies to the acceptance of credit customers. These conditions reflect the general acceptable credit risk profile that Fortis Bank has defined. Fortis Bank operates in accordance with sound, well-defined credit-granting criteria in order to protect its reputation and ensure its sustainability. Fortis Bank does not wish to be associated with dubious counterparties or credit facilities. The counterparty acceptance criteria include a clear indication of the bank's target market and a thorough understanding of the borrower or counterparty, as well as of the purpose and structure of the credit and the source of its repayment. Core credit risk parameters included in the estimation of expected loss, unexpected loss, and economic capital are probability of default (PD), loss given default (LGD), and exposure at default (EAD).

Authorised persons or committees make a credit decision, informed by the opinion of a credit analyst. Delegation of credit authority is the partial transfer of the central credit decision-making authority to the appropriate management levels of credit risk management and the businesses. The delegation rules define the decision-making process regarding the acceptance and management of counterparty risk. The underlying principle in the rules is the need to achieve an appropriate balance (in terms of overall profitability) between two opposite drivers, i.e. maximising the decision-making autonomy of the businesses on the one hand and reducing unexpected counterparty risk on the other.

Monitoring of credit risk is the permanent and automatic control of credit exposures and events with the primary purpose of early detection and reporting of potential credit problems. Surveillance consists of daily monitoring of all individual credit risks. Comprehensive procedures and information systems monitor the condition of individual credits and single counterparties across the various portfolios. These procedures define criteria for identifying and reporting potential credit problems in order to ensure that they are subject to proper monitoring, possible corrective action and classification.

Impaired credits are transferred to the so-called 'Intensive Care' or 'Recovery'. Intensive Care develops strategies to rehabilitate an impaired credit or to increase the final repayment. It also provides assistance to the businesses in dealing with non-impaired problem loans. The Intensive Care function is segregated from the area that originated the credit. In the event that a counterparty fails to meet its obligations and is considered to be unable to meet them in the future, all other means must be applied in order to fulfil this counterparty's obligations towards Fortis Bank, such as selling or realising receivables, collateral or guarantees.

5.4.1.3 Credit risk exposure

Fortis Bank' overall credit risk exposure (before collateral held and other credit enhancements) is measured and presented as the principal amount of on-balance-sheet claims or off-balance sheet potential claims on customers and counterparties, as at 31 December. Credit risk exposure is presented based on the classification in the balance sheet, as this most accurately reflects the nature and characteristics of the exposure.

	2007	2006
Cash and cash equivalents (see note 13)	27,003	20,792
Impairments	(1)	(1)
Total net cash and cash equivalents	27,002	20,791
Assets held for trading		
Debt securities	22,011	22,453
Derivative financial instruments	28,926	21,550
Total assets held for trading (see note 14)	50,937	44,003
Due from banks		
Interest bearing deposits	8,041	4,964
Loans and advances	8,460	5,613
Reverse repurchase agreements	65,858	49,592
Securities borrowing transactions	27,404	24,425
Other	8,600	4,844
Total gross due from banks (see note 15)	118,363	89,438
Impairments	(17)	(25)
Total net due from banks	118,346	89,413
Due from customers		
Government and official institutions	5,343	5,313
Residential mortgages	95,445	89,322
Consumer loans	9,774	10,226
Commercial loans	138,696	110,650
Reverse repurchase agreements	28,186	37,649
Securities borrowing transactions	24,279	22,091
Other	15,581	12,827
Total gross due from customers (see note 16)	317,304	288,078
Impairments	(2,002)	(2,201)
Total net due from customers	315,302	285,877
Interest bearing investments		
Treasury bills	265	591
Government bonds	45,084	68,069
Corporate debt securities	25,924	26,427
Structured credit Instruments	36,152	36,339
Total gross interest bearing investments (see note 17)	107,425	131,426
Impairments	(2,435)	(11)
Total net interest bearing investments (see note 17)	104,990	131,415
Other receivables (see note 19)	6,555	6,127
Impairments	(9)	(22)
Total net Other receivables	6,546	6,105
Total on balance credit risk exposure	**627,587**	**579,864**
Off balance credit commitments exposure (see note 47)	**159,107**	**165,204**
Total credit risk exposure	**786,694**	**745,068**
Total on balance net credit risk exposure	**623,123**	**577,604**
Off balance net credit commitments exposure (see note 47)	**158,660**	**164,975**
Total net credit risk exposure	**781,783**	**742,579**

The overall growth of the credit portfolio results from an increase in Due from customers and Due from banks and a decrease in the investment portfolio. The growth in loans to banks was mainly driven by reverse repurchase and securities borrowing transactions. Loans and advances to customers rose by EUR 29 billion (+10.1%) during 2007 when excluding securities borrowing transactions and the impact of the diminishing reverse repurchase agreements. This increase was supported by all banking segments: Retail Banking with 8.4% growth mainly in residential mortgage, Merchant & Private Banking with 12.3% growth principally in commercial loans. Total net interest bearing investments decreased during 2007 by EUR 24 billion (-18%) especially within government bonds EUR -23 billion (representing 42% of the overall portfolio). The market events of the recent months have also affected the Structured credit instruments portfolio as detailed in the notes 5.4.1.10 and 17.4.

5.4.1.4 Credit Risk netting arrangements

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. However, Fortis Bank may also enter into netting arrangements that do not meet the criteria for offsetting under IFRS.

The table below provides information on the existence of such non-qualifying rights at year-end as well as on non-qualifying master netting agreements that serve to mitigate the exposure to credit loss. The financial assets reported below are those that are subject to a legal right of set-off against financial liabilities when such assets are not reported in the balance sheet on a net basis.

	2007	*2006*
Due from customers	12,376	9,972
Other assets	4	
Total credit risk exposure subject to a legally enforceable right of set-off	**12,380**	**9,972**
Credit risk exposure reduced by virtue of a master netting arrangement	24,179	47,282

5.4.1.5 Credit Risk Concentration

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

To avoid a casual credit risk concentration, Fortis Bank applies the concept of *'total one obligor'*. This implies that groups of connected counterparties are considered to be a single counterparty in the management of credit risk exposure. To manage the concentration of credit risk, Fortis Bank' credit risk management policy aims to spread the credit risk across different sectors and countries. The table below shows Fortis Bank' industry concentration of the customer credit portfolio at 31 December.

	2007		*2006*	
	Carrying amount Due from customers	*Total %*	*Carrying amount Due from customers*	*Total %*
Industry sector				
Agriculture, forestry and fishing	1,926	0.61%	1,341	0.47%
Oil and gas	4,910	1.56%	3,806	1.33%
Basic Metals	4,441	1.41%	3,301	1.15%
Raw & intermediate materials	971	0.31%	951	0.33%
Consumer goods	8,185	2.60%	6,901	2.41%
Wood, pulp and paper products	1,137	0.36%	907	0.32%
Technology, media and telecom	3,138	1.00%	2,961	1.04%
Electricity, gas and water supply	7,499	2.38%	5,062	1.77%
Chemicals, rubber and plastic products	6,161	1.95%	5,221	1.83%
Construction and engineering	6,735	2.14%	5,182	1.81%
Machinery and equipment	5,197	1.65%	4,389	1.54%
Automotive	3,890	1.23%	3,436	1.20%
Transportation	966	0.31%	968	0.34%
Trade and commodity finance	14,397	4.57%	10,456	3.66%
Retail	3,720	1.18%	2,886	1.01%
Real Estate	20,983	6.65%	16,591	5.80%
Financial Services	74,672	23.68%	76,917	26.91%
Holdings & other services	23,484	7.45%	16,956	5.93%
Pubic & social services	14,339	4.55%	13,444	4.70%
Private persons	104,179	33.04%	97,597	34.14%
Non-classified	4,372	1.39%	6,604	2.31%
Total	**315,302**	**100%**	**285,877**	**100%**
Impairments	**(2,002)**		**(2,201)**	
Total gross due from customers	**317,304**		**288,078**	

Two relatively significant concentrations in the exposure to customers can be noted in the sectors 'Financial Services' and 'Private persons', representing respectively 23.68% and 33.04% of the total customer loans. The first category consists mainly of non-banking financial institutions including investment and insurance companies. The decrease during 2007 in this sector was largely related to the reverse repurchase and securities borrowing portfolio. 'Private persons' consists of residential mortgage loans (91%) and consumer loans (9%). The growth of EUR 6.5 billion relative to the previous year is for 80% situated within the Benelux, the remaining part has been realised within other European countries.

The table below provides information on the concentration of on-balance credit risk by location of Fortis Bank entities as at 31 December.

	2007		2006	
	Credit risk exposure on balance	Percentage	Credit risk exposure on balance	Percentage
Location of the Fortis Bank entity				
Benelux	486,334	77.5%	469,521	81.0%
Other European countries	75,362	12.0%	56,761	9.8%
North America	50,205	8.0%	41,875	7.2%
Asia	14,610	2.3%	10,539	1.8%
Other	1,076	0.2%	1,168	0.2%
Total on balance	**627,587**	**100.0%**	**579,864**	**100.0%**

Main contributors for the 4% rise of the credit risk exposure in Benelux are commercial loans to customers and reverse repurchase agreements to banks. The growth has been more significant in the other European countries and more particularly in France, Poland and Turkey. Growth in US is driven by interbank activities and to a lesser extent by commercial loans.

The table below provides information on the concentration of on-balance credit risk by location of customer and type of counterparty as at 31 December.

	2007		2006	
	Credit risk exposure on balance	Percentage	Credit risk exposure on balance	Percentage
Location of the client				
Benelux	240,154	38.3%	236,764	40.8%
Other European countries	259,235	41.3%	253,660	43.7%
North America	95,329	15.2%	68,497	11.8%
Asia	19,650	3.1%	11,193	1.9%
Other	13,219	2.1%	9,750	1.8%
Total on balance	**627,587**	**100.0%**	**579,864**	**100.0%**

In the following table, Government and Official Institutions include mandatory reserve deposits with central banks (EUR 8.2 billion). Credit Institutions comprises Due from banks (including Cash & cash equivalents) and Debt securities issued by banks. Trading assets are reported in the column Other. The upward evolution in Credit Institutions in North America is mainly driven by the increase in security borrowing activities in US.

						2007
	Government and official institutions	*Credit institutions*	*Corporate customers*	*Retail customers*	*Other*	*Total*
On balance						
Benelux	25,049	9,882	92,334	97,202	15,687	240,154
Other European countries	32,503	106,141	87,486	6,189	26,916	259,235
North America	493	24,785	57,244	60	12,747	95,329
Asia	228	9,574	7,615	242	1,991	19,650
Other	1,983	2,768	7,050	140	1,278	13,219
Total on balance	**60,256**	**153,150**	**251,729**	**103,833**	**58,619**	**627,587**

						2006
	Government and official institutions	*Credit institutions*	*Corporate customers*	*Retail customers*	*Other*	*Total*
On balance						
Benelux	26,470	10,583	90,714	95,020	13,977	236,764
Other European countries	51,942	90,272	79,909	4,415	27,122	253,660
North America	894	13,525	46,927	61	7,089	68,496
Asia	257	4,942	4,623	271	1,099	11,192
Other	273	2,445	5,997	158	878	9,751
Total on balance	**79,836**	**121,767**	**228,170**	**99,925**	**50,165**	**579,863**

5.4.1.6 Country Risk

Country risk is defined as the risk that a counterparty is unable to honour its credit obligations due to political, social, economic or other events in that country. The emerging countries' risk profile is regularly assessed based on an evaluation of the political, economic and transfer and convertibility risks. This assessment is used to set country ratings.

In view of managing its exposure to country risk, Fortis Bank has established a set of maximum country risk levels for all emerging countries according to the country ratings and Fortis Bank' risk appetite. Exposures to individual emerging countries and cross-border exposure in aggregate are kept under continual review. Allocation to the country limits is based on the country of residence of the borrower, the nature of the transaction and the existence of guarantees or collaterals that allow the transfer of country risk.

5.4.1.7 Credit Risk rating

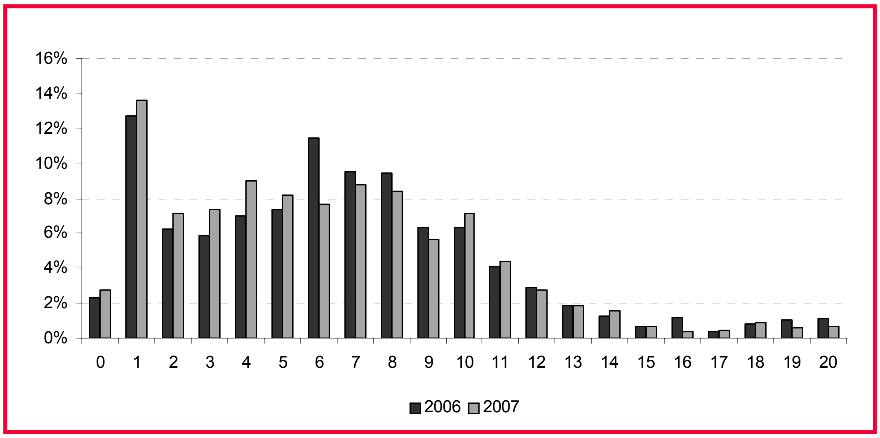
Credit Risk rating is a classification that results from the Risk Rating Assignment Process, which is based on a qualified assessment and formal evaluation. This classification is the result of:

- an analysis of each obligor's financial history and estimation of its ability to meet debt obligations in the future
- the quality and safety of an asset, based on the issuer's financial condition indicating the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments.

The ultimate goal of the process is to calculate the Expected Loss within one year for every given borrower or asset.

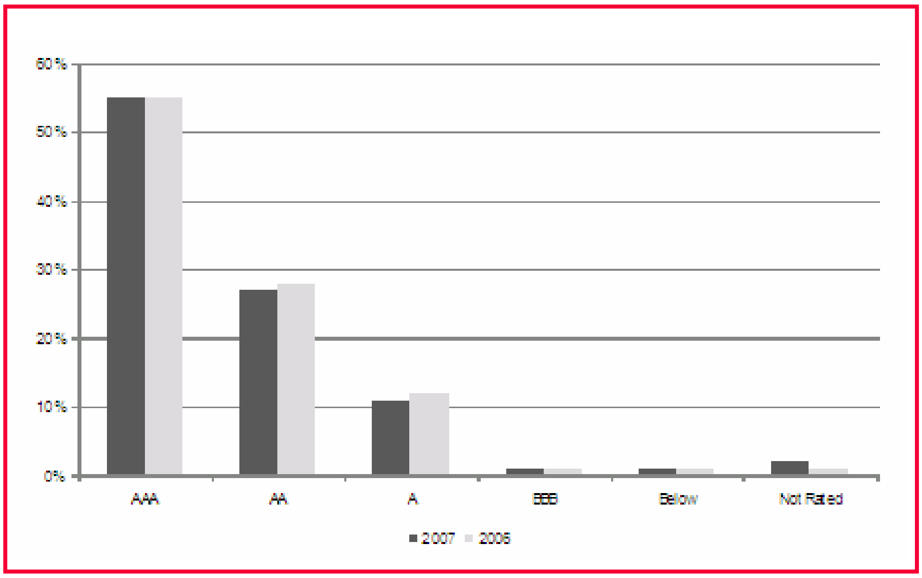
Fortis Bank has therefore drawn up a 'Master Scale', which ranges from 0 to 20 and gives an indication of the probability that a counterparty will default within one year. Master Scale ratings from 0 to 5 are considered investment grade, from 6 to 17 sub-investment grade and from 18 to 20 impaired loans.

The table below provides information on the quality of individually rated loans and off-balance-sheet credit commitments to customers (reverse repurchase agreements and securities borrowing transactions not included) according to the Fortis Bank Master Scale model.



The investment grade category (ratings 0 – 5) represents 48% of the loan and commitment portfolio in scope (2006: 42%), the sub-investment grade category (ratings 6 – 17) stands for 50% while the impaired loans amount to 2% (ratings 18 – 20).

The table below outlines the credit quality by investment grade of Fortis Bank's debt securities, excluding Debt securities included in Assets held for trading, as at 31 December 2007 based on external ratings.



The credit quality of Fortis Bank' debt securities in amounts by investment grade is as follows:

	2007		2006	
	Carrying value	*Percentage*	*Carrying value*	*Percentage*
Investment grade				
AAA	56,935	54.2%	72,448	55.1%
AA	31,724	30.2%	39,583	30.1%
A	12,812	12.2%	15,982	12.2%
BBB	742	0.7%	900	0.7%
Investment grade	102,213	97.3%	128,913	98.1%
Below investment grade	1,211	1.2%	1,142	0.9%
Unrated	1,566	1.5%	1,360	1.0%
Total investments in interest bearing securities net	104,990	100.0%	131,415	100.0%
Impairments	2,435		11	
Total investments in interest bearing securities gross	**107,425**		**131,426**	

5.4.1.8 Credit Risk mitigation

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

Collateral and guarantees received as security for financial assets and commitments are as follows:

		Collateral Received				
	Carrying amount	*Financial instruments*	*Property, plant & equipment*	*Collateral amounts in excess* [1)]	*Other collateral and guarantees*	*Unsecured exposure*
2007						
Cash and cash equivalents	27,003	18,741		8,920	1,372	15,810
Interest bearing investments	104,991	1,215				103,776
Due from banks	118,346	104,948	43	12,615	198	25,774
Due from customers						
Government and official institutions	5,340	13	10	3	2,504	4,704
Residential mortgage	95,380	534	108,936	25,538	2,653	9,183
Consumer loans	9,427	1,240	2,514	1,430	250	6,889
Commercial loans	137,191	22,258	42,099	12,157	24,046	62,991
Reverse repurchase agreements	28,186	28,764		1,590		1,012
Securities borrowing	24,279	22,692	5			1,582
Other loans	15,499	4,545	10,378	5,376	4,082	3,112
Total due from customers	315,302	80,046	163,942	46,094	33,535	89,473
Other receivables	6,546	2			423	6,121
Total on balance	572,188	204,952	163,985	67,629	35,528	240,954
Total off balance	158,660	5,522	11,508	4,796	1,593	144,832
Total credit exposure	**730,848**	**210,474**	**175,493**	**72,425**	**37,121**	**385,786**

		Collateral Received				
	Carrying amount	Financial instruments	Property, plant & equipment	Collateral amounts in excess [1]	Other collateral and guarantees	Unsecured exposure
2006						
Cash and cash equivalents	20,792	10,570		8,744	1,103	17,863
Interest bearing investments	131,416	1				131,415
Due from banks	89,413	81,142	53	8,267	118	16,368
Due from customers						
Government and official institutions	5,306	15	10		1,133	4,856
Residential mortgage	89,247	681	102,664	24,142	1,424	8,764
Consumer loans	9,951	1,005	1,217	62	1,250	6,556
Commercial loans	109,027	22,568	40,401	10,064	18,902	38,312
Reverse repurchase agreements	37,649	41,503		4,440		586
Securities borrowing	22,091	17,566				4,525
Other loans	12,605	3,470	9,685	4,879	2,400	1,935
Total due from customers	285,876	86,808	153,977	43,587	25,109	65,534
Other receivables	6,105	13		12	363	5,741
Total on balance	533,602	178,534	154,030	60,610	26,693	236,921
Total off balance	164,974	4,819	12,885	1,030	2,337	145,974
Total credit exposure	**698,576**	**183,353**	**166,915**	**61,640**	**29,030**	**382,895**

1) 'Collateral and guarantees received in excess of credit exposure' equals the aggregated surplus of security received on an individual contract basis.

Collateral value is determined by means of a prudent valuation approach based on a range of criteria, including the nature and specific type of the collateral, its liquidity, and the volatility of its price. It also incorporates the forced sale context in which the collateral would be required to be realised and the degree of priority of Fortis Bank' rights. In addition to the above mentioned collateral Fortis Bank has received collateral mainly relating to reverse repurchase agreements and securities borrowing which Fortis Bank is permitted to sell or repledge.

5.4.1.9 Credit risk optimisation

Optimisation of credit portfolio management requires the use of efficient hedging techniques to avoid concentration or unwanted exposure in the loan or debt security portfolio. For this purpose, Fortis Bank uses mainly single name Credit Default Swaps (CDS). Portfolio optimisation is achieved not only with short positions (protection bought) but may also involve long positions (protection sold) or a combination of both.

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

The growth of Fortis Bank' commercial assets is exceeding the growth of its retail business. In order to support its business development while meeting regulatory capital requirements, Fortis Bank has launched several securitisation programmes mainly based on its Dutch residential mortgage portfolio. The related securitisation vehicles are fully consolidated and, hence, the securitised assets are reported on-balance in the Consolidated Financial Statements.

Securitisation is also an important financing alternative for the Bank's clients. In particular, financing via Scaldis Capital Limited ('Scaldis'), an ABCP vehicle sponsored by the Bank, gives clients of Fortis Bank's Corporate & Institutional Banking unit ('CIB') access to cheap and efficient financing. On 31 December 2007, the total face amount of the CP issuance of Scaldis was USD 26.3 billion (EUR 17.8 billion) of which USD 9 billion (EUR 6.1 billion) where secured by financial assets from clients.

5.4.1.10 Strucured Credit Instruments

Structured credit instruments (SCI) are securities created by repackaging cash flows from financial contracts.
These instruments encompass asset-backed securities (ABS), mortgage-backed securities (MBS) and collateralised debt obligations (CDO). ABS are issues backed by loans (other than mortgages), receivables or leases, MBS are issues backed by mortgage loans and CDO are a class of asset-backed securities and another term for bonds backed by a pool of bonds (CBO), loans (CLO) and other assets such as swaps (CSO). Payment of the principal and interest of the CDO is financed with the cash flows generated by the underlying financial assets.
Fortis Bank is active in the ABS and MBS market as issuer, placement agent, collateral manager, arranger, trader and investor.

Fortis Bank structured credit portfolio can be divided into 5 main sub-portfolios, each with its own business model philosophy towards trading, structuring, securitisation and investment approach and backed by a different strategy:

- ABS positions within Fortis Banking' credit trading book
- ABS positions within the Fortis Banking' investment book
- US structured credits (CDO origination)
- Asset pools (Scaldis)

ABS positions within the Fortis Banking investment book
Fortis Bank is a large investor in the international ABS market (both direct on-balance sheet and via its sponsored ABCP vehicle Scaldis). The overwhelming majority of ABS (>95%) are rated AAA. The portfolio is invested in a wide variety of different ABS/MBS asset classifications, with a clear focus on granularity of deal ticket size and diversification by asset type and geographic distribution, ranging from European Prime RMBS, to US Student Loans, Credit Cards, Commercial MBS, CLOs, Consumer ABS, SMEs, Small Business Loans to US RMBS.

US structured credits (CDO origination)
Fortis Bank, as arranging bank, has structured and launched both classic and synthetic CDO. The main risk of this activity arises from the temporary warehousing of third party client assets (such as RMBS, ABS, CDOs, leverage loans) on the balance sheet until securitising (repackaging) into CDO/CLO. Warehousing of the assets during the structuring phase of the CDO is subject to stringent limits.

The recent credit market turmoil has led to a standstill of this activity. Retained positions and stopped warehouses became part of the distressed portfolio. Exposure is under close scrutiny of the Structured Credit Management team, which ensures focus on surveillance, monitoring, management and reporting.

In addition to a well-organised credit approval processes, conservative portfolio selection and an in-depth deal analysis, Fortis Bank' structured credits are overweight in senior levels and AAA-rated securities. This automatically leads to a substantial level of embedded credit enhancement and structural support in order to mitigate a large portion of the potential credit risk.

Fortis Bank' credit risk exposures arising from the abovementioned transactions as of year-end 2007 and the valuation methods applied are described in note 17.4 Structured Credit Instruments.

5.4.1.11 Management of problem loans and impairments
Problem loans are exposures for which the counterparty has become impaired. They include exposures for which signals have been detected indicating that the counterparty may become impaired in the future.

Problem loans are classified into different risk categories for individual counterparties and arrears buckets for groups of aggregated counterparties in order to optimise monitoring and review of these loans. Problem loans with ratings 18, 19 and 20 according to the Fortis Bank Master Scale have defaulted and are impaired. Other problem loans are still non-impaired. The accrued risk profile of problem loans makes it imperative that the Risk Management function is involved in handling these loans.

Past due credit exposure

A financial asset is past due if a counterparty has failed to make a payment when contractually due or if it has exceeded an advised limit or has been advised of a limit smaller than its current outstanding. Financial assets which have reached the 90-days past due trigger are automatically classified as impaired.

The table below provides information on the ageing of past due financial assets not classified as impaired (financial assets which have reached the 90-days past due trigger are therefore not included).

	2007					2006				
	Carrying amount of assets (not classified as impaired)	*< = 30 days past due*	*> 30 days & < = 60 days past due*	*> 60 days past due*	*Total*	*Carrying amount of assets (not classified as impaired)*	*< = 30 days past due*	*> 30 days & < = 60 days past due*	*> 60 days past due*	*Total*
Cash and cash equivalents	27,003					20,792				
Interest bearing investments	101,247	7			7	131,409	10			10
Due from banks	118,332	1			1	89,412	22			22
Due from customers										
Government and official institutions	5,325	10		125	135	5,303	12		88	100
Residential mortgage	94,165	993	94	22	1,109	88,022	859	120	86	1,065
Consumer loans	9,131	508	102	41	651	9,640	446	87	36	569
Commercial loans	135,686	4,114	417	606	5,137	107,345	3,195	438	1,000	4,633
Other	67,701	79	8	10	97	72,094	94	10	23	127
Total due from customers	312,008	5,704	621	804	7,129	282,404	4,606	655	1,233	6,494
Other receivables	6,533	318	57	82	457	6,095	246	77	108	431
Total on balance	**565,123**	**6,030**	**678**	**886**	**7,594**	**530,112**	**4,884**	**732**	**1,341**	**6,957**

Collateral and guarantees received as security for past due but not impaired financial assets are detailed below:

					Collateral received	
2007	*Carrying amount*	*Financial Instruments*	*Property, plant & equipment*	*Other collateral and guarantees*	*Collateral and guarantees received in excess of credit exposure* [1]	*Unsecured exposure*
Cash and cash equivalents						
Interest bearing investments	7					7
Due from banks	2					2
Due from customers						
Government and official institutions	135				119	20
Residential mortgage	1,109	5	1,239	347	23	201
Consumer loans	651	18	302	237	30	556
Commercial loans	5,137	720	1,781	1,459	875	3,960
Reverse repurchase agreements						
Securities borrowing						
Other loans	97	290	24	263		46
Total due from customers	7,129	1,033	3,346	2,306	1,047	4,783
Other receivables	456				260	198
Total on balance	**7,594**	**1,033**	**3,346**	**2,306**	**1,307**	**4,990**
2006						
Cash and cash equivalents						
Interest bearing investments	10					10
Due from banks	22					22
Due from customers						
Government and official institutions	101				5	96
Residential mortgage	1,064	3	1,067	195	3	186
Consumer loans	569	21	147	122	39	487
Commercial loans	4,633	453	922	789	238	3,931
Reverse repurchase agreements						
Securities borrowing						
Other loans	127	222	32	200	271	51
Total due from customers	6,494	699	2,168	1,306	556	4,751
Other receivables	430				337	95
Total on balance	**6,956**	**699**	**2,168**	**1,306**	**893**	**4,878**

1) *'Collateral and guarantees received in excess of credit exposure' equals the aggregated surplus of security received on an individual contract basis.*

Impaired credit exposure

A financial asset is classified as impaired if one or more loss events are identified which have a negative impact on the estimated future cash flows related to that financial asset.

Events considered to be loss events include situations where:

- the counterparty is unlikely to pay in full its credit obligations to Fortis Bank, without recourse by Fortis Bank to actions such as realising collateral
- the counterparty has a material credit obligation which is past due for more than 90 days (overdrafts will be considered as being overdue once the customer has exceeded an advised limit or been advised of a limit smaller than that currently outstanding).

In practice, Fortis Bank classifies loans as impaired in response to a series of obligatory and judgement-based triggers. Obligatory triggers result in the counterparty being classified as impaired and include bankruptcy, financial restructuring and 90 days past due. Judgement-based triggers include, but are not limited to, elements such as negative equity, regular payment problems, improper use of credit lines and legal action by other creditors. They could – but do not necessarily – result in the counterparty being classified as impaired.

Loan or Debt Restructuring is the change of one or more terms of an existing loan or debt agreement for economic or legal reasons related to the debtor's financial difficulties. The change can imply, among other things, modification of the repayment schedule and/or interest rate or an addition of sureties or borrowers. In order to limit losses, the change can imply that the creditor grant a concession to the debtor that he would not otherwise consider, e.g. an absolute or contingent reduction of interest rate, debt amount or accrued interest or a combination of the three. A loan or debt restructuring process in itself does not constitute a trigger for changing a loan’s status from impaired to normal; restructured loans or debts therefore do not automatically elude their impaired status after restructuring. As a consequence, the performing loan portfolio (i.e. non-impaired) contains no material credit exposure with respect to such restructured loans or debts as at 31 December 2007.

Impairment for specific credit risk is established if there is objective evidence that Fortis Bank will not be able to collect all amounts due in accordance with contractual terms. The amount of the impairment is the difference between the carrying amount and the recoverable amount, i.e. the present value of expected cash flows and the collateral value less selling costs, if the loan is secured.

The table below provides information on impairments and the impaired credit risk exposure as at 31 December.

	2007			2006		
	Impaired outstanding	*Impairments for specific credit risk*	*Coverage ratio*	*Impaired outstanding*	*Impairments for specific credit risk*	*Coverage ratio*
Interest bearing investments	6,178	(2,434)	39.4%	17	(11)	64.7%
Due from banks	31	(12)	38.7%	26	(17)	65.4%
Due from customers						
Government and official institutions	18	(2)	11.1%	10	(6)	60.0%
Residential mortgages	1,280	(42)	3.3%	1,300	(46)	3.5%
Consumer loans	643	(314)	48.8%	586	(246)	42.0%
Commercial loans	3,010	(1,355)	45.0%	3,305	(1,477)	44.7%
Other	345	(65)	18.8%	473	(101)	21.4%
Total due from customers	5,296	(1,778)	33.6%	5,674	(1,876)	33.1%
Other receivables	22	(9)	40.9%	32	(21)	65.6%
Total on balance	11,527	(4,233)	36.7%	5,749	(1,925)	33.5%
Total off balance	610	(398)	65.2%	365	(150)	41.1%
Total	**12,137**	**(4,631)**	**38.2%**	**6,114**	**(2,075)**	**33.9%**

When excluding the impact of the subprime crisis on the restructured credit portfolio (see Notes 5.4.1.10 and 17.4), impaired financial assets went down by 2% during the year 2007. This evolution was mainly driven by the improved performance in the Residential mortgage portfolio, in commercial loans and in the lease and factoring activities. Overall, the ‘Due from customers’ portfolio shows a stable coverage ratio of 34% compared to previous year.

The following table provides details on collateral and guarantees received as security for financial assets and commitments classified as impaired.

2007	Impaired outstanding	Collateral received: Financial instruments	Collateral received: Property, plant & equipment	Collateral received: Other collateral and guarantees	Collateral and guaranteess received in excess of the secured impaired credit exposure 1)	Unsecured exposure
Cash and cash equivalents						
Interest bearing investments	6,178					6,178
Due from banks	31					31
Due from customers						
Government and official institutions	18				3	16
Residential mortgage	1,280	6	1,506	397	70	134
Consumer loans	643	9	75	36	8	587
Commercial loans	3,010	287	1,376	953	490	2,160
Reverse repurchase agreements						
Securities borrowing						
Other loans	345	174	122	67	16	100
Total due from customers	5,296	476	3,079	1,453	587	2,997
Other receivables	22				13	9
Total on balance	11,527	476	3,079	1,453	601	9,215
Total off balance	610	42	290	272	112	530
Total	**12,137**	**518**	**3,369**	**1,725**	**713**	**9,745**

				Collateral received	Collateral and guaranteess received in excess of the	
2006	*Impaired outstanding*	*Financial instruments*	*Property, plant & equipment*	*Other collateral and guarantees*	*secured impaired credit exposure* [1)]	*Unsecured exposure*
Cash and cash equivalents						
Interest bearing investments	17					17
Due from banks	26					26
Due from customers						
Government and official institutions	10				3	8
Residential mortgage	1,300	7	1,343	283	81	196
Consumer loans	586	14	47	9	8	528
Commercial loans	3,305	239	1,295	871	419	2,459
Reverse repurchase agreements						
Securities borrowing						
Other loans	473	154	73	59	56	262
Total due from customers	5,674	414	2,758	1,222	567	3,453
Other receivables	32				15	13
Total on balance	5,749	414	2,758	1,222	582	3,509
Total off balance	365	38	160	158	61	316
Total	**6,114**	**452**	**2,918**	**1,380**	**643**	**3,825**

1) 'Collateral and guarantees received in excess of credit exposure' equals the aggregated surplus of security received on an individual contract basis.

The table below provides information on the duration of impairment, i.e. the period between the financial asset's first impairment event and 31 December.

	2007				2006			
	< 1 year impaired	> 1 year < 5 years impaired	> 5 years impaired	Total	< 1 year impaired	> 1 year < 5 years impaired	> 5 years impaired	Total
Cash and cash equivalents								
Interest bearing investments	6,158	6	14	6,178			17	17
Due from banks	1	8	22	31		2	24	25
Due from customers								
Government and official institutions	10	4	4	18	1	3	5	10
Residential mortgage	787	457	36	1,280	737	534	30	1,300
Consumer loans	374	253	16	643	250	283	53	586
Commercial loans	1,151	1,204	655	3,009	1,045	1,603	657	3,305
Other	200	97	48	345	290	174	9	473
Total due from customers	2,522	2,015	759	5,295	2,323	2,597	754	5,674
Other receivables	17	5	1	22	25	7		32
Total on balance	8,698	2,034	796	11,526	2,348	2,606	795	5,749
Total off balance	241	314	55	610	118	211	36	365
Total	**8,939**	**2,348**	**851**	**12,136**	**2,466**	**2,817**	**831**	**6,114**

Write-offs are based on Fortis Bank' latest estimate of its recovery and represent the loss that Fortis Bank considers it will incur. Conditions for write-off may be that the obligor's bankruptcy proceedings have been finalised and securities have been exhausted, the obligor and/or guarantors are insolvent, all normal recovery efforts have been exhausted, or the economic loss term (i.e. the term within which all expenses will exceed the amount of recovery) has been reached.

Incurred but not reported impairments

Incurred but not reported (IBNR) impairments on loans represents losses inherent in components of the performing loan portfolio that have not yet been specifically identified.

The scope of the calculation of the IBNR impairments covers all financial assets found not to be individually impaired from the categories Due from customers and Due from banks. All related off-balance items such as unused credit facilities and credit commitments are also included.

The IBNR calculation combines the Basel II concept of expected loss on a one-year time horizon with intrinsic elements such as incubation period, macroeconomic factors and expert views. In the context of IAS 39 and in view of recent developments which have lead to even more increased risk awareness, the Fortis Bank IBNR calculation method has been fine tuned.

IBNR is calculated on the performing loan portfolio. IBNR amounted to EUR 278 million at the end of 2007 compared to EUR 413 million at the end of the previous year. This decrease reflects the more stringent policy regarding credit renewals. Details relating to IBNR impairments are provided in the notes 15, 16, 17 and 47.

5.4.2 Market Risk

Market risk is the potential for loss resulting from unfavourable market movements, which can arise from trading or holding positions in financial instruments. Market risk can come from many different sources, including:

- interest rate fluctuations that affect bonds, other fixed-income assets
- change in price level of securities that affect the value of trading and investment portfolios
- foreign exchange fluctuations that affect future non-hedged cash flows
- changes in volatility of interest rates or securities prices that affect the values of options or other derivatives
- prepayment risk, deposit runs or other adverse customer behaviour linked to evolution of market factors.

Market risk is broken down into two types, ALM risk and trading risk, depending on the purpose of the position taken. Positions taken with the aim of making short-term profit pertain to trading risk; all other positions are addressed under ALM risk.

ALM Risk : the risk that the market value of assets net of liabilities decreases due to changes in interest rates, credit spreads, equity markets, foreign exchange rates, real estate prices or other market factors. The market value of assets, net of liabilities, is measured as an economic view of the company’s equity. A decrease in the market value of assets net of liabilities directly decreases a company’s total value, even if it does not suffer any losses on an earnings or cash-flow basis.

Trading risk *:* a trading portfolio is exposed to various sources of risk arising from changes in interest rates, foreign exchange rates, equity prices and commodity & energy prices, volatilities, spreads (bid/offer), credit spreads, dividends levels or other tradable characteristics. Trading risk is the risk of negative change in the total value of the portfolio in response to fluctuations in these risk factors.

5.4.2.1 ALM Risk

ALM Risk Management

ALM risk is managed within a single framework and measured using consistent methods (e.g. fair value calculations, stress tests, worst-case sensitivities). The mission of the central ALM function is to support, on an accurate and timely basis, management’s understanding of market risk exposures undertaken in Fortis Bank’ balance sheet and its underlying entities. This includes ensuring that global asset allocation is in line with the strategy of the group and applying the concept of global limits to all types of market risk related to the balance sheet. ALM Risk focuses on value and earnings changes implied by volatility in interest rates, exchange rates, share prices and real estate prices. The risk of changes in volatility and credit spreads is not taken into account in these figures.

Bank ALM

The ALM team operates centrally and is organised around four pillars: data gathering, modelling and measuring analysis, reporting and transfer price (implementing internal transfer prices in the different business lines). This function's main responsibilities are:

- to establish a framework for risk management and control of all the banking activities with an inherent market risk
- to ensure a global asset allocation that is consistent with the strategy
- to apply the concept of global limits to all types of market risk related to the banking book
- to define the methodology for setting internal transfer pricing and apply it to the different banking businesses, and to closely monitor regulatory solvency, assess the evolution of the CAD ratios and propose strategies concerning additional components of regulatory equity such as subordinated loans and hybrid financing.

ALM risk assessment

ALM risks are assessed, monitored and reported according to the following types of sub-risk: interest rate risk, foreign exchange risk (also referred to as currency risk), equity securities risk and real estate risk.

The four main sources of interest rate risk are:

- repricing risk, due to a mismatch of interest rate repricing between assets and liabilities (usual mismatch)
- changes in the structure of yield curves (parallel, flattening or steepening shifts)
- basis risk resulting from the imperfect correlation between different reference rates (for example swap rates and government bond yields)
- optionality: on the asset side, certain financial instruments carry embedded options (hidden or explicit) that will be exercised depending on movements in interest rates.

All figures presented in this section are before taxation.

ALM Risk measurement, monitoring and reporting

Interest Rate Risk

Fortis Bank measures, monitors and controls its ALM interest rate risk using the following indicators:

- cash-flow gap analysis
- duration of equity
- interest rate sensitivity of the fair value of equity
- Value at Risk (VaR)
- Earnings at Risk (EaR).

Cash Flow Gap Analysis - This illustrates the profile of the interest rate exposure over time and is used to quantify and compare interest rate-sensitive asset and liability exposures by different time buckets. The cash-flow gap highlights the mismatch between asset and liability exposures at different maturities.

The tables below show Fortis Bank' exposure to interest rate risk. The interest-sensitivity gap for a given time period is the difference between the amounts to be received and the amounts to be paid in that period.

Cash flows of assets and liabilities are classified by the expected repricing or maturity date, whichever is earlier. For assets and liabilities without maturity, the projected cash flows reflect the interest-rate sensitivity of the product. Products without maturity such as savings and current accounts have a significant part of the outstanding volumes that is stable on a long-term basis and considered to be long-term funding. The derivatives are principally used to reduce Fortis Bank' exposure to interest rate changes. Their notional value is reported separately in the table. As shown in the table below, internal transactions between Fortis Bank' Banking segments are not fully eliminated.

A positive (negative) amount means a net receiving (paying) position in derivatives. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature are important factors in assessing Fortis Bank' exposure to changes in interest rates.

At 31 December 2007:

	<1 month	*1-3 months*	*3-12 months*	*1-3 years*	*3-5 years*	*5-10 years*	*>10 years*
Banking							
Assets	525,142	159,276	124,466	71,294	63,528	76,368	38,445
Liabilities	(610,370)	(168,904)	(96,982)	(54,667)	(48,838)	(58,636)	(23,326)
Gap Assets - Liabilities	(85,228)	(9,628)	27,483	16,627	14,690	17,733	15,120
Derivatives	23,071	11,602	5,414	(5,041)	(9,682)	(12,670)	(12,598)
Total Gap	(62,157)	1,974	32,897	11,586	4,828	5,062	2,522

At 31 December 2006:

	<1 month	*1-3 months*	*3-12 months*	*1-3 years*	*3-5 years*	*5-10 years*	*>10 years*
Banking							
Assets	316,250	124,654	117,517	73,516	57,111	82,141	30,062
Liabilities	(398,375)	(129,610)	(91,704)	(54,851)	(48,693)	(58,027)	(19,394)
Gap Assets - Liabilities	(82,125)	(4,956)	25,813	18,665	8,417	24,114	10,668
Derivatives	21,159	14,606	457	(8,479)	(4,136)	(12,317)	(11,352)
Total Gap	(60,966)	9,650	26,270	10,186	4,281	11,797	(684)

As more liabilities than assets are repriced in the short term, the derivatives position clearly has a risk reducing effect on the total gap.

Duration of equity - Duration is a measure of the average timing of cash flows from an asset or a liability portfolio. It is computed on the basis of the net present values (NPV) of the cash flows (principal and interest). The NPV is calculated based on client rates.

Duration of equity is an application of duration analysis and measures Fortis Bank' consolidated interest rate sensitivity. It is measured as the difference between the present value of the future weighted cash flows generated by the assets and the present value of the future weighted cash flow from the liabilities. The duration of equity is an overall indicator of the mismatch in duration of assets and liabilities.

Duration of equity is used as a key indicator for the interest rate risk. It reflects the value sensitivity to a small parallel interest rate shift Δi:

$$\frac{\Delta Value}{Value} = -Duration \cdot \Delta i$$

Consequently, the following characteristics of this indicator can be derived:

- a positive (negative) duration leads to a decrease (increase) in value when rates increase (Δi positive)
- the higher the absolute value of the duration, the higher the sensitivity of the value to an interest rate movement.

Duration of equity is the duration that should be attributed to the difference between the value of assets and the value of liabilities in order to make the total balance sheet insensitive to interest rate changes.

The following table shows the mismatch between the weighted durations of assets and liabilities. The bank has a positive duration of equity. This means that an increase in interest rates leads to a decrease in value for the bank.

	2007	2006
Duration of Equity (in years):		
Banking	5,54	5,50

At Banking, the duration of equity remained stable. Historically the duration of equity at Banking is still at a very low level and comfortably below the limit.
While the duration of equity measures the sensitivity of the value to very small interest rate movements, Fortis Bank follows the variability of the value for bigger interest-rate shocks. This is shown in the following section.

Interest rate sensitivity of the Fair Value of equity - This approach consists of applying stress tests of +/- 100bp to the fair value of an instrument or portfolio.

The table below shows the impact of an approximate 100 basis-point shift in the yield curve on the fair value of equity, i.e. the fair value of all assets minus the fair value of all liabilities.

	+100bp	-100bp
Banking	- 6,7%	6,5%

A parallel shift of interest rates of 100 bp will lead to a change in fair value of approximately 7% of total fair value.

Currency Risk

Any financial product is denominated in a specific currency. currency risk stems from a change in the exchange rate of that currency to the functional currency of Fortis Bank (euro).

No currency risk is taken in the ALM Bank position due to the application of the following principles:

- Loans and bond investments in currencies other than the functional currency of Fortis Bank must be hedged by a funding in the corresponding currency.
- Participating interests in currencies other than the functional currency of Fortis Bank must be hedged by a funding in the corresponding currency. The Fortis Bank policy for Banking activities is to hedge via short-term funding in the corresponding currency where possible. Net investment hedge accounting is applied.
- The results of branches and subsidiaries in currencies other than the functional currency of Fortis Bank activities are hedged on a monthly basis.

Exceptions to this general rule must be approved by the ALM & MPC Committee.

The table below shows the exceptional currency risk exposures to foreign currencies as at 31 December 2007.

Currency	*Exposure in foreign currency (in million)*	*Exposure in EUR (in million)*
TRY	1,160	674
TWD	396	8

The remaining open currency risk positions are due to partial hedging of the participating interest in Fortis Bank Turkey and a small interest in Dryden Wealth Management Taiwan not hedged.

Other sub-risk types

In addition to interest rate risk and currency risk, ALM risk also encompasses equity securities risk and real estate risk. Equity securities risk is the risk of losses due to unfavourable movements on equity markets. Similarly, real estate risk is the risk of losses due to unfavourable movements in real estate prices. These risk factors are monitored through risk indicators such as Value at Risk and Earnings at Risk.

Value at Risk (VaR) - Value at Risk (VaR) is a statistical estimation that quantifies a possible maximum loss for a given probability and time horizon. In principle, this concept could apply to all kinds of risks.

The table below shows the maximum loss in the event of a worst-case scenario[1)] given a Value at Risk model (on a timeframe of one year and a confidence interval of 99.97% - volatility risk is not taken into account in these figures).

Equity-market risk	7%
Interest-rate risk	26%
Real-estate risk	0%
Currency risk	1%

As shown in the table above, the main exposure at Banking is interest rate risk. Equity market risk is smaller and is based on the equity securities position as reported under IFRS. The currency risk position is mainly a TRY risk position. Real estate risk is not material. Currency risk stems partly from the interests in international companies. Overall equity market and interest rate risks are the main risk factors for Fortis Bank as a whole.

2) *Worst-case scenarios are based on assumptions linked to a probability distribution which takes into account 10-year historical observations.*

Earnings-at-Risk - Earnings at Risk measures the sensitivity of future IFRS net income to hypothetical adverse changes in interest rates or equity market prices. Earnings at Risk assesses the impact of stress tests on the projected IFRS net income before tax.

+100bp	(2.0%)
-100bp	2.0%
shares -20%	(11.0%)

The interest margin in the earnings at risk simulation is calculated with a constant duration of equity over the whole year. The sensitivity of the 'Treasury & Trading' position is out of scope

ALM Risk – Stress Testing

When markets experience sudden, exceptional, or catastrophic events, stress analysis is required in order to evaluate the underlying risk. ALM has developed a scenario analysis programme to identify and estimate various stressed market scenarios and their potential impact on the balance sheet value and on earnings.

Stress scenario analysis is performed on a quarterly basis for both Earning and Value Reporting. There are no formal limits in place based on those. ALM currently follows the market risk of the Banking book of the balance sheet: interest rate risk, currency risk and equity risk in the Banking book.

ALM therefore designed its stress tests only on the basis of these three underlying risks. Precise volatility has not been integrated in the scope. The following three types of scenarios have been implemented: standardised, historical and forward-looking internal models.

The Standardised Stress-Tests

With a view to managing its risks adequately, Fortis Bank analyses the results of its internal measurement systems, expressed in terms of the change in economic value relative to capital, using a standardised interest rate shock.[2)] The standardised stress test reflects only a rough estimation of the risks of the balance sheet.

Historical Crisis Stress-Tests Scenarios

Historical scenarios are useful because they reflect market moves that actually happened, and therefore have a measure of both objectivity and credibility. The only weakness is that they reflect an economic reality that may no longer be relevant.

ALM Internal models for Stress Tests

Fortis Bank has designed a common set of stress scenarios based on an internal model and a common methodology to all the different entities of Fortis. The stress scenarios are based on a quantitative backward-looking model, taking into account six interest rate scenarios, in conjunction with moves in foreign exchange rates and equity market.

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4) Fortis also provides these results to the regulators in order to facilitate supervisors' monitoring of interest rate risk exposures across institutions.

ALM Risk – Risk Mitigating Strategies

Interest rate risk is mitigated using a range of different instruments, the most important of which are derivatives, primarily interest rate swaps and options. Interest rate swaps are used to change the linear risk profile mainly caused by long-term assets such as fixed-rate mortgages and long-term liabilities, e.g. subordinated liabilities. Options are used to reduce the non-linear risk, which is mainly caused by embedded options sold to clients, e.g. caps and prepayment options.

As a result of a hedge, the economic impact of changes in the hedged item's net present value (NPV), caused by changes in the appropriate benchmark interest rate curve, is reduced by offsetting changes in the NPV of the hedging derivative financial instrument.

The risk being hedged is the interest rate risk, more specifically fair value changes of fixed rate assets and liabilities due to changes in the designated benchmark interest rate. The designated interest rate is the rate prevailing in the hedging instrument, so that any changes in fair value of the hedged item due to credit risk above that inherent in the hedging instrument is excluded from the hedged risk.

Due to the strict rules governing the use of hedge accounting, not all economic hedges covering Fortis Bank interest rate risk exposure qualify as hedges under IFRS. For example, options used for economic hedging do not qualify as hedges. This means that, although an economic hedge exists, for accounting purposes Fortis Bank will bear the impact of the changes in the fair value of these options in profit or loss. This is the case, for example, for floating-rate mortgages where the caps are hedged using options. The fact that these options do not qualify as hedges under IFRS will lead to additional accounting volatility in profit or loss.

The table below gives an overview of the portfolio hedge accounting applied to ALM positions.

Hedge items	*Hedging instruments*	*Hedge risk* [1)]
Mortgages	payer swaps	(23.4)
Bonds	payer swaps	(1.6)
Fixed rate liabilities	receiver swaps	2.2

1) Impact in EUR million on fair value of 1bp parallel shift of the yield curve.

The ALM derivatives position at 31 December 2007 is characterised by a potential impact of EUR 23 million (before taxation) by a 1 bp yield curve shift. Portfolio hedging reduces most of this profit or loss volatility. At year end 2007 the open derivatives position was EUR 0,5 million (before taxation) for a 1 bp yield shift. During 2007 the change in the fair value of the derivatives included in hedge accounting was EUR 990 million and the fair value change of the hedged item was EUR 945 million, largely reducing the volatility in the income statement.

5.4.2.2 Trading Risk

Trading risk refers to the potential losses resulting from unfavourable market movements, which can arise from trading positions held in financial instruments. In other words, trading risk arises in the trading portfolio due to changes in the market price of positions held in capital market instruments, including commodity securities.

Fortis Bank' trading risk activities consist of client-related trading activities as well as proprietary trading activities. They cover almost the full spectrum of instruments available on modern financial markets and occur in the dealing rooms of Brussels, Luxembourg, Amsterdam, New York, Houston, Hong Kong, Singapore, Taipei, Shanghai, London, Istanbul and Warsaw. All desks in the local dealing rooms report to Brussels.

Trading risk is a part of the Merchant Banking activities, for which the daily outcome of transactions depends on developments in market prices, currency rates, interest rates, credit spreads, equity securities, commodities and energy prices.

Trading risk management

Risk taking is based on a three-pillar Merchant Banking risk structure: risk management organisation, risk policies and risk decision procedures. Independent risk management provides information about the Merchant Banking risk profile to the Merchant Banking management team, Merchant Banking Risk Committees and Central Risk Management (CRM). Integrated risk management systems are installed in order to analyse and measure the variety of risk systematically.

Fortis Bank has established limits to define the risk tolerance and to keep trading risk exposure under control. Several risk parameters exist, to cover all risk characteristics of exposures such as position (modified duration, delta, vega), Value at Risk, stress test and concentration limits. All limits are reviewed once a year in connection with the average limit use, past performance, volatility of income and the new budget.

Risk information from all locations is centralised in one global risk database. All dealing rooms will be gradually integrated while front-office information technology systems are centralised.

Trading risk measurement and monitoring

Fortis Bank applies the Value at Risk (VaR) method based on the Extreme Value Distribution (EVD) historical simulation mode with full revaluation of derivative products, usually referred to as historical VaR. The historical VaR is now the target approach for trading risk measurement worldwide

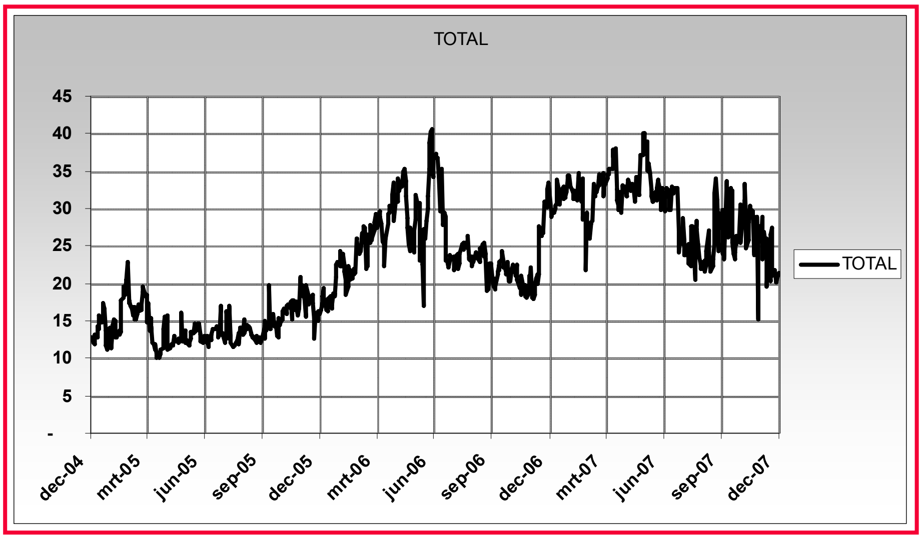
To calculate the historical VaR for the majority of products and activities, Risk Management uses a tailor-made system called MrMa (Market risk Management application). This system supports the following trading risk management functions:

- official (end-of-day) Mark to Market (MtM) revaluation
- stress testing and sensitivity analysis
- back-testing.

The historical VaR calculations in MrMa are based directly on the returns of each individual instrument of the portfolio (and not on an 'associated index + spread' solution). By using the Extreme Value Theory, data in the tail is used more efficiently.

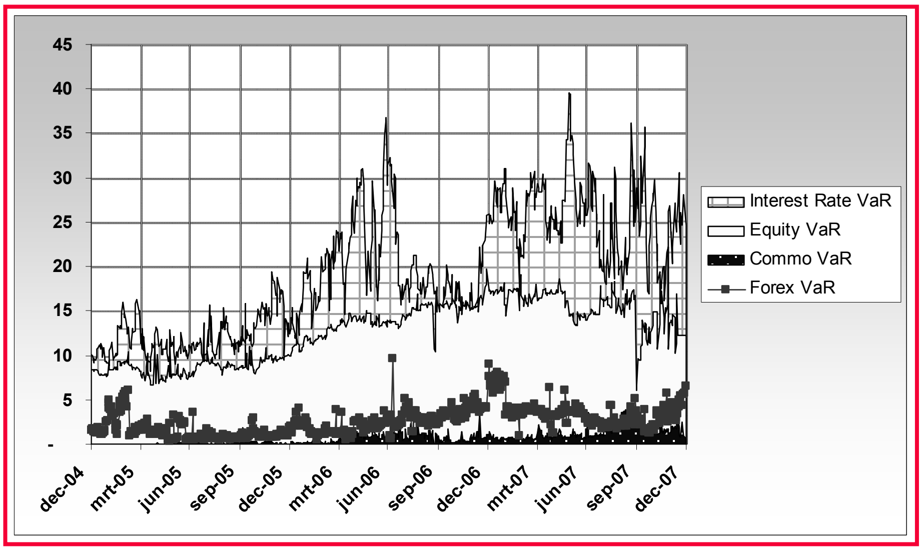
Fortis Bank Merchant Banking also manages an important portfolio of products directly exposed to credit spread variations. These products are asset-backed securities, debt instruments and credit derivatives and are accounted for as both trading and investment assets. Risk Management has implemented an internally developed VaR spread application on the MrMa platform, where credit spread data comes from independent external data providers.

Value at Risk including all risk factors (in EUR million)



Merchant Banking had a higher risk exposure on average in 2007 than it did in 2006. The VaR increased progressively during the first half of the year, driven mainly by more aggressive positioning on interest rates and equities. During the second half, the interest rate risk exposure was progressively downsized.

Linear Value at Risk by risk factors (in EUR million)



The use of the historical VaR in the management of trading risk

Historical VaR over 1 day and at a 99% probability is monitored in the daily risk reporting and used to calibrate the risk limits.

For the regulatory capital calculation according to the Basel framework, the VaR calculations are based on a holding period of 10 days. Merchant Banking addresses this by freezing the portfolio, applying the square root of time rule directly to the market data returns (for regulatory capital purposes), and calculating Event VaR for the tail risks not modelled by the VaR tool.

The economic capital of Fortis Bank is based on a VaR relative to a 1-year holding period (obtained by applying a correction factor of square root (250) to the 1-day VaR) and an upscale of the confidence level from 99% to 99.97%. It does not include Event VaR.

The limits framework of trading risk

Decisions about limits and other risks are taken based on four principles:

- exposures only result in restricted volatility of income
- new limits/products/activities add value to Merchant Banking's performance
- diversification of revenues is achieved
- limits will only be granted if the exposures under these limits can be calculated, monitored and reported by Merchant Banking Risk Management.

Market risk limits are based on:

- a policy of maximising diversification of (market) risk-related activities
- business focus (trading or client driven)
- type of trading activity (high/low volatility of prices)
- performance diversification effects
- past performance, volatility of results and budgeted income
- risk/return ratio
- risk appetite
- operational organisation
- (risk) systems/infrastructure available.

Risk management differentiates between hard and soft limits in terms of the level of importance:

- *Hard limits* are a macro risk management tool and are limits that the business may not exceed as a whole. Hard limits are approved by the Merchant Bank Risk Committee (MBRC) and ALM/MPC[3)] and monitored by both Risk Management and CRM/Market Risk[4)].
- *Soft limits* are used for micro-risk management purposes and consist of a tool that the business decides for itself at a lower organisation level to ensure compliance with hard limits.

In terms of limits, another differentiation can be made based on the objective of the measurement:

- *VaR limits* exist to cap the bank's potential losses under normal market circumstances. At Fortis Bank, VaR is defined as the expected maximum loss over a 1-day holding period within a 99th percentile, one-tailed confidence interval.
- *Position limits* are more relevant in the case of extremely low volatility and are supplementary to VaR limits;

All positions, VaR and other risk limits are reviewed once a year. The review covers the average limit use, past performance, volatility of income and the new budget.

Hard limits and position limits are not the business line's own micro limits (per desk, per dealer, etc.) and are therefore monitored and reported on by Merchant Bank Risk Management on a daily basis.

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5) ALM/MPC: Fortis Assets and Liabilities Management/Market Policy Committee.

6) CRM/Market Risk: Central risk Management/Market Risk.

Merchant Bank Risk Management always reports limit overruns to the CEO and the CRO of Merchant Banking, the CEO of GMK, Internal Audit Services and the Head of Market Risk within Central Risk Management.

Trading risk stress testing

Historical VaR is a statistical model used to predict possible future outcomes of normal markets under normal circumstances. To predict possible outcomes of abnormal markets under abnormal circumstances, Fortis Bank simulates extreme scenarios. This is made possible in MrMa through sensitivity and stress testing modules that provide functionalities to generate scenarios, calculate their fair value impact and report the generated values.

These extreme scenarios can either be historical or hypothetical. The historical ones can replicate past scenarios and account for situations that were recorded further in the past, e.g. the 1994 bond crisis, and the hypothetical scenarios allow Fortis Bank to simulate new shocks with unforeseen magnitudes.

The profit or loss figure obtained from the tests is further detailed for different levels of the Merchant Banking structure. Stress testing aims to make management aware of the risks (and income statement consequences) of extreme, abnormal movements of market variables. As a result, stress testing ‘early warning signals’ have been set up enabling all stakeholders to:

- have the same approach towards the entity risk appetite
- be warned simultaneously
- decide on remedial actions.

If stress testing results exceed the early warning signals, they are considered to be triggers for management action.

The scope of stress testing in Merchant Banking is identical to the coverage in MrMa and follows the course of development of MrMa. This ensures comparability of stress tests results with other figures and results calculated with MrMa.

Once a month Risk Management runs the stress-testing programme covering the entire Merchant Banking business line. The different scenarios are assessed on a regular basis and, when appropriate, are updated and extended.

Trading risk back testing

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

Back testing is a formal statistical framework that tests on a daily basis the efficiency of the VaR model (and thus the reliability of the resulting VaR figures) by verifying that the exceptions are recorded and used so that the model can be continuously fine-tuned.

Back testing measures - on a one-year rolling window - the number of losses exceeding the VaR prediction given a confidence interval of 99%. It means that such losses should occur once every 100 days. Back-testing analysis revealed that Fortis Bank achieved this target in 2007.

5.5 Liquidity Risk

Liquidity risk is the risk of not meeting actual (and potential) payments or collateral posting obligations when they are due. It has two components described below.

Funding liquidity risk is the risk that expected and unexpected cash demands of deposit and other contract holders cannot be met without suffering unacceptable losses or without endangering the business franchise.

Market liquidity risk concerns the inability to realise assets due to inadequate market depth, or market disruption. As such it is related to market risk to a certain extent. Market liquidity risk is the sensitivity of the liquidity value of a portfolio due to changes in the applicable haircuts and the change of market value. It also concerns the uncertainty of the timescale necessary to realise the liquidity value of the assets.

5.5.1 Liquidity risk management

Liquidity risk management is a combination of managing funding resources while maintaining a portfolio of highly marketable assets that can be liquidated as a protection against any unforeseen interruption of cashflows. Central Risk Management has formulated a policy and framework for sound liquidity risk management. Its primary goal is to ensure that Fortis Bank maintains sufficient cash and liquid assets to meet its current and future financial obligations at all times, in both normal and exceptional circumstances, for every currency in which it has an exposure, and for all its companies, including special purpose vehicles.

Liquidity management must be in line with a strategy of value creation. Fortis Bank therefore does not pursue a policy of maximisation (i.e. maximum liquidity) but rather a policy of optimisation. Fortis Bank' liquidity profile should reflect its creditworthiness, but should also contribute to profitability.

The Fortis Bank Risk & Capital Committee (RCC) defines the risk appetite and strategy for all risk factors, including liquidity risk.

The Fortis Bank Risk Committee (FRC) is responsible for monitoring liquidity risk across Fortis Bank. The FRC delegates monitoring and acceptance of liquidity risk within a defined liquidity limit framework as follows:

- to the ALCO/MPC: Fortis Bank's structural liquidity risk management, defined by the ALM and executed by Global Markets
- to the MPBRC and the ALCO/MPC (successively): structural liquidity risk management in non-euro currencies, which are not managed by a local ALM, defined and executed by Global Markets
- to the MPBRC and ALCO/MPC (successively): operational and contingent liquidity risk management of Fortis Bank, defined and executed by Global Markets.

This risk structure is complemented by the Liquidity & Funding Competence Centre (LFCC) that acts as a cross-sector platform for a dialogue and the exchange of information on liquidity risk management issues.

Global Markets is Fortis Bank' 'last resort lender', with ultimate access to the central banks or to professional financial markets. It has the final responsibility to fund all businesses and Fortis Bank entities, including itself and special purpose vehicles.

5.5.2 Liquidity risk reporting

In order to monitor the use of liquidity, CRM created and implemented a reporting framework. Reporting takes place in collaboration with Global Markets for short-term liquidity risks, and ALM for medium-term liquidity risks. This enables the analysis of the liquidity profile of the different entities' balance sheets, including important financing vehicles in the form of SPEs. Special attention is also dedicated to securitised assets and their funding.

5.5.3 Liquidity risk limits

In addition to its reporting tools, Fortis Bank is developing a liquidity gap limit framework for its three desks in Brussels, New York and Hong Kong. The limits framework focuses on short-term liquidity risk and defines limits for overnight (O/N), tomorrow/next day (T/N) and spot/next day (S/N). Further refinement towards one week and one month is foreseen at a later stage. While the O/N position is by definition the most important, T/N and S/N limits are necessary to enable any increase in the liquidity gap to be detected at an earlier stage. The limits are applied to the unsecured funding gap only.

The organisation of the Merchant Banking treasury activity in three hubs and three time zones means that positions can be rolled on from Hong Kong to Belgium and eventually on to New York. Separate limits have been defined for Hong Kong, Benelux and New York. As such, New York is the ultimate lender and the USD is the currency of last resort.

5.5.4 Contingency funding plan

The Contingency funding plan comes into effect whenever the liquidity position of Fortis Bank is threatened by exceptional internal or external circumstances that could lead to a liquidity crisis. The plan is designed to enable Fortis Bank to manage its liquidity sources without jeopardising its business franchise, while limiting excessive funding costs.

During a crisis, adequate information flows are crucial to ensure prompt decision-making and to avoid undue escalation of issues. The contingency plan therefore ensures that internal communication flows remain timely, clear and uninterrupted. It also ensures that appropriate external communication flows provide assurance to market participants, employees, clients, creditors, regulators and shareholders; the Communications department is one of the units usually involved. This plan proved to be very useful during the US subprime liquidity crisis of 2007.

Each Fortis Bank entity that has a window to the financial markets has a dual responsibility with respect to liquidity crisis management. These entities must be able to take responsibility for the crisis management of its local currency and, if appropriate and necessary, should contribute to Fortis Bank-wide liquidity crisis management. These entities must have their own contingency funding plans and their own local liquidity crisis committees, adapted to the specific features of local regulations, local convertible or non-convertible currencies and markets, and specific business activities.

5.5.5 Exposure to funding sources

Customer deposits (retail, commercial, corporate) form a significant part of the primary funding sources of the Banking activities. Current accounts and savings deposits of retail customers, although payable on demand or at short notice, contribute significantly to the long-term stability of the funding base. This stability depends on maintaining depositor confidence in Fortis Bank' solvency and sound liquidity management. Professional markets are accessed on a secured and unsecured basis to attract short-term funding. Reliance on unsecured borrowing is limited by means of the short-term limit system that puts a cap on unsecured position gaps. Monitoring of the issuance of short and long-term paper is centralised and access to the financial markets is coordinated by Global Markets (Global Liquidity & Funding Team).

5.5.6 Liquidity sensitivity gaps

The table below shows Fortis Bank' assets and liabilities classified into relevant maturity groupings based on the remaining period to the contractual maturity date. Demand and saving deposits are considered by Fortis Bank as a relatively stable core source of funding of its operations and are reported in the column No maturity. The lines Non-financial assets and Non-financial liabilities include the balancing temporary amounts between trade date and settlement date in the column Up to 1 month and the breakdown by maturity of the accrued interests.

	Up to 1 month	*1-3 months*	*3-12 months*	*1-5 years*	*Over 5 years*	*No maturity*	*Total*
At 31 December 2007							
Assets							
Fixed rate financial instruments	97,089	36,899	52,003	66,836	115,578	8,287	376,692
Variable rate financial instruments	43,272	16,347	10,233	27,990	57,079	69,672	224,593
Non-interest bearing financial instruments	10,906	1,604	1,129	1,349	19,428	48,978	83,394
Non-financial assets	41,141	10,320	10,138	6,872	8,276	5,787	82,534
Total assets	**192,408**	**65,170**	**73,503**	**103,047**	**200,361**	**132,724**	**767,213**
Liabilities							
Fixed rate financial instruments	199,957	52,739	38,346	31,433	32,295	22,595	377,365
Variable rate financial instruments	32,164	16,046	9,520	29,330	19,458	135,268	241,786
Non-interest bearing financial instruments	6,038	1,394	2,185	923	1,744	41,046	53,330
Non-financial liabilities	27,071	4,465	6,292	9,342	7,845	5,781	60,796
Total liabilities	**265,230**	**74,644**	**56,343**	**71,028**	**61,342**	**204,759**	**733,347**
Net liquidity gap	**(72,822)**	**(9,474)**	**17,160**	**32,019**	**139,019**	**(72,035)**	**33,867**
At 31 December 2006							
Total assets	176,533	45,620	68,119	96,339	189,838	98,242	674,691
Total liabilities	238,554	66,525	55,538	56,415	46,592	194,169	657,793
Net liquidity gap	**(62,021)**	**(20,905)**	**12,581**	**39,924**	**143,246**	**(95,927)**	**16,898**

5.6 Operational risk

All companies including financial institutions are subject to operational risk because of the uncertainty inherent in all business undertakings and decisions. This risk can be broken down into business risk and event risk.

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

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

5.6.1 Operational Risk and management Control

Central Risk Management has set up a framework for sound operational risk management and management control, covering all dimensions of operational risk. The operational risk and management control (ORMC) framework encompasses policies for the governance of operational risks, for the identification, assessment, measurement and reporting of those risks and for their mitigation. The embedding and use of the framework are assessed periodically.

The framework (described below) is fully implemented across all Banking businesses in compliance with Basel II requirements.

This framework helps the organisation to increase operational risk awareness, monitor operational risk effectively and measure the operational risk profile and associated own fund requirements. To enable such a high-level approach, an all-encompassing Risk Management Organisation and an appropriate Risk Management/Mitigation Policy have been consistently implemented for the entire bank, at legal entity, business and country level. Global, local and country operational risk managers have been assigned to all bank-related businesses (including support functions) and main countries.

Each business and legal entity thus complies with the methodology and associated tooling, or has integrated its business approach into that framework. Key elements of responsibility allocation include the following:

- at business level: the business has prime responsibility for managing and mitigating operational event risks in its international operations. Adequate risk management requires the embedding of risk management procedures in the lower echelons of the organisation (on-site).
- at country/legal entity level: the country/legal entity is responsible for local coordination and support of risk management mitigation initiatives, coordination across businesses of the management and mitigation of event risk exposure, communication with regulators and supervisors and reporting to its Country Risk Committee or Country Management Team.
- at group level: Central Risk Management ensures that operational event risks are assessed, measured and managed across the Banking businesses, and coordinates reporting to the appropriate risk committees (notably the Operational Risk Policy Committee) and the management committees of the businesses and the bank.

5.6.2 Operational risk assessment, measurement, reporting and monitoring

For the effective and efficient identification and management of operational risks, the following tools and techniques are used:

- *Loss Data Collection:* since 2001, the businesses have continuously collated loss data, including causal information, in a central loss database. Central operational risk management monitors the quality, completeness and timeliness of the collated information in a quarterly report and analysis.

- *Risk Assessments* are conducted periodically at the businesses and support functions to ensure a forward-looking view on the operational risk profile. This consists of a bottom-up risk self-assessment aiming at identifying, assessing and measuring the operational risks in the organisational and process context. Top-down scenario analysis supplements the risk profile with the more systemic and 'low frequency/high impact risks' the organisation is exposed to. Central operational risk management ensures the objectivity and comprehensiveness of the risk assessments by means of an in-depth quality review and results benchmarking with internal and external loss data profiles.

- *Key Risk Indicators* are tracked in order to identify any apparent changes in the organisation's operational risk profile due to organisational changes or changes in the business environment. They trigger re-assessments of the operational risk profile and ensure the organisation's responsiveness to a changing environment as well as a level of own funds that is in line with a changing operational risk profile.

- *Own fund requirements* are calculated at central level using a model that complies with the criteria set by the advanced measurement approaches (AMA). Risk Assessment results are used as the primary input to ensure the level of own funds is in line with the organisational and business environment. Centrally calculated own fund requirements are allocated to the legal entities of the group and to the businesses using a risk-sensitive allocation mechanism based on stand-alone operational risk profiles.

Operational event risk-related information is reported, according to defined reporting lines, to various risk management units, e.g. risk management departments and committees at business and country level, to Central Risk Management and to the Operational Risk Policy Committee. Managers use that information to control their operational risk profile.

5.6.3 Operational control and mitigation

Fortis Bank has a variety of tools to control and mitigate operational risk. Risk assessments, loss data analysis and key risk indicator movements enable the formalisation of actions to further control operational risks. These actions often relate to organisational and process context. Centrally coordinated operational risk mitigation techniques are business continuity management, information security measures, insurance and management control statements.

5.6.3.1 Business continuity management

Business continuity management (BCM) is a management process that identifies potential threats to an organisation and the impacts on business operations that those threats, if realised, might have, and that provides a framework for building organisational resilience with the ability to make an effective response that safeguards the interests of its stakeholders, reputation, brand and value creating activities.

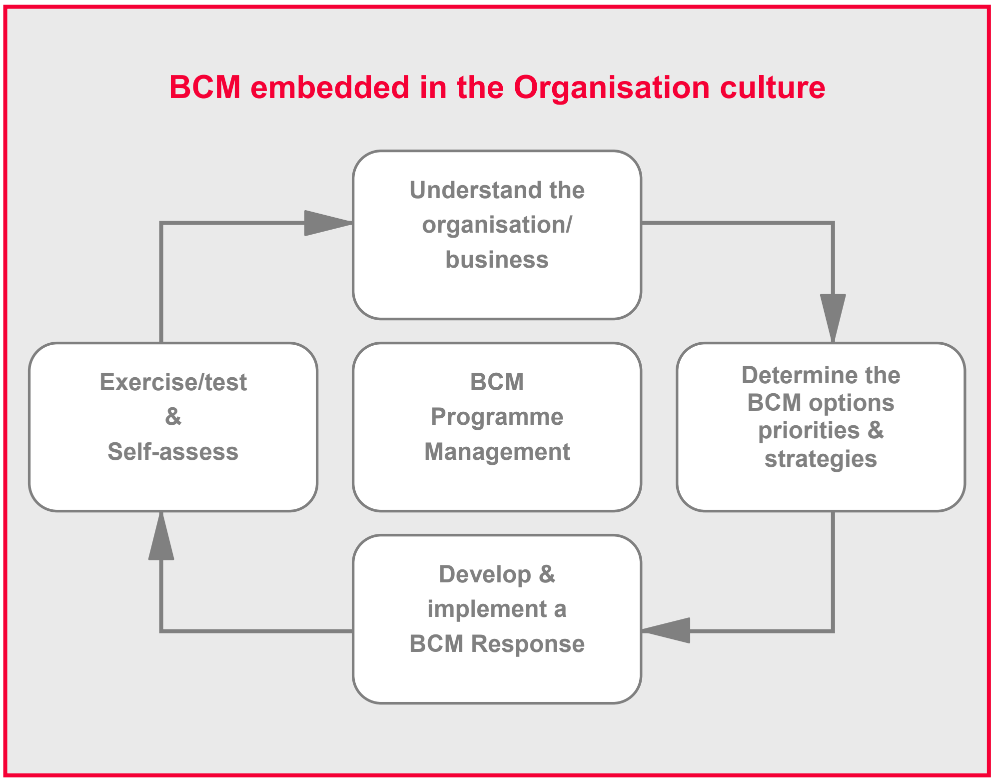
As a financial services organisation, Fortis Bank acknowledges the importance of BCM. It describes its approach in the Fortis Bank BCM policy document. This is based on international regulations and best practice guidelines as issued by:

- The Basel Committee on Banking supervision: High Level Principles for Business Continuity
- The Business Continuity Institute: Good Practice Guidelines (BCI GPG)
- The British Standards Institute[5].

The scope of BCM at Fortis Bank is:

- Internal: Fortis Bank in all its dimensions (i.e. all Fortis Bank businesses and support functions, all countries, all Fortis Bank legal entities and subsidiaries)
- External: any third parties that process Fortis Bank information or provide other vital services or products that support mission-critical Fortis Bank services (external outsourcing).

The Fortis Bank BCM approach entails the following steps:



5) *The Publicly Available Standard 56: Guide to Business Continuity (PAS 56) and the Standard BS25999-1: Code of Practice for Business Continuity Management.*

The Fortis Bank BCM approach must be embedded in the organisational culture and be implemented and maintained by BCM programme management, appropriate to the nature, size and complexity of the respective Fortis Bank Businesses to which it applies.

Information about the organisation’s critical services and the activities and resources that are required to deliver these services are subjected to business impact analysis and risk analysis in order to understand what is happening within the organisation.

Once BCM options and strategy are determined, a range of strategic and tactical options can be evaluated. This allows an appropriate response to be chosen for each critical service, so that Fortis Bank can continue to deliver these services at an acceptable level of operation during and following any disruption. The choices will take cognisance of the resilience and countermeasures already present at Fortis Bank.

These actions result in the creation of a BCM response including plans that detail the steps to be taken to resume activities before, during and after an incident.

Business Continuity Plan

Crisis Management Plan	Business Recovery Plan(s)	Disaster Recovery Plan(s)

(What Plans, process and organisational recovery structure is Fortis putting in place to manage a Crisis and/or recover from a Disaster within the set objectives)

Recovery Solutions

(What is Fortis putting in place as technical recovery resourses to ensure continuity of Internal Activities & Internally outsourced Activities)

Recovery Solutions

(What contractual BCM arrangements have been put in place with 3rd Parties to ensure continuity of Externally Outsourced Activities)

Lastly, Fortis Bank needs to be able to demonstrate that its strategies and plans are effective, credible and suitable for their purpose by exercising, testing and self-assessing the BCM response.

5.6.3.2 Information security

To Fortis Bank, as a financial services firm, information is critically important. Financial services are knowledge and information-intensive as reliable information is essential to Fortis Bank' success. Information must thus be protected continuously and appropriately against a wide range of threats. Fortis Bank does this by establishing a structured information security approach to assure the confidentiality, integrity and availability of information.

The Fortis Bank Information Security Policy defines the organisational framework, management and staff responsibilities and the information security directives that apply throughout the Fortis Bank group and to third parties with whom Fortis Bank exchanges information. Furthermore, Fortis Bank extracts specific information security controls from existing international best practices like ISO/IEC 27001 and ISO/IEC 17799 – 2005.

Businesses and support functions pursue the Fortis Bank Information Security Policy on a ‘comply or explain’ basis. Responsibility for the design and implementation of information security is delegated to the Operational Risk Policy Committee (OPC). The strategy for implementing policy utilises existing best practices at Fortis Bank as much as possible.

The OPC has specifically appointed an Information Security and Business Continuity Steering Committee, comprising senior managers from the businesses and support functions, to steer policy implementation at strategic level. Fortis Bank achieves this by setting up several key group-wide projects to drive information security (e.g. identify management, business continuity and security awareness).

5.6.3.3 Risk transfer through insurance

Fortis Bank recognises insurance as a valid tool to transfer the effects of operational risk to the external market. CRM coordinates this insurance centrally, and more precisely handles the transfer of specific event risks such as financial losses due to fraud, computer crime, professional liability and personal liability.

In line with industry practices, Fortis Bank purchases following insurance policies from third-party insurers:
- Combined Bankers Blanket Bond, Computer Crime and Professional Liability Insurance
- Directors and Officers Insurance.

In addition to this external insurance cover, Fortis Bank uses internal reinsurance captives to finance operational risks. In this way the deductibles of the external Combined Bankers Blanket Bond, Computer Crime and Professional Liability Insurance are reinsured as risk retention by an internal captive.

5.6.3.4 Management control statements (MCS)

While operational risk management focuses mainly on operational event risks, management control is mostly concerned with business risk (including strategic and reputation issues). However, operational risk management and management control are interrelated:

- methods of risk assessment, control assessment and remediation of weaknesses are similar
- results of the operational (event) risk self-assessments serve as input for the risk assessment performed by senior management, as part of the annual management control statement procedure that is coordinated by CRM.

Management teams sign their management control statements and formulate action plans (if necessary) to improve steering/control. CRM coordinates reporting on the follow-up to those action plans. The MCS is an attestation, every year-end, of the functioning of the risk management and internal control system during the year.

6 Supervision and solvency

As a financial institution, Fortis Bank is subject to regulatory supervision. Fortis Bank is supervised at the Fortis Bank consolidated level and at the level of the individual operating companies.

Fortis Bank's subsidiaries are subject to the regulations of the various supervisory authorities in the countries where the subsidiaries operate. These guidelines require the subsidiaries to maintain a minimum level of qualifying capital relative to the on- and off-balance sheet credit commitments and the bank's trading positions. The positions and credit commitments are weighted according to the level of risk involved (risk-weighted commitments). The requirement for total qualifying capital must be maintained at a minimum of 8% of risk-weighted commitments.

	2007	*2006*	*2005*
Credit risk	249,280	221,633	198,241
Market risk	20,927	18,471	13,854
Risk weighted commitments	**270,207**	**240,104**	**212,095**
Tier 1 ratio	9.5%	7.1%	7.4%
Total capital ratio	10.1%	11.1%	10.5%

7 Post-employment benefits and other long-term employee benefits

Post-employment benefits are employee benefits, such as pensions and post-employment medical care, which are payable after the completion of employment. Other long-term employee benefits are employee benefits which do not fall due fully within twelve months of the period in which the employees rendered the related service, including jubilee premiums and long-term disability benefits.

7.1 Post-employment benefits

7.1.1 Defined benefit pension plans and other post-employment benefits

Fortis Bank operates defined benefit pension plans covering the majority of its employees. Many of these plans are closed to new employees. Some plans are funded partly by means of employee contributions.

Under these plans, benefits are calculated based on years of service and level of salary. Pension obligations are determined on the basis of mortality, employee turnover, wage drift and economic assumptions such as inflation and discount rate. Discount rates by country or region are set on the basis of the yield (at closing date) of debt securities of similar duration, issued by blue-chip companies or by the government in the absence of a representative corporate market.

Because Fortis Bank has defined benefit plans that are funded through related insurance companies, the related assets are non-qualifying as plan assets, and must be considered as “reimbursement rights” according to IAS 19. This means that these assets may not be deducted from the defined benefit obligations in determining the defined benefit liability, but are shown as separate assets, called “reimbursement rights”, expressing the right of reimbursement of expenditures (required to settle the defined benefit obligations) by the related party.

In addition to pensions, post-employment benefits also include other expenses such as reimbursement of part of the health insurance premiums and favourable conditions on financial products, such as mortgage loans, which continue to be granted to employees after retirement.

The following table provides details of the amounts shown in the balance sheet as at 31 December regarding pension plans and other post-employment benefits.

	Defined benefit pension plans			*Other post-employment benefits*		
	2007	*2006*	*2005*	*2007*	*2006*	*2005*
Present value of funded obligations	4,460	4,659	4,925			
Present value of unfunded obligations	142	156	157	63	60	301
Defined benefit obligation	**4,602**	**4,815**	**5,082**	**63**	**60**	**301**
Fair value of plan assets	(3,030)	(2,942)	(2,878)			
Fair value of reimbursement rights	(1,871)	(1,831)	(1,813)			
Net recognized defined benefit obligations	**(299)**	**42**	**391**	**63**	**60**	**301**
Unrecognised actuarial gains (losses)	345	210	(226)	11	11	(32)
Unrecognised past service cost	(8)	(11)	(5)			
Unrecognised assets due to Asset ceiling	213	167	143			
Other amounts recognised in the balance sheet						
Net defined benefit liabilities (assets)	**251**	**408**	**303**	**74**	**71**	**269**
Amounts in the balance sheet:						
Defined benefit liabilities	2,149	2,263	2,120	74	71	269
Defined benefit assets	(1,898)	(1,855)	(1,817)			
Net defined benefit liabilities (assets)	**251**	**408**	**303**	**74**	**71**	**269**

Defined benefit liabilities are classified under Accrued interest and other liabilities (see note 31) and Defined benefit assets are classified under Accrued interest and other assets (see note 23).

The following table reflects the changes in the net Definet benefit liabilities (assets) as recognised in the balance sheet.

	Defined benefit pension plans		*Other post-employment benefits*	
	2007	*2006*	*2007*	*2006*
Net defined benefit liabilities (assets) at 1 January	**408**	**303**	**71**	**269**
Total defined benefit expense	119	158	10	(23)
Contributions received on plan assets	(175)	(242)	(5)	(8)
Contributions received on reimbursements rights	(100)			
Acquisitions and disposals of subsidiaries				
Transfer	(2)	189	(1)	(167)
Foreign exchange differences	1		(1)	
Other				
Net defined benefit liabilities (assets) at 31 December	**251**	**408**	**74**	**71**

The table below shows the changes in the Defined benefit obligation.

	Defined benefit pension plans		Other post-employment benefits	
	2007	2006	2007	2006
Defined benefit obligation at 1 January	**4,815**	**5,082**	**60**	**301**
Current service cost	146	171	5	4
Participants' contributions	9	9		
Interest cost	228	210	3	4
Actuarial losses (gains) of the year on defined benefit obligation	(310)	(449)	(3)	(42)
Benefits paid in year	(300)	(322)	(5)	(6)
Past service cost - non-vested benefits during the year			3	
Past service cost - vested benefits during the year		2		
Acquisitions and divestments of subsidiaries				
Curtailments				(33)
Settlements	(2)	(87)		
Transfer	6	229	1	(169)
Foreign exchange differences	10	(29)		
Other		(1)	(1)	1
Defined benefit obligation at 31 December	**4,602**	**4,815**	**63**	**60**

The following table shows the changes in the fair value of plan assets.

	Defined benefit pension plans		Other post-employment benefits	
	2007	2006	2007	2006
Fair value of plan assets at 1 January	**2,942**	**2,878**		
Expected return on plan assets	182	142		
Actuarial losses (gains) of the year on plan assets	(103)	(1)		
Employer's contributions	175	167	5	6
Participants' contributions	9	9		
Benefits paid in year	(173)	(184)	(5)	(6)
Acquisitions and disposals of subsidiaries				
Transfer	(24)	49		
Settlements	(2)	(68)		
Foreign exchange differences	24	(50)		
Other				
Fair value of plan assets at 31 December	**3,030**	**2,942**		

The following table shows the changes in the fair value of the reimbursements rights.

	Defined benefit pension plans			Other post-employment benefits		
	2007	*2006*	*2005*	*2007*	*2006*	*2005*
Fair value of reimbursements rights at 1 January	**1,831**	**1,813**	**1,667**		**-**	**-**
Expected return on reimbursements rights	88	73	74			
Actuarial losses (gains) of the year on reimbursement rights	(49)	13	122			
Employer's contributions	100	75	74			
Participants' contributions						
Benefits paid in year	(127)	(139)	(135)			
Acquisitions and divestments of subsidiaries						
Transfer between qualifying/non-qualifying plans	28	(4)	11			
Assets distributed on settlements						
Foreign exchange differences						
Other						
Fair value of reimbursements rights at 31 December	**1,871**	**1,831**	**1,813**		**-**	**-**

Actuarial gains (losses) on plan assets and reimbursement rights are mainly the difference between the actual and expected return.

The following table shows the actual return on plan assets for defined benefit pension plans.

	Defined benefit pension plans			Other post employment benefits		
	2007	*2006*	*2005*	*2007*	*2006*	*2005*
Actual return on plan assets	80	139	300		-	-
Actual return on reimbursements rights	41	82	200		-	-

The following table shows the changes in the total of unrecognised actuarial gain (losses) on liabilities and assets.

	Defined benefit pension plans		*Other post-employment benefits*	
	2007	*2006*	*2007*	*2006*
Unrecognised actuarial gains (losses) at 1 January	**210**	**(226)**	**11**	**(32)**
Actuarial gains (losses) of the year on defined benefit obligation	310	449	3	43
Actuarial gains (losses) of the year on plan assets	(103)	(1)		
Actuarial gains (losses) of the year on reimbursement rights	(49)	13		
Recognised actuarial losses (gains) resulting from asset ceiling	(5)	(38)		
Curtailment				
Settlements				
Amortisation of unrecognised actuarial losses (gains) on defined benefit obligation	(5)			4
Amortisation of unrecognised actuarial losses (gains) on on reimbursement rights	(7)			
Amortisation of unrecognised actuarial losses (gains) on plan assets			(1)	
Acquisitions and disposals of subsidiaries				
Transfer	(5)		(1)	
Foreign exchange differences				
Other	(1)	11	(1)	(4)
Unrecognised actuarial gains (losses) at 31 December	**345**	**210**	**11**	**11**

The table below shows the changes in the total of unrecognised Assets due to asset ceiling.

	Defined benefit pension plans	
	2007	*2006*
Unrecognised assets due to Asset ceiling at 1 January	**167**	**142**
Recognised actuarial gains (losses) resulting from asset ceiling	5	40
Impact of Asset ceiling in income statement	25	6
Curtailment		
Settlement		
Acquisition and disposals of subsidiaries		
Transfer		
Foreign exchange differences	15	(21)
Other	1	
Unrecognised assets due to asset ceiling at 31 December	**213**	**167**

The following table shows the changes in unrecognised past service cost.

	Defined benefit pension plans		Other post-employment benefits	
	2007	2006	2007	2006
Unrecognised past service cost at 1 January	**11**	**5**		
Unrecognised Past service cost - non-vested benefits		1	3	
Amortisation of unrecognised past service cost	(2)	(2)	(3)	
Curtailments				
Settlements				
Divestments of subsidiaries on Unrecognised Past Service Cost				
Transfer on Unrecognised Past Service Cost	(1)	7		
Other on Unrecognised Past Service Cost				
Foreign exchange differences on unrecognised Past Service Cost				
Unrecognised past service cost at 31 December	**8**	**11**		

Experience adjustments are actuarial gains and losses that arise because of differences between the actuarial assumptions made at the beginning of the year and actual experience during the year.

The following table shows experience adjustments to Plan assets and plan Defined benefit obligations.

	Defined benefit pension plans			Other post-employment benefits		
	2007	2006	2005	2007	2006	2005
Experience adjustments on plan assets, gain (loss)	(104)	(42)	96			
As % of plan assets at 31 December	(3)%	(1.44)%	3.72%			
Experience adjustments on reimbursements rights	(20)	(29)	40			
As % of reimbursements rights at 31 December	(1)%	(0.47)%	(0.48)%			
Experience adjustments on defined benefit obligation, (gain) loss	77	118	28	4	42	4
As % of defined benefit obligation at 31 December	2.0%	2.31%	0.60%	(5.6)%	9.52%	(0.96)%

The following table shows the components of expenses related to the defined benefit pension plans and other post-employment benefits for the year ended 31 December.

	Defined benefit pension plans			Other post-employment benefits		
	2007	2006	2005	2007	2006	2005
Current service cost	146	171	174	5	4	9
Interest cost 1)	228	210	196	3	4	3
Expected return on plan assets	(182)	(142)	(135)			
Expected return on reimbursement rights	(88)	(73)	(74)			
Past service cost - vested benefits		2				
Amortisation of unrecognised past service cost	2	2		3		
Amortisation of unrecognised actuarial losses (gains) on defined benefit obligation	(12)		3	(1)		3
Amortisation of unrecognised actuarial losses (gains) on plan assets						
Amortisation of unrecognised losses (gains) on reimbursement rigts						
Impact of asset ceiling in income statement	25	6	17			
Curtailments						
Settlements		(18)			(31)	
Total defined benefit expense	**119**	**158**	**181**	**10**	**(23)**	**15**

The current service cost, past service cost, amortisation of unrecognised losses (gains) on the Defined benefit obligation and losses (gains) on curtailments and settlements impacting liabilities are included in Staff expenses (see note 44). All other defined benefit expense items are included in Interest expenses.

Total Defined benefit expense contains all interest costs related to the defined benefit pension plans.

The following table shows the principal actuarial assumptions used for the euro-zone countries.

	efined benefit pension plans						Other post-employment benefits					
	2007		2006		2005		2007		2006		2005	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Discount rate	4.70%	5.35%	3.75%	4.65%	3.55%	4.15%	4.20%	4.20%	4.20%	4.20%	4.15%	4.15%
Expected return on plan assets at 31 December	5.00%	6.00%	4.51%	5.25%	4.30%	5.00%						
Expected return on reimbursement rights at 31 December	3.46%	5.50%	3.46%	4.80%								
Future salary increases (price inflation included)	2.14%	4.00%	2.40%	4.00%	2.40%	4.00%		2.30%	2.40%	2.40%	2.40%	2.40%
Future pension increases (price inflation included)	1.90%	1.90%	1.80%	2.05%	1.80%	1.80%		1.80%	1.80%	1.80%	1.80%	1.80%
Medical cost trend rates									4.30%	4.30%	4.30%	4.30%

The following table shows the principal actuarial assumptions used for other countries.

	Defined benefit pension plans					
	2007		2006		2005	
	Low	High	Low	High	Low	High
Discount rate	5.60%	11.00%	4.80%	13.00%	3.00%	11.00%
Expected return on plan assets at 31 December	5.25%	11.70%	5.25%	11.90%	3.00%	9.34%
Future salary increases (price inflation included)	3.00%	8.50%	1.90%	9.50%	1.50%	8.00%
Future pension increases (price inflation included)	1.25%	5.50%	1.90%	6.50%	1.50%	5.00%

The euro zone represents 93% of Fortis Bank's total benefit obligations. Other countries include primarily obligations in Turkey and the United Kingdom. Other post-employment benefits within countries outside the euro zone are not regarded as material.

Fortis Bank uses the IRS-curve as reference for the expected return on bonds and adds a risk premium to that return for equity securities and real estate.

A one percent change in assumed medical cost trend rates would have the following effect on the Defined benefit obligation and Defined benefit expense for medical costs:

	1% point increase	1% point decrease
Effect on the benefit obligation - medical costs	15.3%	-11.7%
Effect on the total defined benefit expense - medical costs	2.5%	-2.0%

The plan assets comprise predominantly fixed-income securities and investment contracts with insurance companies. Fortis Bank's internal investment policy stipulates that investment in derivatives and emerging markets for the purpose of funding pension plans is to be avoided (with the exception of the Turkish plans). Fortis Bank intends to gradually adjust its asset allocation policy in the future to ensure a closer match between the duration of the assets and that of the pension liabilities. The asset mix of the plan assets is as follows:

	2007	2006	2005
Equity securities	18.40%	16.70%	13.12%
Debt securities	58.30%	65.13%	67.16%
Insurance contracts	7.30%	8.33%	9.99%
Real estate	4.10%	3.62%	4.08%
Convertibles	3.10%	2.94%	2.65%
Other	4.80%	2.69%	2.00%
Cash	4.00%	0.59%	1.00%

The asset mix of the reimbursement rights is as follows:

	2007	2006	2005
Equity securities	19.89%	19.94%	26.86%
Debt securities	74.06%	74.47%	64.14%
Insurance contracts	6.05%	5.59%	6.00%
Real estate	0.00%	0.00%	0.00%
Convertibles	0.00%	0.00%	0.00%
Other	0.00%	0.00%	1.00%
Cash	0.00%	0.00%	2.00%

The category Other consists mainly of mortgage loans and high-yield bonds. Investments in hedge funds are limited. Derivatives are used only to limit the plan exposures to interest rate risk. Pension plan assets are invested in global equity and debt markets.

To administer pension plan assets, Fortis Bank applies general guidelines about tactical asset allocation based on criteria such as geographical distribution and rating. Asset Liability Management studies are carried out periodically in order to keep the investment strategy in balance with the structure of the pension benefit obligation. According to these guidelines and the results of the studies, the asset allocation is decided for each scheme at company level.

Pension plan assets comprise EUR 1 million (2006: EUR 1 million; 2005: EUR 1 million) of investments in Fortis shares.

The employer's contributions expected to be paid to post-employment benefit plans for the year ended 31 December 2008 are as follows:

	Defined benefit pension plans	Other post-employment benefits
Expected contribution for schemes with plan assets next year	141	7
Expected contribution for schemes with reimbursements rights for next year	81	

7.1.2 Defined contribution plans

Fortis Bank operates a number of defined contribution plans worldwide. The employer's commitment in a defined contribution plan is limited to the payment of contributions calculated in accordance with the plan regulations. Employer contributions for defined-contribution plans amounted to EUR 69 million in 2007 (2006: EUR 108 million; 2005: EUR 71 million) and are included in Staff expenses (see note 44).

7.2 Other long-term employee benefits

Other long-term employee benefits include jubilee premiums and long-term disability benefits. The table below shows liabilities related to other long-term employee benefits included in the balance sheet under Accrued interest and other liabilities (see note 31).

	2007	2006	2005
Present value of the obligation	115	97	39
Fair value of plan assets	(3)		
Net liability	**112**	**97**	**39**

The following table shows the changes in Liabilities for other long-term employee benefits during the year.

	2007	2006
Net liability at 1 January	**97**	**39**
Total expense	12	30
Contributions received / (benefits paid)	(6)	(4)
Transfer	(1)	32
Other	10	
Net liability at 31 December	**112**	**97**

The table below provides the range of actuarial assumptions applied in calculating the Liabilities for other long-term employee benefits.

	2007		2006		2005	
	Low	High	Low	High	Low	High
Discount rate	4.70%	6.50%	3.40%	4.40%	2.90%	4.20%
Salary increase	3.30%	5.00%	2.00%	3.80%	1.80%	3.40%

Expenses related to other long-term employee benefits are shown below. Interest cost included in Interest expenses, all other expenses are included in Staff expenses.

	2007	2006	2005
Current service cost	12	22	12
Interest cost	3	2	1
Net actuarial losses (gains) recognised immediately	(3)	6	(1)
Total expense	**12**	**30**	**12**

8 Employee share option and share purchase plans

Fortis Bank includes share-related instruments in the remuneration package of its employees and directors. These benefits take the form of:

- Employee share-options
- Shares offered at a discount

On 25 September 2007, Fortis launched a capital increase in the form of a Rights Issue in order to partly finance its contribution to the bid for ABN AMRO. A substantial number of new Fortis shares were consequently issued at a discount. This brought down the value of portfolios of Fortis stock option holders and participants in restricted share plans.

On 20 September 2007, the Board of Directors of Fortis decided to adjust the conditions of all stock-option plans in order to neutralise the direct impact of the capital increase on the portfolios. These adjustments are made according to the Euronext.liffe formula. The adjustment ratio is 0.83715.

To neutralise the direct impact of the capital increase on portfolios, the exercise price, the number of options is amended in accordance with the adjustment ratio, as follows:

- the exercise price of the options will be reduced (current exercise price multiplied by the adjustment ratio);
- the number of options will be increased (current number of options divided by the adjustment ration).

8.1 Employee share-options

Fortis Bank decides each year whether or not to offer options to its employees. In recent years Fortis Bank has offered options on Fortis shares to senior managers in order to strengthen their commitment to Fortis Bank and to align their interests. The features of the option plans may vary from country to country depending on local-tax regulations. There is a difference between conditional and unconditional options. Unconditional options are granted to employees who work in countries where options are subject to taxation directly upon being granted. Conditional options are granted to employees in countries where the options are taxed upon exercise. Conditional options become vested if the employee is still employed after a period of five years. In general, options may not be exercised until five years after they are granted, regardless of whether they are conditional or unconditional.

The following option plans, including options granted to Directors, were outstanding as at 31 December 2007. The exercise prices in the tables below are expressed in EUR.

	2007			
	Outstanding options (in '000)	Weighted average exercise price	Highest exercise price	Lowest exercise price
Lapsing year				
2008	294	27.48	29.07	21.08
2009	8,755	24.60	24.96	21.08
2010	4,608	29.05	29.05	29.05
2011	2,078	24.47	24.68	21.08
2012	711	21.08	21.22	21.08
2013	2,326	12.32	12.44	12.17
2014	2,398	15.07	15.31	14.78
2015	2,501	18.55	18.65	18.41
2016	1,345	24.49	24.49	24.49
2017	3,779	28.04	28.62	27.23
Total	**28,795**			

	2006			
	Outstanding options (in '000)	Weighted average exercise price	Highest exercise price	Lowest exercise price
Lapsing year				
2007	1,171	24.96	24.96	24.96
2008	326	27.43	29.05	21.08
2009	10,139	24.59	24.96	21.08
2010	4,728	29.05	29.05	29.05
2011	295	23.11	24.68	21.08
2012	801	21.12	29.05	21.08
2013	2,385	12.39	21.08	12.17
2014	2,399	15.06	15.31	12.44
2015	2,535	18.50	18.65	15.31
2016	3,132	24.56	24.68	18.65
Total	**27,911**	**22.08**		

The changes in outstanding options were as follows:

	2007		2006	
	Number of options (in '000)	*Weighted average exercise price*	*Number of options (in '000)*	*Weighted average exercise price*
Balance at 1 January	**27,911**	**23.04**	**26,127**	**22.83**
Options granted to Board members				
Options granted to other employees	5,416	28.71	3,594	24.56
Exercised options	(3,022)		(1,492)	
Expiry	(1,510)		(318)	
Balance at 31 December	**28,795**	**23.96**	**27,911**	**23.04**
On existing Fortis shares	97		104	
On new Fortis shares	28,698		27,807	
Of which are conditional	9,702		7,828	
Of which are unconditional	19,093		20,083	
Exercisable in the money			15,346	26.60
Exercisable out of the money	14,486	25.87		0.00

In 2007 Fortis Bank recorded EUR 19 million as Staff expenses with respect to the option plans (2006: EUR 16 million; 2005: EUR 7 million).

The options granted by Fortis Bank are ten-year American at-the-money call options with a five-year vesting period, the value is based on the simple-Cox model.

The following parameters were used to calculate the fair value of the options granted

	2007	2006	2005
Date of grant of options	31 March 2007	31 March 2006	11 April 2005
First exercise date	02 April 2012	03 April 2011	11 April 2010
Final maturity	02 April 2017	03 April 2016	10 April 2015
Dividend yield	5.82%	5.13%	5.00%
10-year interest rate	4.08%	3.74%	3.80%
Share price on date of grant	32.53	29.48	21.84
Volatility	26.04%	24.80%	23.27%
Fair value of options as % of exercise price	15.30%	16.01%	15.36%

All option plans and share plans (see below) are settled by the delivery of Fortis shares rather than in cash. Some option plans and share plans specifically state that existing shares must be delivered upon exercise. New shares may be issued in other cases.

(number of shares in '000)	2004	2003	2002
Number of shares subscribed	2,114	2,004	1,314
Share price	15.64	12.04	20.14 (1,181 shares) 22.03 (133 shares)
End of holding period	2 November 2009	3 November 2008	8 June 2007

9 Remuneration of Board of Directors

In 2007 the remuneration, including pension costs, of current and former members of the Board of Directors payable by Fortis Bank was EUR 7.5 (total remuneration of current and former members was EUR 11.0 million in 2006; EUR 9,8 million in 2005).

The total amount of remuneration includes termination benefits for EUR 1.6 million (2006: EUR 1.6 million; 2005: EUR 2,4 million).

In 2007 the number of options granted to the board members was 337,303 (2006: 292,700; 2005 : 310,225). The strike price of these options was 28,62 (2006: 29,48; 2005 : 22,28).
In 2007, 257,990 restricted shares have been granted to the board members (2006: 182.780; 2005 : 223,560).

10 Audit fees

Fees paid to Fortis Bank's auditors for 2007, 2006 and 2005 can be broken down into the following components:

- audit fees, which include fees for auditing the statutory and consolidated financial statements, and quarterly and other reports
- audit-related fees, which include fees for work performed on prospectuses, non-standard auditing and advisory services not related to statutory auditing
- fees for tax advice
- other non-audit fees, which include fees for support and advice on acquisitions.

The breakdown of the audit fees for the year ended 31 December is as follows:

	2007		*2006*		*2005*	
	Total Fortis Bank Statutory Auditors	*Other Fortis Bank Auditors*	*Total Fortis Bank Statutory Auditors*	*Other Fortis Bank Auditors*	*Total Fortis Bank Statutory Auditors*	*Other Fortis Bank Auditors*
Audit fees	4	12	15	1	12	
Audit-related fees	1	3	4	2	5	
Tax fees		1	3		1	
Other non-audit fees		4	4	1	5	
Total	**5**	**20**	**26**	**4**	**23**	

11 Related parties

Parties related to Fortis Bank include affiliated companies associates, pension funds, joint ventures, Board Members (i.e. non-executive and executive members of the Fortis Bank Board of Directors), close family members of any person referred to above, entities controlled or significantly influenced by any person referred to above and any other related entities.

Fortis Bank frequently enters into transactions with related parties in the course of its business operations. Such transactions mainly concern loans, deposits and reinsurance contracts and are entered into under the same commercial and market terms that apply to non-related parties.

The remuneration and combined shareholdings of Board Members are described in note 9.

As at 31 December these outstanding credits, loans or bank guarantees amounted to EUR 3,8 million. These transactions have been entered into under the same commercial and market terms and conditions that apply to non-related-parties, including employees of the company.

Transactions entered into with the following related parties in the year ending 31 December 2007 are summarised below:

- associates and joint ventures
- other related parties such as affiliated companies, non consolidated subsidiaries and pension funds.

	2007			2006		
	Associates and Joint ventures	*Other*	*Total*	*Associates and joint ventures*	*Other*	*Total*
Income and expenses - Related parties						
Interest income	324	1,386	1,710	25	559	584
Interest expense	(319)	(1,640)	(1,959)	(21)	(740)	(761)
Fee and commission income	4	556	560	12	254	266
Realised gains	144	147	291		1,600	1,600
Other income	29	243	272	30	116	146
Fee and commission expense	(22)	(162)	(184)	(24)	(79)	(103)
Operating, administrative and other expenses		(126)	(126)		(126)	(126)

	2007			2006		
	Associates and Joint ventures	*Other*	*Total*	*Associates and Joint ventures*	*Other*	*Total*
Balance sheet - Related parties						
Investments in associates	164	965	1,129		965	965
Due from customers	861	12,303	13,164	447	13,016	13,463
Due from banks	53	107	160		105	105
Other assets	224	3,895	4,119	8	1,834	1,842
Due to customers	225	11,056	11,281	75	11,985	12,060
Debt certificates, subordinated liabilities and other borrowings	389	4,966	5,355	139	1,915	2,054
Other liabilities	16	1,242	1,258	11	641	652

The following figures concern guarantees and irrevocable and conditional commitments that Fortis Bank has made with respect to related parties:

- EUR 22 million with respect to guarantees given to related parties
- EUR 51 million with respect to guarantees obtained from related parties
- EUR 199 million with respect to unconditional and conditional commitments to related parties.

The changes in related party loans, receivables and advances during the year ended 31 December are as follows:

	Due from banks		Due from customers	
	2007	2006	2007	2006
Related party loans, receivables or advances at 1 January	**105**	**75**	**13,463**	**5,393**
Acquisitions/divestments of subsidiaries	53		2	
Additions or advances	2	30	9,531	11,659
Repayments			(9,832)	(3,589)
Related party loans, receivables or advances at 31 December	**160**	**105**	**13,164**	**13,463**
Impairments at 1 January				
Change in impairments				
Recoveries				
Impairments at 31 December				
Related party loans, receivables or advances at 31 December	**160**	**105**	**13,164**	**13,463**

	Due to banks		Due to customers	
	2007	2006	2007	2006
Related party loans, receivables or advances at 1 January	**151**	**708**	**12,060**	**11,115**
Acquisitions /divestments of subsidiaries	135		73	
Additions or advances	477		775	9,905
Repayments		(557)	(1,627)	(8,960)
Related party loans, receivables or advances at 31 December	**763**	**151**	**11,281**	**12,060**

12 Information on segments

12.1 General information

Fortis Bank is an international financial services provider. The primary format for segment reporting is based on businesses.

In October 2006 Fortis Bank announced a new organisational structure to support the evolution of its growth strategy. The structure was implemented on 1 January 2007. The 2006 figures have been changed for comparison purposes.

Fortis Bank is now organised on a world-wide basis into two businesses which are further subdivided into business segments (for details see below):

- Retail Banking
- Merchant & Private Banking

Activities not related to the Banking elimination differences are reported separately.

Fortis Bank's segment reporting reflects the full economic contribution of the businesses of Fortis Bank. The aim is direct allocation to the businesses of all balance sheet and income statement items for which the businesses have full managerial responsibility.

Segment information is prepared based on the same accounting policies as those used in preparing and presenting Fortis Bank's Consolidated Financial Statements (as described in note 1) and by applying appropriate allocation rules.

Transactions between the different businesses are executed under standard commercial terms and conditions.

On 5 November 2007 Fortis Bank announced that it would reorganise its management structure as of 1 January 2008. The adequate management structure will not only facilitate the successful integration of the acquired businesses of ABN Amro, but will also support the development of Fortis Bank as a whole. Fortis Bank will start to report according to the new organisational structure as of the first quarter of 2008.

12.2 Banking

Retail Banking

Retail Banking consists of the business segments Network and Asset Management.

Retail Banking Network

Retail Banking Network offers financial services to retail customers including individuals, self-employed people, members of the independent professions and small businesses, through the international Retail Banking business. Fortis Bank operates through a variety of distributions channels in the Benelux countries to deliver service and advice on every aspect of individual banking, saving, investment, credit and insurance.

Turkey is served by a comprehensive and tailored product offering. In Germany the focus is on credit cards and consumer lending. Affluent customers and small businesses are the target groups of Fortis Bank Poland, which is also rolling out a consumer finance business in this market. In Ireland a financial services joint venture with An Post has been established.

Retail Banking Asset Management

Fortis Bank carries out asset management activities, mainly through Fortis Investments, acting as a multi-centre, multi-product asset management firm. Based in Europe, Fortis Investments has a global presence with both sales offices and some key investment centres in Europe, the US and Asia. Activities range from institutional portfolio management to the development and management of mutual funds.

Merchant & Private Banking

Merchant & Private Banking encompasses a wide range of banking products and skill-oriented financial services for large international companies and institutional clients, medium-sized enterprises and entrepreneurs, and private banking clients. Merchant & Private Banking is organised according to a Clients-Skills structure.

Merchant & Private Banking Clients

The client coverage model includes Corporate, Institutional & Public Banking, Commercial Banking, ECT (Energy, Commodities and Transportation) and Private Banking.

Corporate, Institutional & Public Banking is responsible for the global relationship management of corporate, institutional and public-sector clients. Commercial Banking aims to be the partner of choice for Europe-oriented medium-sized enterprises by offering value-added solutions through a cohesive network of Business Centres. Within ECT, Fortis Bank offers financial solutions to these industry sectors. Private Banking offers integrated, worldwide asset and liability management solutions to high net worth individuals, their businesses and their advisors.

Merchant & Private Banking Skills

Merchant & Private Banking is organised around Skills units delivering high added value products and services potentially to all client segments. Skills include Global Markets, Clearing, Funds & Custody, Investment Banking and Specialised Financial Services.

Global Markets performs all trading, sales and research activities. Clearing, Funds & Custody offers financial services in custody, clearing and fund administration that support the trading and investment activities of financial professionals.
Investment Banking offers a wide variety of financial services, including corporate finance, structural finance and private equity. Specialised Financial Services consists of leasing, commercial finance, global trade services, cash management, trust and corporate services.

Other Banking

Balance sheet items, revenues and costs for support functions, operations and Asset and Liability Management (ALM) are reported in this section. The figures reported are those after allocation to the business segments.

Fortis Hypotheek Bank, Belgolaise and some other Fortis Bank companies are also reported in Other Banking..

Allocation rules

Segment reporting within the Banking segments make use of balance sheet allocation rules, balance sheet squaring mechanisms, a fund transfer pricing system, rebilling of support and operation expenses and overhead allocation.

The balance sheet allocation and squaring methodology aim at reporting information on segments to reflect Fortis Bank’s business model.

Under Fortis Bank's business model, segments do not act as their own treasurer in bearing the interest rate risk, the foreign exchange risk and the liquidity risk, by funding their own assets with their own liabilities, or by having direct access to the financial markets. The interest, currency and liquidity risks are removed by transferring them from the segments to the internal central bankers. This is reflected in the fund transfer pricing system. A key role in this system is attributed to Asset and Liability Management (ALM). The results of ALM are allocated to the segments based on the regulatory capital used and the interest margin generated within the segments.

Support and operations departments provide services to the segments. These services include human resources and information technology. The costs and revenues of these departments are charged to the segments via a rebilling system on the basis of service level agreements (SLAs) reflecting the economic consumption of the products and services provided. SLAs ensure that the costs and revenues are charged based on actual use and at standard rates. Differences between the actual costs and the rebilled costs based on standard tariffs are passed through to the business segments in a final allocation.

12.3 Balance sheet of banking segments

31 December 2007

	Retail Banking Network	*Retail Banking Asset Management*	*Merchant & Private Banking Clients*	*Merchant & Private Banking Skills*	*Other Banking*	*Eliminations*	*Total Banking*
Assets							
Cash and cash equivalents	11,176	1,025	7,559	31,931	48,244	(72,932)	27,003
Assets held for trading	138	24	106	76,481	627	(2,029)	75,347
Due from banks	44,375	20	43,867	224,228	64,294	(258,438)	118,346
Due from customers	162,240	4	165,484	179,801	142,828	(335,055)	315,302
Investments:							
- *Held to maturity*					4,234		4,234
- *Available for sale*	119	28	110	58,164	48,249	(3,487)	103,183
- *Held at fair value through profit or loss*			72	3,465	3,261	(1,080)	5,718
- *Investment property*			40	582	117	(51)	688
- *Investments in associates and joint ventures*	158	49	5	2,976	24,511		27,699
	277	77	227	65,187	80,372	(4,618)	141,522
Trade and other receivables	76	215	2,156	8,957	2,005	(6,863)	6,546
Property, plant and equipment	50	33	70	691	3,750	(1,879)	2,715
Goodwill and other intangible assets	589	145	60	386	717	(338)	1,559
Accrued interest and other assets	1,500	81	3,258	68,783	16,635	(11,384)	78,873
Total assets	220,421	1,624	222,787	656,445	359,472	(693,536)	767,213
Liabilities							
Liabilities held for trading	138		87	89,700	1,013	(1,481)	89,457
Due to banks	68,141	575	68,595	273,910	142,755	(361,835)	192,141
Due to customers	148,728	305	150,862	166,369	115,684	(314,784)	267,164
Debt certificates	381		400	60,321	34,969	(1,017)	95,054
Subordinated liabilities	68	40	230	5,283	18,547	(1,071)	23,097
Other borrowings	17	5	177	4,302	1,660	(3,496)	2,665
Provisions	88	1	180	385	539	(351)	842
Current and deferred tax liabilities	117	50	53	456	849	(102)	1,423
Accrued interest and other liabilities	2,743	648	2,203	55,719	9,590	(9,399)	61,504
Total liabilities	220,421	1,624	222,787	656,445	325,606	(693,536)	733,347
Shareholders' equity					33,436		33,436
Minority interests					430		430
Total equity					33,866		33,866
Total liabilities and total equity	220,421	1,624	222,787	656,445	359,472	(693,536)	767,213
Due from external customers	84,507	4	94,316	92,673	43,802		315,302
Due from customers internal	77,733		71,168	87,128	99,026	(335,055)	
Due from customers	162,240	4	165,484	179,801	142,828	(335,055)	315,302
Due to external customers	91,420	300	73,748	80,951	20,745		267,164
Due to customers internal	57,308	5	77,114	85,418	94,939	(314,784)	
Due to customers	148,728	305	150,862	166,369	115,684	(314,784)	267,164

31 December 2006

	Retail Banking Network	*Retail Banking Asset Management*	*Merchant & Private Banking Clients*	*Merchant & Private Banking Skills*	*Other Banking*	*Eliminations*	*Total Banking*
Assets							
Cash and cash equivalents	10,783	975	2,637	63,290	84,891	(141,784)	20,792
Assets held for trading	5	21	114	70,858	697	(1,060)	70,635
Due from banks	31,055		41,948	236,538	142,887	(363,015)	89,413
Due from customers	153,233	23	135,679	161,932	139,124	(304,114)	285,877
Investments:							
- *Held to maturity*					4,505		4,505
- *Available for sale*	177	48	95	76,108	54,801	(3,411)	127,818
- *Held at fair value through profit or loss*			25	3,333	609	(432)	3,535
- *Investment property*			4	513	138	(55)	600
- *Investments in associates and joint ventures*	106	18	22	975	231		1,352
	283	66	146	80,929	60,284	(3,898)	137,810
Trade and other receivables	23	221	2,251	5,507	1,472	(3,369)	6,105
Property, plant and equipment	53	33	66	215	3,453	(1,667)	2,153
Goodwill and other intangible assets	329	131	58	305	258	(101)	980
Accrued interest and other assets	1,204	80	2,077	53,274	14,250	(9,959)	60,926
Total assets	196,968	1,550	184,976	672,848	447,316	(828,967)	674,691
Liabilities							
Liabilities held for trading			91	64,823	1,067	(1,723)	64,258
Due to banks	60,345	591	60,585	345,917	226,018	(516,295)	177,161
Due to customers	133,599	521	122,925	150,537	135,854	(283,380)	260,056
Debt certificates	463		65	60,146	32,693	(3,007)	90,360
Subordinated liabilities	78	40	423	1,402	17,254	(5,117)	14,080
Other borrowings	25		248	5,547	1,295	(4,937)	2,178
Provisions	99	1	241	47	791	(462)	717
Current and deferred tax liabilities	79	25	95	828	815	(373)	1,469
Accrued interest and other liabilities	2,280	372	303	43,601	14,631	(13,673)	47,514
Total liabilities	196,968	1,550	184,976	672,848	430,418	(828,967)	657,793
Shareholders' equity					16,700		16,700
Minority interests					198		198
Total equity					16,898		16,898
Total liabilities and total equity	196,968	1,550	184,976	672,848	447,316	(828,967)	674,691
Due from external customers	77,886	23	84,525	86,918	36,525		285,877
Due from customers internal	75,347		51,154	75,014	102,599	(304,114	
Due from customers	153,233	23	135,679	161,932	139,124	(304,114)	285,877
Due to external customers	91,201	521	67,093	82,610	18,631		260,056
Due to customers internal	42,398		55,832	67,927	117,223	(283,380	
Due to customers	133,599	521	122,925	150,537	135,854	(283,380)	260,056

31 December 2005

	Retail banking	*Merchant banking*	*Commercial & Private Banking*	*Other Banking*	*Eliminations*	*Total Banking*
Assets						
Cash and cash equivalents	10,023	46,846	10,522	31,307	(73,104)	25,594
Assets held for trading	204	62,112	37	1,302	(825)	62,830
Due from banks	24,566	141,536	27,533	45,199	(158,780)	80,054
Due from customers	159,311	169,360	70,979	107,670	(229,458)	277,862
Investments:						
- *Held to maturity*				*4,669*		*4,669*
- *Available for sale*	*28*	*73,161*	*312*	*53,660*	*(462)*	*126,699*
- *Held at fair value through profit or loss*		*2,094*	*26*	*348*	*(179)*	*2,289*
- *Investment property*			*306*	*141*	*(45)*	*402*
- *Associates and joint ventures*	*170*	*788*	*43*	*284*		*1,285*
	198	76,043	687	59,102	(686)	135,344
Trade and other receivables	181	2,711	1,790	3,853	(1,525)	7,010
Property, plant and equipment	37	107	87	2,972	(1,185)	2,018
Goodwill and other intangible assets	14	5	167	469	(20)	635
Non-financial assets and disposals groups classified as held for sale				2,086		2,086
Accrued interest and other assets	686	40,427	1,365	13,868	(8,467)	47,879
Total assets	**195,220**	**539,147**	**113,167**	**267,828**	**(474,050)**	**641,312**
Liabilities						
Liabilities held for trading	1	51,012	40	(12)	(286)	50,755
Due to banks	52,595	235,603	43,678	88,146	(245,242)	174,780
Due to customers	138,340	162,935	67,222	100,183	(205,395)	263,285
Debt certificates	639	47,110	186	31,398	(2,506)	76,827
Subordinated liabilities	79	2,396	244	11,968	(2,197)	12,490
Other borrowings	29	417	243	4,782	(448)	5,023
Provisions	94	188	128	873	(488)	795
Current and deferred tax liabilities	115	661	83	772	(322)	1,309
Accrued interest and other liabilities	3,328	38,825	1,343	14,419	(17,166)	40,749
Total liabilities	**195,220**	**539,147**	**113,167**	**252,529**	**(474,050)**	**626,013**
Shareholders' equity				15,091		15,091
Minority interests				208		208
Total equity				**15,299**		**15,299**
Total liabilities and equity	**195,220**	**539,147**	**113,167**	**267,828**	**(474,050)**	**641,312**
Due from external customers	67,391	120,757	52,865	36,849		277,862
Due from internal customers	91,920	48,603	18,114	70,821	(229,458)	
Due from customers	**159,311**	**169,360**	**70,979**	**107,670**	**(229,458)**	**277,862**
Due to external customers	85,068	113,834	39,395	24,988		263,285
Due to internal customers	53,272	49,101	27,827	75,195	(205,395)	
Due to customers	**138,340**	**162,935**	**67,222**	**100,183**	**(205,395)**	**263,285**

12.4 Income statement of banking segments

	2007						
	Retail Banking Network	Retail Banking Asset Management	Merchant & Private Banking Clients	Merchant & Private Banking Skills	Other Banking	Eliminations	Total Banking
Income							
Interest income	12,079	27	10,040	109,562	22,196	(61,251)	92,653
Interest expense	(9,382)	(37)	(8,144)	(108,840)	(22,239)	61,256	(87,386)
Net interest income	2,697	(10)	1,896	722	(43)	5	5,267
Fee and commission income	951	991	916	1,191	257	(63)	4,243
Fee and commission expense	146	(555)	(74)	(478)	(275)	58	(1,178)
Net fee and commission income	1,097	436	842	713	(18)	(5)	3,065
Dividend, share in result of associates and joint ventures and other investment income	8	10	19	172	309		518
Realised capital gains (losses) on investments	64		30	166	576	45	881
Other realised and unrealised gains and losses	49	11	123	855	237	3	1,278
Other income	497	5	275	191	(614)	(37)	317
Total income, net of interest expense	**4,412**	**452**	**3,185**	**2,819**	**447**	**11**	**11,326**
Change in impairments	(142)	(9)	123	(2,790)	(10)	(6)	(2,834)
Net revenues	**4,270**	**443**	**3,308**	**29**	**437**	**5**	**8,492**
Expenses							
Staff expenses	(1,146)	(174)	(658)	(716)	(871)	(467)	(4,032)
Depreciation and amortisation of tangible and intangible assets	(23)	(13)	(14)	(54)	(252)	(25)	(381)
Other expenses	(459)	(101)	(203)	(384)	(1,268)	(230)	(2,645)
Allocation expense	(1,331)	(12)	(864)	(629)	2,119	717	
Total expenses	**(2,959)**	**(300)**	**(1,739)**	**(1,783)**	**(272)**	**(5)**	**(7,058)**
Profit before taxation	**1,311**	**143**	**1,569**	**(1,754)**	**165**		**1,434**
Income tax expense	(309)	(35)	(336)	1,035	6		361
Net profit before minority interests	**1,002**	**108**	**1,233**	**(719)**	**171**		**1,795**
Net profit attributable to minority interests					14		14
Net profit attributable to shareholders	**1,002**	**108**	**1,233**	**(719)**	**157**		**1,781**
Net revenues from external customers	2,648	464	4,190	342	3,572		11,216
Net revenues internal	1,622	(21)	(882)	(313)	(411)	5	
Net revenues	**4,270**	**443**	**3,308**	**29**	**437**	**5**	**8,492**

							2006
	Retail Banking Network	*Retail Banking Asset Management*	*Merchant & Private Banking Clients*	*Merchant & Private Banking Skills*	*Other Banking*	*Eliminations*	*Total Banking*
Income							
Interest income	9,916	29	7,169	67,981	14,382	(29,280)	70,197
Interest expense	(7,241)	(29)	(5,652)	(67,359)	(14,110)	29,280	(65,111)
Net interest income	2,675		1,517	622	272		5,086
Fee and commission income	1,225	795	874	901	124	(336)	3,583
Fee and commission expense	(209)	(449)	(101)	(263)	(126)	329	(819)
Net fee and commission income	1,016	346	773	638	(2)	(7)	2,764
Dividend, share in result of associates and joint ventures and other investment income	15	3	17	125	132		292
Realised capital gains (losses) on investments	10		46	94	2,004		2,154
Other realised and unrealised gains and losses	39	6	(16)	1,010	300		1,339
Other income	664	6	370	151	(846)	(75)	270
Total income, net of interest expense	**4,419**	**361**	**2,707**	**2,640**	**1,860**	**(82)**	**11,905**
Change in impairments	(151)	1	10	(31)	13		(158)
Net revenues	**4,268**	**362**	**2,717**	**2,609**	**1,873**	**(82)**	**11,747**
Expenses							
Staff expenses	(1,107)	(142)	(554)	(572)	(890)	(360)	(3,625)
Depreciation and amortisation of tangible and intangible assets	(30)	(8)	(13)	(38)	(244)	(17)	(350)
Other expenses	(411)	(79)	(197)	(388)	(1,205)	(61)	(2,341)
Allocation expense	(1,371)	(11)	(758)	(425)	2,045	520	
Total expenses	**(2,919)**	**(240)**	**(1,522)**	**(1,423)**	**(294)**	**82**	**(6,316)**
Profit before taxation	**1,349**	**122**	**1,195**	**1,186**	**1,579**		**5,431**
Income tax expense	(362)	(33)	(298)	20	(17)		(690)
Net profit for the period	**987**	**89**	**897**	**1,206**	**1,562**		**4,741**
Net profit attributable to minority interests				4	5		9
Net profit attributable to shareholders	**987**	**89**	**897**	**1,202**	**1,557**		**4,732**
Net revenues from external customers	2,390	365	3,287	237	5,468		11,747
Net revenues internal	1,878	(3)	(570)	2,372	(3,595)	(82)	
Net revenues	**4,268**	**362**	**2,717**	**2,609**	**1,873**	**(82)**	**11,747**

						2005
	Retail Banking	*Merchant Banking*	*Commercial & Private Banking*	*Other Banking*	*Eliminations*	*Total Banking*
Income						
Interest income	10,380	65,550	4,324	14,188	(29,747)	64,695
Interest expense	(7,913)	(64,786)	(3,293)	(13,798)	29,747	(60,043)
Net interest income	2,467	764	1,031	390		4,652
Fee and commission income	1,623	654	759	(22)	(120)	2,894
Fee and commission expense	(531)	(195)	(57)	59	120	(604)
Net fee and commission income	1,092	459	702	37		2,290
Dividend, share in result of associates and joint ventures and other investment income	16	114	39	111	(17)	263
Realised capital gains (losses) on investments	63	318	16	353	(38)	712
Other realised and unrealised gains and losses	43	527	62	127	46	805
Other income	513	126	238	(560)	(44)	273
Total income, net of interest expense	**4,194**	**2,308**	**2,088**	**458**	**(53)**	**8,995**
Change in impairments	(130)	107	(153)	(33)		(209)
Net revenues	**4,064**	**2,415**	**1,935**	**425**	**(53)**	**8,786**
Expenses						
Staff expenses	(1,111)	(603)	(566)	(1,090)		(3,370)
Depreciation and amortisation of tangible and intangible assets	(15)	(8)	(31)	(254)		(308)
Other expenses	(370)	(356)	(246)	142	(1,094)	(1,924)
Allocation expense	(1,262)	(359)	(446)	920	1,147	
Total expenses	**(2,758)**	**(1,326)**	**(1,289)**	**(282)**	**53**	**(5,602)**
Profit before taxation	**1,306**	**1,089**	**646**	**143**		**3,184**
Income tax expense	(444)	(76)	(186)	(27)		(733)
Net profit for the period	**862**	**1,013**	**460**	**116**		**2,451**
Net profit attributable to minority interests		6		5		11
Net profit attributable to shareholders	**862**	**1,007**	**460**	**111**		**2,440**
Net revenues from external customers	2,396	1,176	2,004	3,210		8,786
Net revenues internal	1,668	1,239	(69)	(2,785)	(53)	
Net revenues	**4,064**	**2,415**	**1,935**	**425**	**(53)**	**8,786**
Non-cash expenses (excl depreciation & amortisation)	(32)	(82)	(43)	(72)		(228)

12.5 Geographic segmentation

Fortis Bank's activities are managed on a worldwide basis. The table below shows key figures based on the location of the Fortis Bank company that has entered into the transaction.

	Net Profit	*Total income*	*Number of employees*	*Total assets*
31 December 2007				
Benelux	2,662	85,186	29,631	613,400
Other European countries	593	6,263	14,460	82,299
North America	(1,602)	5,473	1,047	52,588
Asia	104	2,867	1,368	17,905
Other countries	24	101	356	1,021
Total	**1,781**	**99,890**	**46,862**	**767,213**

	Net Profit	*Total income*	*Number of employees*	*Total assets*
31 December 2006				
Benelux	4,027	65,641	29,120	551,366
Other European countries	469	4,131	12,219	66,506
North America	135	4,424	737	43,516
Asia	84	3,572	1,175	12,175
Other countries	17	67	324	1,128
Total	**4,732**	**77,835**	**43,575**	**674,691**

	Net Profit	*Total income*	*Number of employees*	*Total assets*
31 December 2005				
Benelux	2,228	61,795	28,462	538,244
Other European countries	347	2,795	10,775	41,825
North America	74	2,781	496	48,213
Asia	37	2,454	872	12,228
Other countries	7	70	328	802
Total	**2,693**	**69,895**	**40,933**	**641,312**

Notes to the balance sheet

13 Cash and cash equivalents

Cash includes cash on hand, available balances with central banks and other financial instruments with a term of less than three months from the date on which they were acquired. The composition of Cash and cash equivalents was as follows as at 31 December:

	2007	2006	2005
Cash on hand	762	586	544
Balances with central banks readily convertible in cash			
other than mandatory reserve deposits	795	322	1,360
Due from banks	20,125	14,224	15,404
Due from customers, current accounts	4,028	3,932	5,540
Other	1,294	1,729	2,746
Total	**27,004**	**20,793**	**25,594**
Less: impairments incurred but not reported (IBNR)	(1)	(1)	
Total cash and cash equivalents	**27,003**	**20,792**	**25,594**

In the line Other is EUR 247 million included related to money market paper.

The average book value of Cash and cash equivalents for 2007 amounted to EUR 24,070 million (2006: EUR 25,336 million; 2005: EUR 26,771 million). The average yield in 2007 was 4.06% (2006: 2.7%; 2005: 1.9%).

14 Assets and liabilities held for trading

14.1 Assets held for trading

The following table provides a specification of the Assets held for trading.

	2007	2006	2005
Securities held for trading:			
Treasury bills and other eligible bills	1,107	2,533	934
Debt securities:			
- Government bonds	7,840	7,354	7,371
- Corporate debt securities	9,815	7,631	8,828
- Structured credit investments	3,249	4,935	3,850
Equity securities	23,844	26,533	17,951
Total trading securities	**45,855**	**48,986**	**38,934**
Derivatives held for trading			
Over the counter (OTC)	28,448	21,027	23,715
Exchange traded	478	523	156
Total trading derivatives	**28,926**	**21,550**	**23,871**
Other assets held for trading	566	99	25
Total assets held for trading	**75,347**	**70,635**	**62,830**

In 2007, EUR 77 million trading assets (2006: EUR 75 million; 2005: EUR 5 million) were pledged as collateral related to liabilities. Details of the derivative financial instruments are shown in note 32.

14.2 Liabilities held for trading

The table below shows the composition of Liabilities held for trading.

	2007	2006	2005
Short security sales	56,076	39,922	25,454
Derivative financial instruments:			
Over the counter (OTC)	33,047	24,016	24,869
Exchange traded	333	320	125
Total derivatives held for trading	33,380	24,336	24,994
Other liabilities held for trading	1		307
Liabilities held for trading	**89,457**	**64,258**	**50,755**

14.3 Valuation techniques

The following table provides a specification of the methods used in determining the fair values of trading securities as at 31 December.

	2007	2006	2005
Trading securities (assets):			
Fair values of trading securities supported by observable market data	40,865	46,723	37,549
Fair values of trading securities obtained through a valuation technique	4,990	2,263	1,385
Total	**45,855**	**48,986**	**38,934**
Short security sales (liabilities):			
Fair value supported by observable market data	56,076	39,921	25,451
Fair value obtained through a valuation technique		1	3
Total	**56,076**	**39,922**	**25,454**

For details on the calculation of fair values see note 33.

15 Due from banks

Due from banks consisted of the following:

	2007	2006	2005
Interest-bearing deposits	8,041	4,964	4,159
Loans and advances	8,460	5,613	2,282
Reverse repurchase agreements	65,858	49,592	55,831
Securities borrowing transactions	27,404	24,425	13,785
Mandatory reserve deposits with central banks	8,229	4,603	2,179
Held at fair value through profit or loss	213	101	1,478
Other	158	140	372
Fair value adjustments from hedge accounting			
Total	**118,363**	**89,438**	**80,086**
Less impairments:			
- specific credit risk	(12)	(17)	(18)
- incurred but not reported (IBNR)	(5)	(8)	(14)
Due from banks	**118,346**	**89,413**	**80,054**

The average carrying amount of Due from banks in 2007 was EUR 114,927 million (2006: EUR 84,200 million; 2005: EUR 91,416 million). The average yield in 2007 was 6.3% (2006: 5.4%; 2005: 3.7%).

In accordance with monetary policy, the various banking businesses are required to place amounts on deposit with the central banks in the countries where Fortis Bank operates. Together with the amount that is reported under Cash and cash equivalents, the total balance held with central banks came to EUR 8,229 million at year end 2007 (2006: EUR 4,925 million, 2005: EUR 3,539 million). The average outstanding balance with central banks (Cash and cash equivalents + Due from banks) during 2007 amounted to EUR 7,038 million (2006: EUR 5,001 million; 2005: EUR 4,764 million).

In the Merchant Banking segment, Fortis Bank has designated some financial assets which are part of Due from banks, at fair value through profit or loss. Under the Merchant Banking investment strategies, financial assets and financial liabilities, including derivatives, are brought together in specific portfolios. The performance and risks of these portfolios are measured, reported and managed on a fair value basis.

There is no significant difference between the carrying amounts of the Assets held at fair value through profit or loss and the exposure to credit risk of these assets.

Impairments on Due from banks

Changes in the impairments on Due from banks are as follows:

	2007		2006	
	Specific credit risk	*IBNR*	*Specific credit risk*	*IBNR*
Balance at 1 January	**17**	**8**	**18**	**14**
Increase in impairments	2	3	4	4
Release of impairments	(2)	(6)	(1)	(10)
Write-offs of uncollectible loans	(3)			
Foreign exchange differences and other adjustments	(2)		(4)	
Balance at 31 December	**12**	**5**	**17**	**8**

Note 5 describes in greater detail the impairments for specific credit risk and incurred but not reported (IBNR) impairments.

16 Due from customers

The composition of Due from customers is as follows:

	2007	2006	2005
Government and official institutions	5,343	5,313	7,781
Residential mortgage	95,445	89,322	80,098
Consumer loans	9,774	10,226	9,431
Commercial loans	138,696	110,650	93,646
Reverse repurchase agreements	28,186	37,649	61,074
Securities borrowing transactions	24,279	22,091	17,307
Finance lease receivables	11,969	10,000	7,825
Factoring	1,914	1,532	1,181
Other loans	1,601	548	530
Loans available for sale	212	28	56
Held at fair value through profit or loss	1,300	1,358	1,139
Fair value adjustment from hedge accounting	(1,415)	(639)	165
Total	**317,304**	**288,078**	**280,233**
Less impairments:			
- Specific credit risk	(1,778)	(1,876)	(2,064)
- incurred but not reported (IBNR)	(224)	(325)	(307)
Due from customers	**315,302**	**285,877**	**277,862**

In 2007 the average amount of Due from customers was EUR 314,370 million (2006: EUR 288,078 million; 2005: EUR 242,277 million). The average yield in 2007 was 3.9% (2006: 5.0%; 2005: 4.8%).

Loans designated as available for sale are those loans purchased in the secondary markets that will subsequently be securitised and sold.

In the Merchant & Private Banking segment, Fortis Bank has designated some financial assets which are part of Due from customers at fair value through profit or loss. Selected inflation rate-linked credit contracts with governmental counterparties are designated at fair value through profit or loss, reducing a potential accounting mismatch between the measurement of the interest rate swaps and other derivatives involved and the credits previously measured at amortised cost.

Some other structured loans and contracts, including derivatives, are also designated as Held at fair value through profit or loss, reducing a potential accounting mismatch. The amortised cost of Assets held at fair value through profit or loss at 31 December 2007 was EUR 1,309 million (2006: EUR 1,328 million; 2005: EUR 1,139 million).

Furthermore, Fortis Bank hedges interest rate exposure of fixed-rate mortgages on a portfolio basis (macro hedging), by using interest rate swaps.

As a result of the hedge, the volatility of changes in the hedged item's net present value (NPV) of future cash flows, due to changes in the appropriate benchmark interest rate curve, will be reduced by offsetting changes in the fair value of the hedging derivative financial instrument.

Hedged mortgages are prepayable fixed-rate mortgages with the following features:

- denominated in local currency (euro)
- fixed term to maturity or repricing
- prepayable amortising or fixed principal amounts
- fixed interest payment dates
- no interest rate options
- accounted for on an amortised cost basis.

Mortgages with these features form a portfolio from which the hedged item is designated (fair value hedge accounting for a portfolio hedge of interest rate risk or 'macro hedge'). More than one group (or portfolio) of mortgages can be identified as the hedged item within the fixed rate mortgage portfolio. Mortgages included in a portfolio hedge of interest rate risk need to share the risk characteristics being hedged.

When notional swap cash flows exceed 95% of expected mortgage cash flows in any given month, the expected monthly mortgage cash flows on either side of the swap cash flow are designated as hedged items until all notional swap cash flows are matched. Mortgage cash flows are allocated to monthly time buckets based on expected repricing dates. Fortis Bank estimates repricing dates using a prepayment rate applied to the contractual cash flows and repricing dates of the mortgage portfolio.

The hedging instruments are plain vanilla interest rate swaps entered into with external counterparties at market rates prevailing at the time of the transaction.

Changes in the fair value of mortgages which are attributable to the hedged interest rate risk are recorded under Fair value adjustment from hedge accounting in order to adjust the carrying amount of the loan. The difference between the fair value and the carrying value of the hedged mortgages at designation of the hedging is amortised over the remaining life of the hedged item and is also reported in Fair value adjustment from hedge accounting.

Financial lease receivables

Receivables related to financial lease agreements at 31 December comprised of:

	Minimum lease payments			*Present value of the minimum lease payments receivable*		
	2007	*2006*	*2005*	*2007*	*2006*	*2005*
Gross investment in financial leases:						
Not later than 3 months	1,405	1,952	1,379	1,274	1,836	1,296
Later than 3 months and not later than 1 year	2,640	2,723	1,764	2,313	2,461	1,558
Later than 1 year and not later than 5 years	7,239	5,501	4,225	6,147	4,785	3,636
Later than 5 years	2,765	1,422	1,607	2,235	919	1,335
Total	**14,049**	**11,598**	**8,975**	**11,969**	**10,001**	**7,825**
Unearned finance income	2,080	1,597	1,150			

Proceeds from financial lease agreements recorded in the income statement in 2007 amounted to EUR 649 million (2006: EUR 509 million; 2005: EUR 399 million).

Impairments on Due from customers

The following table shows the changes in impairments on Due from customers.

	2007		2006	
	Specific credit risk	*IBNR*	*Specific credit risk*	*IBNR*
Balance at 1 January	**1,876**	**325**	**2,064**	**307**
Acquisitions/divestments of subsidiaries	31	4	23	6
Increase in impairments	817	23	664	90
Release of impairments	(511)	(133)	(511)	(73)
Write-offs of uncollectible loans	(343)		(309)	
Foreign exchange differences and other adjustments	(92)	5	(55)	(5)
Balance at 31 December	**1,778**	**224**	**1,876**	**325**

The impairments for specific credit risk and incurred but not reported (IBNR) are described in more detail in note 5.

The fair value of real estate related to defaulted mortgages that has been acquired through foreclosure for which the intent is to sell in 2008 was EUR 2 million at 31 December 2007 (2006: EUR 31 million; 2005: EUR 32 million).

The impairment on financial lease receivables included in the amounts above was nil at 31 December 2007 (2006: EUR 23 million; 2005: EUR 9 million).

17 Investments

The composition of Investments is as follows:

	2007	2006	2005
Investments			
- Held to maturity	4,234	4,505	4,669
- Available for sale	105,672	127,895	126,816
- Held at fair value through profit or loss	5,718	3,535	2,289
- Investment property	689	605	406
- Associates and joint ventures	27,699	1,352	1,285
Total, gross	**144,012**	**137,892**	**135,465**
Impairments:			
- on investments available for sale	(2,489)	(77)	(117)
- on investment property	(1)	(5)	(4)
Total impairments	**(2,490)**	**(82)**	**(121)**
Total	**141,522**	**137,810**	**135,344**

17.1 Investments held to maturity

The amortised cost and estimated fair value of Fortis Bank's Investments held to maturity as at 31 December are as follows:

	2007		2006		2005	
	Carrying amount	*Fair values*	*Carrying amount*	*Fair values*	*Carrying amount*	*Fair values*
Government bonds	3,933	4,002	4,211	4,340	4,282	4,434
Corporate debt securities	301	299	294	302	387	407
Total investments held to maturity	**4,234**	**4,301**	**4,505**	**4,642**	**4,669**	**4,841**

Investments held to maturity are only held by the banking segments. There were no impairments on Held to maturity investments at 31 December 2007, 2006 and 2005.

17.2 Investments available for sale

The fair value and amortised cost of Available for sale investments including gross unrealised gains and gross unrealised losses is as follows:

	Historical/ amortised cost	*Gross unrealised gains*	*Gross unrealised losses*	*Fair value adjustments from hedge accounting*	*Impairments*	*Fair values*
31 December 2007						
Treasury bills and other eligible bills	265					265
Government bonds	41,735	317	(707)	(218)	(4)	41,123
Corporate debt securities	25,758	44	(231)	3	(10)	25,564
Structured credit intruments	35,074	44	(900)	(8)	(2,420)	31,790
Private equities and venture capital	113	38	(11)		(4)	136
Equity securities	3,672	301	(80)	(35)	(29)	3,829
Other investments	271	230			(21)	480
Total	**106,888**	**974**	**(1,929)**	**(258)**	**(2,488)**	**103,183**

	Historical/ amortised cost	*Gross unrealised gains*	*Gross unrealised losses*	*Fair value adjustments from hedge accounting*	*Impairments*	*Fair values*
31 December 2006						
Treasury bills and other eligible bills	591					591
Government bonds	63,957	255	(69)	(281)	(4)	63,858
Corporate debt securities	26,127	29	(65)	(19)	(1)	26,071
Structured credit intruments	33,822	92	(2)	(11)	(7)	33,894
Private equities and venture capital	143	28	(1)		(5)	165
Equity securities	2,016	575	2	(6)	(35)	2,552
Other investments	495	217			(25)	687
Total	**127,151**	**1,196**	**(135)**	**(317)**	**(77)**	**127,818**

	Historical/ amortised cost	*Gross unrealised gains*	*Gross unrealised losses*	*Fair value adjustments from hedge accounting*	*Impairments*	*Fair values*
31 December 2005						
Treasury bills and other eligible bills	459					459
Government bonds	67,635	1,901	(99)	(75)	(5)	69,357
Corporate debt securities	23,324	219	(58)	29	(1)	23,513
Structured credit intruments	30,015	109	(14)	(5)	(17)	30,088
Private equities and venture capital	147	40	(3)		(3)	181
Equity securities	1,679	226	(9)	37	(45)	1,888
Other investments	957	305	(3)		(46)	1,213
Total	**124,216**	**2,800**	**(186)**	**(14)**	**(117)**	**126,699**

Government bonds detailed by country of origin

The government bonds detailed by country of origin are as follows at 31 December:

	Historical/ amortised cost	Gross unrealised gains (losses)	Fair value adjustments from hedge accounting	Impairments	Fair values
31 December 2007					
Belgian national government	7,312	(6)	(177)		7,129
Dutch national government	3,241	(36)			3,205
German national government	6,979	(155)			6,824
Italian national government	6,148	(39)	(36)		6,073
French national government	4,209	(53)			4,156
Great Britain national government	799	(7)			792
Greek national government	3,627	(30)	(9)		3,588
Spanish national government	495	(10)	1		486
Portugese national government	2,352	(17)	(1)		2,334
Austrian national government	1,549	6			1,555
Finish national government	961	(5)			956
Other national governments	4,063	(38)	4	(4)	4,025
Total	**41,735**	**(390)**	**(218)**	**(4)**	**41,123**

	Historical/ amortised cost	Gross unrealised gains (losses)	Fair value adjustments from hedge accounting	Impairments	Fair values
31 December 2006					
Belgian national government	9,036	120	(125)		9,031
Dutch national government	5,690	18	(9)		5,699
German national government	10,142	(52)	(28)		10,062
Italian national government	15,971	115	(98)		15,988
French national government	7,200	(20)	(5)		7,175
Great Britain national government	1,069	5			1,074
Greek national government	4,446	(1)	(15)		4,430
Spanish national government	3,162	3			3,165
Portugese national government	2,274	1	(4)		2,271
Austrian national government	1,563	19			1,582
Finish national government	1,069	5			1,074
Other national governments	2,335	(27)	3	(4)	2,307
Total	**63,957**	**186**	**(281)**	**(4)**	**63,858**

	Historical/ amortised cost	Gross unrealised gains (losses)	Fair value adjustments from hedge accounting	Impairments	Fair values
31 December 2005					
Belgian national government	10,034	393	20		10,447
Dutch national government	6,402	197	(11)		6,588
German national government	9,577	164	(22)		9,719
Italian national government	18,286	406	(31)		18,661
French national government	6,792	154	(13)		6,933
Great Britain national government	1,132	48			1,180
Greek national government	5,358	139	(13)		5,484
Spanish national government	2,945	100	9		3,054
Portugese national government	2,368	88	(1)		2,455
Austrian national government	1,791	77			1,868
Finish national government	1,132	48			1,180
Other national governments	1,818	(12)	(13)	(5)	1,788
Total	**67,635**	**1,802**	**(75)**	**(5)**	**69,357**

Net unrealised gains and losses on Available for sale investments included in equity

	2007	2006	2005
Available for sale investments in equity securities and other investments:			
Carrying amount	4,442	3,404	3,282
Gross unrealised gains and losses	478	821	556
- Related tax	(93)	(100)	(159)
Net unrealised gains and losses	**385**	**721**	**397**
Available for sale investments in debt securities:			
Carrying amount	98,741	124,414	123,417
Gross unrealised gains and losses	(1,433)	240	2,058
- Related tax	362	(64)	(604)
Net unrealised gains and losses	**(1,071)**	**176**	**1,454**

Available for sale investments in equity securities include private equities, venture capital and all other investments, excluding debt securities.

Impairments on Investments available for sale

The following table shows the breakdown of impairments on Investments available for sale.

	2007	2006	2005
Impairments on investments available for sale:			
- in equity securities and other investments	(55)	(66)	(95)
- in debt securities	(2,434)	(11)	(22)
Total impairments on investments available for sale	**(2,489)**	**(77)**	**(117)**

The change in impairments on available for sale investments are as follows:

	2007	2006
Balance at 1 January	**77**	**117**
Increase in impairments	2,432	4
Release of impairments		(5)
Reversal on sale/disposal	(7)	(31)
Foreign exchange differences and other adjustments	(14)	(8)
Balance at 31 December	**2,488**	**77**

In the Merchant & Private Banking segment, Fortis Bank has deployed investment strategies on which (micro) fair value hedge accounting is applied. The general objective of these strategies is to take a medium or long-term investment position on the credit spread between a bond and the swap curve over a certain period. The interest swap associated with the bond is designated to hedge the underlying bond against adverse changes in the interest rate. The hedged risk is interest-rate risk. Credit risk is currently not being hedged. The principal hedged items concern government bonds, corporate debt securities and structured credit instruments.

At year end 2007, Fortis Bank has pledged investments in the amount of EUR 122.582 (2006: EUR 241.571 million) as collateral related to liabilities.
Changes in the fair value of the investments attributable to the hedged interest rate risk are presented as Fair value adjustments from hedge accounting. Furthermore, Fortis Bank hedges interest rate risk of fixed-rate bonds on a portfolio basis (macro hedging) using primarily interest-rate swaps as hedging instruments.

The hedged bonds are bond assets with the following features:

- denominated in local currency (euro)
- fixed term to maturity
- fixed principal amounts
- fixed interest payment dates
- no interest rate options or embedded derivatives
- accounted for on amortised cost basis.

Bonds with these features form the portfolio of bond assets from which the hedged item will be designated. Bond assets included in a portfolio hedged for interest rate risk need to share the risk being hedged. Bond cash flows are allocated to monthly time buckets based on contractual maturity dates.

The hedging instruments are ‘plain vanilla’ interest rate swaps entered into with external counterparties at market rates prevailing at the time of the transaction.

Changes in the fair value of the bonds which are attributable to the hedged interest rate risk are presented as Fair value adjustments from hedge accounting. The difference between the fair value and the carrying value of the hedged bonds at designation of the hedging is amortised over the remaining life of the hedged item and is reported in Fair value adjustment from hedge accounting.

Fortis Bank hedges the foreign currency risk on selected equity securities portfolios. For these hedging relationships Fortis Bank has designated non-derivative financial liabilities as hedging instruments.

If the deposit or current account qualifies as a hedging instrument, the foreign exchange differences of the hedging instrument and the foreign exchange component of the fair value change of the hedged instrument are reported directly in the income statement. Investments available for sale include the foreign exchange related fair value adjustment on the hedged equity securities, reported in Fair value adjustments from hedge accounting.

17.3 Investments held at fair value through profit or loss

The following table provides information as at 31 December about the Investments that are held at fair value and for which unrealised gains or losses are recorded through profit or loss.

	2007	2006	2005
31 December 2007			
Government bonds	24		
Corporate debt securities	49	62	16
Structured credit instruments	1,942	2,445	1,591
Private equities and venture capital	979	812	498
Equity securities	2,412	128	97
Other investments	312	88	87
Total investments held at fair value through profit or loss	**5,718**	**3,535**	**2,289**

In the Merchant & Private Banking segment, some investments made by private equity entities of Fortis Bank are measured at fair value through profit or loss, reflecting the business of investing in financial assets to profit from their total return in the form of interest or dividend and changes in fair value. Some other investments with embedded derivatives are also designated at fair value through profit or loss, reducing a potential accounting mismatch.

The amortised cost of the Debt securities held at fair value through profit or loss as at 31 December 2007 is EUR 2,328 million (2006: EUR 2,507 million; 2005: EUR 1,608 million) and the carrying value is EUR 2,328 million (2006: EUR 2,507 million; 2005: EUR 1,608 million).

17.4 Structured Credit Instruments

Fortis Bank holds as part of its investment portfolio so called Structured Credit Instruments (SCI). Structured Credit Instruments are securities created by repackaging cash flows from financial contracts and encompass asset-backed securities (ABS), mortgage-backed securites (MBS) and collateralised debt obligations (CDO). The exposure on Structured Credit Instruments is in the Financial Statements reported by category of financial instrument and as such included in Investments available-for-sale, Investments held at fair value through profit or loss, Assets held for trading, Due from Customers and Other assets include the US sub-prime residential mortgage-related assets.

At 31 December 2007, the net exposure on the global Structured Credit Instruments can be detailed as follows at 31 December 2007:

	Total net Exposure Excl. SPE	Total net exposure incl. SPE assets
SCI reported as Assets held for trading	3,249	3,886
SCI reported as Due from Customers (loans available for sale):	212	212
SCI reported as Investments available for sale	31,790	33,495
SCI reported as Investments held at fair value through profit or loss	1,942	3,553
Other	6,169	6,169
Total	**43,362**	**47,315**

Other includes mainly the asset pools of Scaldis as reported under Other assets. Scaldis is fully consolidated within Fortis Bank and is a conduit that purchases eligible assets from investment grade, non-investment grade and unrated sellers. The asset pools contain continuous financing of third party clients' assets such as consumer and car loans, trade receivables, mortgages and lease receivables.

Special Purpose Entities (SPE) assets relate to investments by entities of Fortis Bank in debt securities of special Purpose Entities set up by Fortis Bank for the purpose of asset securitisation or structured debt issuance and are included in the Fortis Bank consolidation scope. The exposure of Special Purpose Entities is mainly reported under the balance sheet captions Due from Customers (Residential Mortgages) and Due from Banks (Reverse repurchase agreements).

On 11 January 2006, the European Commission endorsed IFRS 7, *Financial Instruments: Disclosures*. IFRS 7 is applied by Fortis Bank as from 1 January 2007 and includes requirements whether fair values of financial assets are determined, in whole or in part, directly by reference to published price quotations in an active market or are estimated using a valuation technique based on assumptions that are or are not based on available observable market data.

Structured Credit Instruments are mainly measured at fair value. The Structured Credit Instruments not carried at fair value are mainly related to the asset pools of Scaldis and are measured at amortised cost.
The fair value measurement of financial assets, part of the Structured Credit Instruments, can be categorised based upon the valuation methods applied:

- category 1: fair values determined in whole or in part, directly by reference to published price quotations in an active market;
- category 2: fair values determined, in whole or in part, using a valuation technique based on assumptions that are supported by available observable market data;
- category 3: fair values determined, in whole or in part, using a valuation technique based on assumptions that are not supported by available observable market data.

The categorisation within the fair value hierarchy is based upon the lowest level of input that is significant for the fair value measurement. The note 33 'Fair values of financial assets and financial liabilities' contains a description of the valuation methodologies applied for the measurement of the fair value.

The following table presents the financial instruments measured at fair value included in the Structured Credit Instruments by category of fair value measurement, indicating the transparency of the inputs to measure the fair value:

	2007
Category 1	60%
Category 2	33%
Category 3	7%

The percentages reported are based on the net exposure including the assets held by Special Purposes Entities of Fortis Bank.

During the second half of 2007 the market circumstances for Structured Credit Instruments changed dramatically leading to a significant decrease in the observability of the data used for market pricing of assets primarily related to US sub-prime residential mortgage-related assets, including Asset Backed Securities (ABS) and Collaterised Debt Obligations (CDO's). Under these market conditions, it was no longer possible for Fortis Bank to value the CDO origination portfolio based on published price quotations as those were no longer available. Consequently, a valuation technique, based on a discounted cash flow model, was applied.

As for other financial assets, Fortis Bank applies a two step approach in the impairment testing process of financial instruments. Firstly, an assessment is made if objective evidence exists that a financial asset is impaired followed by the recognition and measurement of an impairment loss. The assessment of objective evidence is based on observable data ('triggers') about loss events.

The Fortis Bank established mandatory triggers concerning CDO products that can lead to an impairment are the following:

- for all tranches Fortis Bank owns, any Event of Default under the indenture for the issuing CDO
- the downgrade of the tranche to a non investment grade.

If a mandatory trigger is met, the instrument is considered as impaired.

Besides the mandatory triggers four judgemental triggers are used:

- over collateralization falls below 100%
- interest coverage falls below 100%
- downgrade of any tranche with 1 or more notches below the original rating
- fair value drops below 80% of the acquisition price.

If a judgemental trigger is met, further credit quality analysis is undertaken.
Impairment losses are measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows.

During 2007, the process to estimate impairments for the so called Super Senior exposure originated by Fortis Bank , were based on a cash flow analysis considering observable and non-observable data for relevant benchmark instruments, implied cumulative losses in mortgage pools and the likelihood of events of default in the underlying ABS CDO collateral. The inputs to the valuation model principally comprise remittance data from mortgage service companies. These are received towards the end of each month and relate to the preceding month's cash flows on the mortgages underlying the relevant mortgage-backed securities. The model assesses the level of risk in the underlying mortgage portfolio and estimate the fair value of the positions.

The model is based on estimates the cumulative losses for the different buckets (RMBS and CDOs) included in the different CDO structures. The model considers a value for CDO buckets and gives a valuation of the RMBS buckets based on the following steps:

- Computation of the default pipeline for each portfolio
- Extrapolation of Cumulative Default Rate of the mortgage pool over its lifetime using a default curve based on market data
- Computation of the Cumulative Loss with loss given default based on recent market information
- Calculation of the net present value of the cash-flows

Fortis Bank , however, estimated that the outcome of the model based on historical market data did not reflect the rapid deterioration of the US sub-prime market. Consequently it has been decided to consider a stress scenario using various stress assumptions, including a higher cumulative loss than the historical market data, to determine the level of impairment.

Although the Fortis Bank stressed cash flow model is calibrated to current market transactions as measured by the most readlily available proxy information that would be used by other market participants, such models have inherent limitations, and different assumptions and inputs generate different views on the level of impairment.

The impairment losses on Structured Credit Instruments are reported in the income statement under the caption Change in Impairments (note 41).

Fair value changes of Structured Credit Instruments reported as Assets held for trading or Investments held at fair value through profit or loss are reflected in the caption Other realised and unrealized gains and losses of the income statement (note 37).

17.5 Real estate

Real estate property mainly comprises residential, commercial and mixed use real estate, located primarily in the Benelux countries. The following table shows the changes in Real estate for the year ended 31 December.

	2007	2006
Acquisition cost at 1 January	**719**	**513**
Acquisitions/divestments of subsidiaries		2
Additions/purchases	110	220
Capital improvements		
Disposals	(45)	(17)
Transfer from (to) property, plant and equipment		
Foreign exchange differences	(5)	(3)
Other	24	4
Acquisition cost at 31 december	**803**	**719**
Accumulated depreciation at 1 January	**(114)**	**(107)**
Depreciation expense	(21)	(15)
Reversal of depreciations due to disposals	22	4
Transfer from (to) real estate held for own use		
Foreign exchange differences		1
Other	(1)	3
Accumulated depreciation at 31 December	**(114)**	**(114)**
Impairments at 1 January	**(5)**	**(4)**
Increase in impairments charged to income statement	( )	(2)
Reversal of impairments charged to income statement	2	
Reversal of impairments due to disposals	2	1
Impairments at 31 December	**(1)**	**(5)**
Net investment property at 31 December	**688**	**600**
Cost of investment property under construction	27	

The fair value of Real estate is set out below.

	2007	2006
Fair values supported by market evidence	331	237
Fair values subject to an independent valuation	509	467
Total fair value of investment property	**840**	**704**
Total carrying amount	688	600
Gross unrealised gain/loss	152	104
Taxation	(67)	(33)
Net unrealised gain/loss (not recognised in equity)	**85**	**71**

The depreciation of buildings is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. Real estate is split into the following components: structure, closing, techniques and equipment, heavy finishing and light finishing.

The maximum useful live of the components is as follows:

Structure	50 years for offices and retail; 70 years for residential
Closing	30 years for offices and retail; 40 years for residential
Technics and equipment	20 years for offices; 25 years for retail and 40 years for residential
Heavy finishing	20 years for offices; 25 years for retail and 40 years for residential
Light finishing	10 years for offices, retail and residential

Property rented out under operating lease

Fortis Bank rents certain assets – mainly property held for investment purposes – to external parties based on operating lease agreements. At 31 December the minimum lease payments to be received from irrevocable agreements amounted to:

	2007	*2006*	*2005*
Not later than 3 months	51	3	8
Later than 3 months and not later than 1 year	18	15	25
Later than 1 year and not later than 5 years	102	69	121
Later than 5 years	205	252	174
Total	**376**	**339**	**328**

17.6 Investments in associates and joint ventures

The following table provides an overview of the most significant Investments in associates and joint ventures as at 31 December.

	2007	*2006*	*2005*
	Carrying amount	*Carrying amount*	*Carrying amount*
Joint ventures			
Bank van de Post / Banque de la Poste	67	78	129
Associates			
BAFB	990		
BGL Investment Partners	150	133	176
Caipora International Finance Cooperatiëve UA	107	107	107
Debra International Finance Cooperatiëve UA	210	210	210
NIB Capital Foreign Debt fund V	150	526	346
ABN AMRO	23,930		
Leyden Bay B.V.	1,376		
Other	719	298	317
Total	**27,699**	**1,352**	**1,285**

Of the investments mentioned above, only BGL Investment Partners, Inc. has a stock exchange listing. The market value of BGL Investment Partners was EUR 118 million as at 31 December 2007 (2006: EUR 99 million; 2005: EUR 132 million).

Fortis Bank's interests in its principal associates for the year ended 31 December are as follows:

	Total assets	*Total liabilities*	*Total income*	*Total expenses*
2007				
BGL Investment Partners	591	10	83	(11)
Caipora International Finance Cooperatieve UA	429		35	(18)
Debra International Finance Cooperatieve UA	838		64	(34)
NIB Capital Foreign Debt fund V	200		21	(2)
BAFB	1,008		21	
Leyden Bay B.V.	1,831		23	(7)
ABN AMRO	238,088	235,323	6,565	(6,501)
2006				
BGL Investment Partners	511	2	81	(10)
Caipora International Finance Cooperatieve UA	429		17	
Debra International Finance Cooperatieve UA	838		37	
NIB Capital Foreign Debt fund V	702		15	
2005				
BGL Investment Partners	342	3	67	(15)
Caipora International Finance Cooperatieve UA	429		15	
Debra International Finance Cooperatieve UA	838		43	
NIB Capital Foreign Debt fund V	462		20	

Investments in joint ventures

Companies that Fortis Bank owns and controls jointly with other companies (joint ventures) are measured at net asset value. The most significant joint venture in which Fortis Bank participates is Bank van de Post / Banque de la Poste. Financial data about Bank van de Post / Banque de la Poste for the year ended 31 December is shown below.

Bank van De Post / Banque de la Poste

Bank van de Post / Banque de la Poste, a jointly owned subsidiary of Fortis Bank and the Belgian Post Office, provides standard financial products and services, i.e. retail banking products, savings products, investments and credit facilities to individuals and businesses and insurance products via post offices in Belgium. Fortis Bank has a 50% economic interest in this joint venture.

	2007	*2006*	*2005*
Joint venture Bank van de Post/Banque de la Poste (on a 100% basis)			
Income	290	272	266
Expenses	(280)	(266)	(265)
Total assets	6,440	6,591	6,252
Total liabilities	6,313	6,436	5,993

18 Acquisition of ABN AMRO

On 17 October 2007, Fortis Bank acquired together with Royal Bank of Scotland (RBS) and Santander (together the Banks) ABN AMRO. The acquisition took place through a public offer for 100% of the issued and outstanding share capital of ABN AMRO.

On 10 October 2007, the Banks declared the Offer unconditional because as of the expiration of the Offer Period, 1,590,339,614 ABN AMRO ordinary shares, representing approximately 86% of ABN AMRO's share capital, had been tendered in the Offer. In accordance with normal practice in the Netherlands, a subsequent offering period was provided for the holders of ABN AMRO ordinary shares who had not yet accepted the Offer. On 2 November 2007, following the expiration of the subsequent offering period, the Banks announced that a total of 1,826,332,482 ABN AMRO ordinary shares were tendered to the Offer, representing 98.8% of ABN AMRO ordinary shares.

The acquisition was the conclusion of a bid process that started in March 2007 and that was legally accomplished through RFS Holdings B.V., an entity jointly owned by the Banks and that was set up specifically for this purpose.

Fortis Bank, RBS and Santander have shareholdings in RFS Holdings that are equal to their proportionate funding commitments. The capital and income rights of the different classes of shares that were issued to Fortis Bank, RBS and Santander, are respectively linked to the net assets and income of the business units which the relevant shareholder is acquiring in agreement with the Consortium and Shareholders' Agreement (principle of 'tracking shares'). The class of shares, which has been issued to Fortis Bank, RBS and Santander in proportion to their funding commitments, reflects their pro rata interests in the businesses, assets and liabilities that are not being acquired by any of them individually (Shared assets).

The total consideration paid by the Banks to ABN AMRO shareholders was EUR 71.1 billion. Of this total, Fortis Bank contributed 33.81% or EUR 24 billion.

18.1 Business units acquired

Fortis Bank acquired the following business units of ABN AMRO (the acquired ABN AMRO businesses):

- the ABN AMRO Business Unit Netherlands (excluding former Dutch wholesale clients, Interbank and DMC Consumer Finance);
- the ABN AMRO Private Clients Business Unit (excluding Latin America);
- the ABN AMRO Asset Management Business Unit;
- a part of the shared assets, equal to Fortis Bank's share in the entire acquisition of ABN AMRO; and
- the ABN AMRO brand name.

The activities of the business units can be described as follows:

Business Unit Netherlands (excluding former Dutch wholesale clients, Interbank and DMC Consumer Finance)
The ABN AMRO Business Unit Netherlands serves consumer and commercial banking clients in The Netherlands. This Business Unit has a staff of approximately 21,000 people operating through a network of 561 bankshops, 65 advisory branches, three dedicated mid-market corporate client units, two large corporate client wholesale centres and four integrated call centres. Business Unit Netherlands also operates approximately 1,600 ATMs and internet and mobile channels and is active in the intermediary market.

Business Unit Private Clients
The Business Unit Private Clients provides private banking services to wealthy individuals and institutions with EUR 1 million or more in net assets to invest. In 2006, it employed a staff of approximately 3,300 people, operating through 103 offices in 23 countries.

Business Unit Asset Management
The Business Unit Asset Management provides asset management services directly to institutional clients (such as central banks, pension funds, insurance companies and leading charities) and to private investors through ABN AMRO's consumer and private banking arms and through third-party distributors such as insurance companies and other banks. It employs approximately 1,500 staff and operates in 26 countries worldwide.

Fortis Bank received approval from the European Commission for the acquisition of ABN AMRO. As part of the approval, the Commission has imposed some conditions on Fortis Bank to address certain competition concerns in the Commercial Banking segment in the Netherlands. The 'remedies' requested by the Commission consist of a post-acquisition divestment package relating to specified parts of the Business Unit Netherlands of ABN AMRO. A key element is the proposed sale of Hollandsche Bank Unie N.V. (an independent and separately licensed commercial bank), 13 advisory branches and two Corporate Client Departments and the sale of the Dutch factoring company IFN Finance B.V.

The scope of these divestments represents around 10% in terms of assets, income and initially projected revenue and cost synergies of the part of Business Unit Netherlands acquired by Fortis Bank.

18.2 Integration process and next steps

In November 2007 Jean-Paul Votron, CEO of Fortis, Sir Fred Goodwin (CEO of RBS) and Juan Iniciarte (General Manager of Santander) joined the Supervisory Board of ABN AMRO. In addition, a revised Managing Board was set up within ABN AMRO. The Managing Board is headed by Mark Fisher from RBS with Fortis Executive Committee former member Karel de Boeck as Vice-president (Karel de Boeck stepped down as Executive Committee member after his appointment to the ABN AMRO Managing Board).

A transition process has been developed with detailed plans for the separation of businesses in order to minimise the uncertainty for staff and other stakeholders. In each function and Business Unit, the Managing Board has created a Transition Steering Group ('TSG'). Every TSG comprises the relevant functional experts/managers seconded to ABN AMRO Group from the appropriate Consortium members for the period of the transition and the relevant ABN AMRO Group functional executive/business manager.

Each TSG is responsible for the planning of the orderly separation of businesses in line with the guiding principles agreed by the Banks according to the Consortium and Shareholders' Agreement.

All the TSG's report to a Transition Management Committee which is a subcommittee of the Managing Board. It is responsible for reviewing and coordinating the individual plans in order to create an integrated plan for the whole transition including appropriate risk management and control mechanisms.

The Consortium intends to continue the close and continuous dialogue which has already been established with the Dutch central bank (DNB). In particular, relevant approvals will be obtained from DNB for each separation before implementation. Fortis Bank already welcomed the permission from DNB concerning the proposed demerger of ABN AMRO Asset Management. This demerger is expected to be completed at the end of the first quarter of 2008.

18.3 Accounting aspects

In accordance with IAS 28 *Investments in Associates*, the shareholding of Fortis Bank in RFS Holdings is considered as an investment in an associate, representing an entity over which Fortis Bank has significant influence. RFS Holdings is consolidated as a subsidiary by RBS because of its control over RFS holdings. The minority interest owned by Fortis Bank in RFS Holdings is accounted for using the equity method. Under the equity method, the investment in RFS Holdings is initially recognised at cost and the carrying amount is increased or decreased to recognise Fortis Bank's share in the profit or loss and net assets of RFS Holdings after the date of acquisition.

On 10 October 2007, the Banks declared the Offer unconditional and effective settlement of the Offer took place on 17 October 2007. This date is identified, pursuant to IFRS 3 *Business combinations*, as the date of acquisition of control by RFS Holdings on ABN AMRO (with legal, accounting and tax effects) and thus as the date on which the balance sheet figures of ABN AMRO are recognised in the accounts of RFS Holdings.

According to IFRS 3, the acquired ABN AMRO businesses are accounted for using the purchase accounting method.

This process includes the identification and the fair value calculation of the assets and liabilities acquired by Fortis Bank and the recognition and valuation of intangible assets. This process is executed in different stages. The stages include:

- review of the accounting policies as applied by ABN AMRO and recognition of difference with the accounting policies of Fortis Bank;
- preparation of the fair value accounting of the on-balance and off-balance sheet items of ABN AMRO at the date of acquisition;
- recognition of intangible assets and their value and consequently the calculation of the goodwill paid;
- accounting of the result of the business units of ABN AMRO acquired by Fortis Bank for the period 17 October – 31 December 2007.

The review of the accounting policies, the preparation of the fair value of the balance sheet items, the recognition and measurement of the intangible assets and the calculation of the goodwill, as described below, are currently taking place and are planned to be finalised by the end of June 2008. Figures disclosed in relation to the recognition and valuation of ABN AMRO related assets and liabilities are therefore provisional.

The provisional identifiable assets and liabilities of the acquired ABN AMRO businesses and the part of Fortis Bank in the shared assets, as well as the goodwill related to the acquisition, can be presented as follows:

	31 December 2007
Due from customers	139,202
Investments	3,856
Property, plant and equipment	1,721
Intangible assets	3,075
Deferred tax assets	652
Other assets	14,440
Total identifiable assets	**162,946**
Due to customers	125,187
Deferred tax liabilities	138
All other liabilities	32,923
Total identifiable liabilities	**158,248**
Total net assets	**4,698**
Minority interest	99
Total net assets shareholders	**4,599**
Purchase price	24,046
Net assets	(4,599)
Goodwill	**19,447**

There were no major measurement differences between the accounting principles applied by ABN AMRO and the accounting principles applied by Fortis Bank and as such not resulting in significant adjustments of the carrying value of assets and liabilities.

Adjustments following to the application of fair value accounting on the on-balance and off-balance items of the acquired ABN AMRO businesses were mainly related to the mortgage portfolio, funding positions related to the asset and liability management (ALM), the property portfolio and the investments in associates.

Intangible assets include an amount of EUR 195 relating to intangible assets previously accounted for by ABN AMRO. Additionally, an amount of EUR 2.880 has been recognised in relation to the application of IFRS 3 *Business combinations*.

At this moment, Fortis Bank has initially recognised the following intangible assets according to IFRS 3: core deposits, core overdrafts, client relations and the brand name.

The value of a core deposit intangible asset arises from the deposit base of the acquired business being a source of funding at lower cost than wholesale or money market funding. The spread between the cost of deposit funding – i.e. the interest paid to customers – and the cost of wholesale funding represents the most significant component of value of the core deposit intangible.

The value of a core overdraft intangible asset arises primarily from future interest income that will be received on revolving loans throughout the length of a relationship with current account customers.

The value of the customer relationship intangible arises from future non-interest (i.e. fee & commission) income. These future benefits are not encompassed in the fair value of loans and receivable balances and are therefore recognised as a separate intangible asset.

As part of the transaction, Fortis Bank also took ownership of the ABN AMRO brand and has valued it as an intangible asset.

The provisional purchase accounting applied on the assets and liabilities of the acquired ABN AMRO businesses and the part of Fortis Bank in the shared assets, currently results in a goodwill of EUR 19.4 billion (EUR 24 billion acquisition price and EUR 4.6 billion net assets).

The net intangible assets to be deducted in the local regulatory solvency calculation, assuming full consolidation of the acquired ABN AMRO businesses, are currently valued at EUR 2.9 billion, subject to final determination.

In the Consortium and Shareholders' Agreement (CSA), the partners guaranteed each other a minimum core equity to risk weighted assets of at least 4.95% for the businesses acquired by the individual partners as of 31 December 2006. Based on the provisional figures and according to the CSA, Fortis Bank is entitled to capital support of the Consortium partners. The capital support can be structured in the form of an exchange of capital relief transactions or a subscription to core equity instruments. A condition related to the capital support is the acceptance of these transactions or instruments as core equity by the home regulators. The capital support to Fortis Bank, together with the anticipated impact of the EU Remedies, will lead to a transfer of around EUR 3 billion.

The acquired ABN AMRO businesses contributed EUR 179 million to the net profit attributable shareholders of Fortis Bank in 2007. The share of Fortis Bank in the net assets of acquired ABN AMRO businesses as at 31 December 2007 was EUR 4,755. The income statement for the period 17 October to 31 December 2007 (76 days) for the acquired ABN AMRO businesses and the shared assets part of Fortis Bank is as follows:

Net interest income	727
Net fee and commission income	472
Realised and unrealised gains and losses	37
Other income	159
Total income	1,395
Change in impairments	(61)
Net revenues	**1,334**
Staff expenses	(410)
Depresiation and amortisation	(184)
Other expenses	(496)
Total expenses	**(1,090)**
Profit before taxation	**244**
Income tax expenses	(56)
Net profit for the period	**188**
Net profit attributable to minority interest	9
Net profit attributable to shareholders	**179**

The following table provides further information on the total assets and liabilities of the acquired ABN AMRO businesses and the shared assets part of Fortis Bank at year end 2007:

Total assets	164,118
Total liabilities	159,263
Total net assets	**4,855**
Minority interests	100
Total net assets attributable to shareholders	**4,755**

The net assets evolution between the opening balance (17 October 2007) and situation as at 31 December 2007 is explained by the following elements:

Net assets arising on the opening balance	**4,599**
Result of the year (76 days-period)	179
Unrealised gains and losses (net)	(23)
Currency translation differences	(11)
Other changes in equity	11
Net assets at 31 December 2007	**4,755**

19 Trade and other receivables

The table below shows the components of Trade and other receivables as at 31 December.

	2007	2006	2005
Fees and commissions receivable	238	156	130
Operating lease receivables	2	9	5
Receivables from intermediaries	2	19	7
Factoring receivables	1,959	1,811	1,633
Receivables related to security transactions with banks	110	428	193
Receivables related to security transactions with customers	1,457	1,421	1,261
Other	2,785	2,283	3,811
Total gross	**6,555**	**6,127**	**7,042**
Impairments	(9)	(22)	(30)
Trade and other receivables	**6,546**	**6,105**	**7,012**

Other receivables include receivables related to VAT and other indirect taxes as well as transitory balances related to clearing activities.

Changes in impairments of Trade and other receivables

The following table shows the changes in the impairments of Trade and other receivables.

	2007	2006
Balance at 1 January	**22**	**30**
Acquisitions/divestments of subsidiaries	1	9
Increase in impairments	3	4
Release of impairments	(1)	(2)
Write-offs of uncollectible amounts	(1)	(18)
Foreign exchange differences and other adjustments	(15)	(1)
Balance at 31 December	**9**	**22**

20 Property, plant and equipment

The table below shows the carrying amount for each category of Property, plant and equipment as at 31 December.

	2007	*2006*	*2005*
Land and buildings held for own use	1,449	1,439	1,486
Leasehold improvements	394	282	218
Equipment	816	407	308
Buildings under construction	56	25	6
Property, plant and equipment	**2,715**	**2,153**	**2,018**

Changes in Property, plant and equipment

Changes in Property, plant and equipment for the years 2007 and 2006 are shown below.

					2007
	Land & Buildings held for own use	*Leasehold improve-ments*	*Equipment*	*Buildings under construction*	*Total*
Acquisition cost at 1 January	**2,252**	**590**	**1,239**	**25**	**4,106**
Acquisitions/divestments of subsidiaries	5	5	11		21
Additions	140	167	636	59	1,002
Reversal of cost due to disposals	(78)	(22)	(145)		(245)
Foreign exchange differences	( )	(1)	(31)		(32)
Other	(5)	(1)	(69)	(28)	(103)
Acquisition cost at 31 December	**2,314**	**738**	**1,641**	**56**	**4,749**
Accumulated depreciation 1 January	**(802)**	**(307)**	**(824)**		**(1,933)**
Acquisitions/divestments of subsidiaries		1			1
Depreciation expense	(89)	(54)	(149)		(292)
Reversal of depreciation due to disposals	32	14	120		166
Foreign exchange differences		1	1		2
Other	2	1	27		30
Accumulated depreciation at 31 December	**(858)**	**(344)**	**(824)**		**(2,026)**
Impairments at 1 January	**(11)**	**(1)**	**(8)**		**(20)**
Divestments of subsidiaries			( )		
Increase of impairments charged to the income statement			( )		
Reversal of impairments due to disposals	4	1	6		11
Other		( )			
Impairments at 31 December	**(7)**		**(1)**		**(8)**
Property, plant and equipment at 31 December	**1,449**	**394**	**816**	**56**	**2,715**

					2006
	Land & Buildings held for own use	*Leasehold improve-ments*	*Equipment*	*Buildings under construction*	*Total*
Acquisition cost at 1 January	**2,211**	**460**	**1,066**	**6**	**3,743**
Acquisitions/divestments of subsidiaries	(1)	9	105	14	127
Additions	70	136	201	7	414
Reversal of cost due to disposals	(28)	(9)	(118)		(155)
Foreign exchange differences	(7)	(6)	(9)		(22)
Other	7		(6)	(2)	(1)
Acquisition cost at 31 December	**2,252**	**590**	**1,239**	**25**	**4,106**
Accumulated depreciation 1 January	**(720)**	**(241)**	**(751)**		**(1,712)**
Acquisitions/divestments of subsidiaries		(4)	(41)		(45)
Depreciation expense	(87)	(53)	(144)		(284)
Reversal of depreciation due to disposals	13	7	105		125
Foreign exchange differences		2	4		6
Other	(8)	(18)	3		(23)
Accumulated depreciation at 31 December	**(802)**	**(307)**	**(824)**		**(1,933)**
Impairments at 1 January	**(5)**		**(8)**		**(13)**
Increase of impairments charged to the income statement	(2)	(1)			(3)
Reversal of impairments due to disposals	1				1
Other	(5)				(5)
Impairments at 31 December	**(11)**	**(1)**	**(8)**		**(20)**
Property, plant and equipment at 31 December	**1,439**	**282**	**407**	**25**	**2,153**

Amounts in Other in Land and Buildings held for own use and Buildings under construction relate primarily to transfers to and from buildings held for sale.

Of the Property, plant and equipment listed above, assets representing an amount of EUR 6 million (2006: EUR 10 million; 2005: EUR 6 million) have been pledged as collateral for loans.

At 31 December 2007, Property, plant and equipment included an amount of EUR 0 million (2006: EUR 0 million; 2005: EUR 1 million) related to capitalised funding costs.

Fair value of Land and buildings held for own use.

The fair value of owner-occupied property is set out below.

	2007	2006
Total fair value of owner-occupied property	**1,793**	**1,811**
Total carrying amount:	1,449	1,439
Gross unrealised gain/loss	344	372
Taxation	(110)	(118)
Net unrealised gain/loss (not recognised in equity)	**234**	**254**

The depreciation of buildings is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The real estate is split into the following components: structure, closing, techniques and equipment, heavy finishing and light finishing.

The maximum useful live of the components is as follows:

Structure	50 years for offices and retail; 70 years for residential
Closing	30 years for offices and retail; 40 years for residential
Technics and equipment	20 years for offices; 25 years for retail and 40 years for residential
Heavy finishing	20 years for offices; 25 years for retail and 40 years for residential
Light finishing	10 years for offices, retail and residential

Land has an unlimited useful life and is therefore not depreciated. IT, office and equipment are depreciated over their respective useful lives, which have been determined individually. As a general rule, residual values are considered to be zero.

21 Goodwill and other intangible assets

Goodwill and other intangible assets as at 31 December are as follows:

	2007	*2006*	*2005*
Goodwill	1,025	744	475
Purchased software	141	73	49
Internally developed software	268	60	2
Other intangible assets	125	103	109
Goodwill and other intangible assets	**1,559**	**980**	**635**

Intangible assets are amortised in accordance with the expected lives of the assets. Under IFRS, goodwill is tested for impairment at least annually by comparing the recoverable amount to the carrying value.

Other intangible assets include intangible assets with definite useful lives, such as concessions, patents, licences, trademarks and other similar rights. In general, software is amortised over a maximum of five years and other intangible assets have an expected useful life of 10 years at most.

With the exception of goodwill, Fortis Bank does not have intangible assets with indefinite useful lives.

Changes in Goodwill and other intangible assets

Changes in Goodwill and other intangible assets for the years 2007 and 2006 are shown below.

					2007
	Goodwill	*Purchased software*	*Internally developed software*	*Other intangible assets*	*Total*
Acquisition cost at 1 January	**744**	**227**	**60**	**160**	**1,191**
Acquisitions/divestments of subsidiaries	280	4		4	288
Additions		94	208	48	350
Adjustments arising from subsequent changes in value of assets and liabilities	(3)				(3)
Reversal of cost due to disposals	( )	(18)	(2)	( )	(20)
Foreign exchange differences	5	(1)	( )	(4)	
Other	(1)	(2)	6	1	4
Acquisition cost at 31 December	**1,025**	**304**	**272**	**209**	**1,810**
Accumulated amortisation at 1 January		**(154)**		**(48)**	**(202)**
Acquisitions/divestments of subsidiaries		1			1
Amortisation expense		(37)	(3)	(27)	(67)
Reversal of amortisation due to disposals		16			16
Foreign exchange differences		1			1
Other		10		(11)	(1)
Accumulated amortisation at 31 December		**(163)**	**(3)**	**(86)**	**(252)**
Impairments at 1 January				**(9)**	**(9)**
Divestments of subsidiaries					
Increase in impairments charged to the income statement					
Reversal of impairments credited to the income statement					
Other				9	9
Impairments at 31 December					
Goodwill and other intangible assets at 31 December	**1,025**	**141**	**269**	**124**	**1,559**

					2006
	Goodwill	*Purchased software*	*Internally developed software*	*Other intangible assets*	*Total*
Acquisition cost at 1 January	**475**	**181**	**2**	**134**	**792**
Acquisitions/divestments of subsidiaries	311	57	58	46	472
Additions					
Adjustments arising from subsequent changes in value of assets and liabilities					
Reversal of cost due to disposals		(9)			(9)
Foreign exchange differences	(57)	(2)		(10)	(69)
Other	15			(10)	5
Acquisition cost at 31 December	**744**	**227**	**60**	**160**	**1,191**
Accumulated amortisation 1 January		**(132)**		**(13)**	**(145)**
Acquisitions/divestments of subsidiaries		(1)			(1)
Amortisation expense		(23)		(28)	(51)
Reversal of amortisation due to disposals		8			8
Foreign exchange differences		1		1	2
Other		(7)		(8)	(15)
Accumulated amortisation 31 December		**(154)**		**(48)**	**(202)**
Impairments at 1 January				**(12)**	**(12)**
Divestments of subsidiaries					
Increase of impairments charged to the income statement					
Reversal of impairments charged to the income statement					
Other				3	3
Impairments at 31 December				**(9)**	**(9)**
Intangible assets at 31 December	**744**	**73**	**60**	**103**	**980**

Impairment on goodwill

Impairment testing on goodwill is performed annually at the end of the year by comparing the recoverable amount of cash-generating units (CGU) to their carrying amount. The recoverable amount is determined by the highest of the value in use or fair value less costs to sell. The type of acquired entity determines the definition of the type of CGU. Currently all CGUs have been defined at (legal) entity level.

The recoverable amount of a CGU is assessed through a discounted cash-flow model of the anticipated future cash-flows of the CGU. The key assumptions used in the cash-flow model depend on input reflecting various financial and economic variables, including the risk-free rate in a given country and a premium to reflect the inherent risk of the entity being evaluated. These variables are determined on the basis of management's judgement. If the entity is listed on a stock market, also this market price is considered as an element in the evaluation.

There were no impairments on goodwill in 2007, 2006 and 2005.

The breakdown of goodwill for the main cash-generating units as at 31 December 2007 is as follows:

	Goodwill amount	*Segment*	*Method used for recoverable amount*
Cash-generating unit (CGU)			
Fundamentum Asset Management	28	Merchant & Private Banking	Value in use
Centrapriv	26	Merchant & Private Banking	Value in use
Fortis Commercial Finance	43	Merchant & Private Banking	Value in use
Fortis Energy	127	Merchant & Private Banking	Value in use
Alpha Credit	22	Retail Banking	Value in use
Von Essen KG Bank	28	Retail Banking	Value in use
Cadogan	119	Retail Banking	Value in use
Fortis Bank AS (Turkey)	308	Multi-segment banking	Value in use
Dominet S.A.	221	Retail Banking	Value in use and market price
Other	103		Value in use
Total	**1,025**		

22 Discontinued operations

In 2006 Fortis Bank sold Fortis Bank Insurance.

The decision to sell Fortis Bank Insurance was taken in 2005. Therefore IFRS 5, Non-current Assets held for Sale and Discontinued Operations, has been applied.

22.1 Assets and liabilities classified as held for sale

Assets and liabilities classified as held for sale can be detailed as follows:

	31 December 2005
Assets	
Cash and cash equivalents	610
Assets held for trading	271
Due from banks	2,282
Due from customers	827
Investments:	
- *Held to maturity*	
- *Available for sale*	*13,834*
- *Held at fair value through profit and loss account*	*414*
- *Investment property*	*252*
- *Investments in associates and joint ventures*	14,500
Unit-linked investments	6,492
Reinsurance, trade and other receivables	118
Property, plant and equipment	18
Goodwill and intangible assets	21
Accrued interest and other assets	438
Total assets	25,577
Liabilities	
Liabilities held for trading	
Due to banks	2,464
Due to customers	16
Technical provisions	13,657
Liabilities related to unit-linked products	6,492
Debt certificates	
Subordinated liabilities	250
Other borrowings	
Provisions	12
Current and deferred tax liabilities	312
Accrued interest, expenses and other liabilities	288
Total liabilities	23,491
Shareholders' equity	2,086
Minority interests	
Total equity	2,086
Total liabilities and equity	25,577

22.2 Net profit on discontinued operations

Net profit on discontinued operations can be detailed as follows:

	31 December 2005
Total income	4,191
Total expenses	(3,829)
Taxation	(109)
Net profit	253

22.3 Cash flow statement

The cash flow can be detailed as follows:

	31 December 2005
Cash flow from operating activities	2,443
Cash flow from investing activities	(2,331)
Cash flow from financing activities	(40)

23 Accrued interest and other assets

The table below shows the components of Accrued interest and other assets as at 31 December.

	2007	2006	2005
Deferred other charges	494	306	262
Accrued interest income	35,751	26,268	21,058
Accrued other income	2,733	1,744	907
Derivatives held for hedging purposes	1,299	533	315
Buildings held for sale	14	17	10
Defined benefit assets	1,898	1,855	1,818
Deferred tax assets	2,126	850	641
Current income tax receivable	313	365	329
Other	34,268	29,003	22,552
Total gross	**78,896**	**60,941**	**47,892**
Impairments	(23)	(15)	(13)
Accrued interest and other assets	**78,873**	**60,926**	**47,879**

Derivatives held for hedging purposes contains the positive fair value of all derivatives qualifying as hedging instruments EUR 1.297 million is related to fair-value hedges and EUR 2 million to cash-flow hedges. The hedging strategies are further explained in note 5.

All purchases and sales of financial assets requiring delivery within the time frame established by regulation or market convention are recognised on the trade date, i.e. the date when Fortis Bank becomes a party to the contractual provisions of the instrument.

The line Other contains balancing temporary amounts between trade date and settlement date.

For more details on pension plans and related pension assets, see note 7.

24 Due to banks

The table below shows the components of Due to banks.

	2007	2006	2005
Deposits from banks:			
Demand deposits	10,243	7,304	6,062
Time deposits	77,537	75,291	69,774
Other deposits	136	145	60
Total deposits	**87,916**	**82,740**	**75,896**
Repurchase agreements	69,339	61,526	73,299
Securities lending transactions	12,560	19,086	11,537
Advances against collateral	21,009	12,500	10,000
Held at fair value through profit or loss	381	439	1,833
Other	936	870	2,215
Due to banks	**192,141**	**177,161**	**174,780**

The average balance of Due to banks amounted to EUR 195,554 million (2006: EUR 182,761 million; 2005: EUR 171,969 million). The average yield in 2007 was 4,16 % (2006: 3.6%; 2005: 2.8%). Non-interest bearing deposits from banks were EUR 241 million in 2007 (2006: EUR 133 million; 2005: EUR 217 million). The contractual amount to be repaid on Loans held at fair value through profit or loss is EUR 384 (2006 : EUR 441).

In the Merchant & Private Banking segment, Fortis Bank has designated financial liabilities classified in Due to banks held at fair value through profit or loss. In accordance with the Merchant & Private Banking investment strategies, financial assets and financial liabilities, including derivatives, are aggregated in specific portfolios. These portfolios are managed and their performance is measured and reported on a fair value basis.

There is no significant difference between the carrying amount of the Liabilities held at fair value through profit or loss and the nominal value of these liabilities.

Contractual terms of deposit held by banks

Deposits held by banks by year of contractual maturity as at 31 December are as follows:

	2007	2006	2005
2006			75,543
2007		82,238	35
2008	87,475	158	32
2009	52	59	23
2010	23	14	21
2011	19	27	
2012	28		
Later	319	244	242
Total deposits	**87,916**	**82,740**	**75,896**

25 Due to customers

The components of Due to customers are as follows:

	2007	2006	2005
Demand deposits	87,190	76,127	73,477
Saving deposits	50,795	55,720	58,051
Time deposits	79,245	74,770	60,209
Other deposits	301	229	649
Total deposits	**217,531**	**206,846**	**192,386**
Repurchase agreements	41,857	48,391	67,364
Securities lending transactions	5,425	4,271	2,271
Other borrowings	2,320	504	494
Held at fair value through profit or loss	31	44	770
Due to customers	**267,164**	**260,056**	**263,285**

The average balance of Due to customers amounted to EUR 271,181 million in 2007 (2006: EUR 268,274 million; 2005: EUR 236,221 million). The average yield was 2.9% in 2007 (2006: 3.3%; 2005: 2.9%). The contractual amount to be repaid on Loans held at fair value through profit or loss is EUR 33 (2006 : EUR 40).

Fortis Bank has designated financial liabilities classified in Due to customers held at fair value through profit or loss. In accordance with the defined investment strategies, financial assets and financial liabilities, including derivatives, are aggregated in specific portfolios. These portfolios are managed and their performance is measured and reported on a fair value basis.

Fortis Bank has a fair value hedge in place designated to mitigate the interest rate risk related to a fixed-rate loan. The hedging instrument is an interest rate swap. The change in fair value of the loan related to hedged interest rate risk is accounted for in the line Other realized and unrealized gains and losses. The difference between the fair value and the carrying value of the hedged loan at inception is amortised on a straight line basis over the maturity of the loan.

Customer deposits

The average rates of interest paid on deposits during the year ended 31 December are shown below.

	2007	2006	2005
Interest bearing demand deposits	1.8%	1.5%	1.2%
Saving deposits	2.0%	2.3%	2.2%
Time deposits	4.3%	3.3%	2.8%

The average amount of customers deposits during the year was EUR 210,518 million (2006: EUR 245,076 million; 2005: EUR 202,024 million).

Maturity dates of customer deposits

The maturity dates of customer deposits as at 31 December are shown below.

	2007	*2006*	*2005*
2006			179,757
2007		193,334	2,553
2008	202,517	1,364	932
2009	1,827	2,483	1,383
2010	1,400	965	1,206
2011	928	561	
2012	1,314		
Later	9,545	8,139	6,555
Total customer deposits	**217,531**	**206,846**	**192,386**

26 Debt certificates

The following table shows the types of Debt certificates issued by Fortis Bank and the amounts outstanding as at 31 December.

	2007	2006	2005
Bons de caisse / Kasbons	5,387	6,347	7,818
Commercial paper	70,274	73,189	62,187
Other	5,750	1,781	1,580
Total at amortised cost	**81,411**	**81,317**	**71,585**
Held at fair value through profit or loss	13,643	9,043	5,242
Total debt certificates	**95,054**	**90,360**	**76,827**

The average balance of Debt certificates amounted to EUR 100,017 million in 2007 (2006: EUR 82,379 million; 2005: EUR 72,532 million). The average yield was 3.6% in 2007 (2006: 4.1%; 2005: 3.4%).

Fortis Bank has designated selected Debt certificates with embedded derivatives and corresponding investments as Held at fair value through profit or loss, reducing a potential accounting mismatch. The Debt certificates issued combined with the embedded derivatives, are designated as Held at fair value through profit or loss, thus avoiding the separation of the embedded derivative from the host contract. The nominal value of Debt securities held at fair value through profit or loss was EUR 13.713 million as at 31 December 2007 (2006: EUR 9,043 million; 2005: EUR 5,242 million).

The contractual maturity of the balance outstanding as at 31 December of Debt certificates valued at amortised cost, is shown below.

	2007	2006	2005
2006			42,177
2007		51,142	3,650
2008	50,391	7,255	3,553
2009	9,988	8,089	6,157
2010	4,165	4,940	9,363
2011	5,817	4,627	
2012	5,408		
Later	5,642	5,264	6,685
Total debt certificates	**81,411**	**81,317**	**71,585**

27 Subordinated liabilities

The following table provides a specification of the Subordinated liabilities as at 31 December.

	2007	2006	2005
Liability component of subordinated convertible securities	2,106		
Other hybrid and Tier 1 liabilities	5,569	2,438	2,432
Subordinated liabilities	13,482	10,303	8,675
Held at fair value through profit or loss	1,971	1,322	1,325
Fair value adjustment from hedge accounting	(31)	17	58
Subordinated liabilities	**23,097**	**14,080**	**12,490**

The average balance for Subordinated liabilities was EUR 16,568 million in 2007 (2006: EUR 13,571 million; 2005: EUR 11,630 million). The average yield was 3.3% in 2007 (2006: 5.0%; 2005: 5.2%).

27.1 Subordinated convertible securities: CASHES

On 19 December 2007, Fortis Bank nv-sa issued undated floating rate convertible and subordinated hybrid equity-linked securities (‘CASHES’) with a nominal amount of EUR 3 billion and a denomination of EUR 250,000 each. Coupons on the securities are payable quarterly, in arrears, at a variable rate of 3 month Euribor + 2.0%.

For regulatory purposes, the CASHES is treated as part of Tier 1 capital. The CASHES constitutes direct and subordinated obligations of each of Fortis Bank nv-sa, Fortis SA/NV and Fortis N.V. as Co-obligors, jointly and severally.
The CASHES is subordinated to all other loans, subordinated loans and preference shares, but ranks senior to ordinary shares. The principal amount of the securities will not be repaid in cash. The sole recourse of the holders of the CASHES securities against any of the co-obligors with respect to the principal amount is equal to 125,313,283 Fortis shares that Fortis Bank nv-sa has pledged in favour of such holders. These Fortis shares are not entitled to a dividend with respect to Fortis Bank SA/NV.

The CASHES has no maturity date, but may be exchanged into Fortis shares at a price of EUR 23.94 per share at the discretion of the holder.

From 19 December 2014 on, the bonds will be automatically exchanged into Fortis shares if the price of the Fortis share is equal to or higher than EUR 35.91 on twenty consecutive stock exchange business days.

27.2 Subordinated convertible securities: MCS

On 7 December 2007, Fortis Bank Nederland (Holding), Fortis Bank nv-sa, Fortis SA/NV and Fortis N.V. issued Mandatory Convertible Securities (‘MCS’) with a nominal amount of EUR 2 billion and a denomination of EUR 250,000 each. Coupons on the securities are payable semi-annually, in arrears, at a rate of 8.75% annually.

For regulatory purposes, the MCS is treated as part of Tier 1 capital. The MCS constitutes unsecured and subordinated obligations of each of Fortis Bank Nederland (Holding), Fortis Bank nv-sa, Fortis SA/NV and Fortis N.V.
The MCS is subordinated to all other loans, subordinated loans and preference shares, but ranks senior to ordinary shares.

The MCS will be mandatorily converted on 7 December 2010 into such a number of Fortis shares as is equal to the maturity conversion property per MCS (conversion property per MCS means, in respect of any dealing day, a number of Fortis shares determined by dividing the principal amount of a MCS by the minimum conversion price in effect on such dealing day, rounded down, if necessary to the nearest whole number of Fortis shares).

Prior to the maturity date the issuers may elect to convert all, but not some only, of the MCS (a) at any time up until the 46th dealing day prior to the maturity date into such number of Fortis Shares as is equal to the maximum proportion of the conversion property per MCS on the relevant conversion date, and (b) at any time in the event of certain changes affecting taxes of the Netherlands or Belgium into such number of Fortis shares as is equal to the tax event conversion property per MCS.

At any time during the holders' voluntary conversion period, holders of MCS may elect to convert MCS into such number of Fortis shares as is equal to the minimum proportion of the conversion property per MCS on the relevant conversion date. In addition, holders of MCS may elect to convert MCS at any time during the free float event period into such number of Fortis shares as is equal to the free float event conversion property per MCS on the relevant conversion date.

A conversion of the debt instrument into Fortis shares will be followed by a recapitalisation of Fortis Bank.

The MCS is recorded in the balance sheet as at 31 December as follows:

	2007
Equity component	(131)
Liability component	
Balance at 1 January	
Issued	2,107
Interest expense	11
Interest paid	(12)
Balance at 31 December	**2,106**

The net amounts collected were separated into a liability and an equity component at the date of issuance of the MCS. The equity component is related to the embedded derivative included in the MCS. The liability component was calculated based on the net discounted value of the expected cash flows related to the instrument. The difference between the amounts collected and the liability component forms the equity component and is reported net of deferred tax.

27.3 Other Hybrid and Tier 1 liabilities

Other Hybrid and Tier 1 liabilities consist of:

- Redeemable perpetual cumulative debt securities with a nominal amount of EUR 1,000 million issued by Fortis Bank in 2001, at an interest rate of 6.50% until 26 September 2011 and 3-month Euro Reference Rate + 2.37% thereafter
- Directly issued perpetual securities with a nominal amount of EUR 1,000 million issued by Fortis Bank in 2004, at an interest rate of 4.625% until 27 October 2014 and 3-month Euro Reference Rate + 1.70% thereafter
- Non-cumulative non-voting perpetual preference shares with a nominal amount of EUR 450 million issued by Fortis Capital Company Limited in 1999, at an interest rate of 6.25% until 29 June 2009 and 3-month Euribor + 2.60% thereafter

Non-cumulative non-voting perpetual preference shares

In June 1999 Fortis Bank issued non-cumulative non-voting perpetual preference shares. The regulator considers these preference shares as part of the Tier 1 capital of the bank. The issue was initially composed of two tranches:

- a tranche of EUR 450 million with a fixed coupon of 6.25% for the first ten years, and a variable coupon of 3-month Euribor + 2.60% in subsequent years. After 10 years and once a year in subsequent years Fortis Bank has the opportunity to redeem the instrument for cash on a distribution date.
- a tranche of EUR 200 million with a fixed coupon of 7.00% for the entire duration. Fortis Bank redeemed this tranche in early 2004.

The preference shares have the benefit of a Support Agreement, pursuant to which Fortis Bank, Fortis Bank Nederland (Holding) N.V., Fortis N.V. and Fortis SA/NV (the 'Supporting Companies') jointly and severally agree to contribute to Fortis Capital Limited any additional funds necessary to allow it to pay dividends on the preference shares in the event that any of the Supporting Companies pays a dividend on its ordinary or preference shares in the same financial year.
Under this arrangement, the payment of any dividend by any of the Supporting Companies on its own capital stock would automatically trigger a full or proportional dividend entitlement for the investors in the hybrid securities, with full recourse against the Supporting Companies. This could theoretically lead to a situation where, even if the Supporting Companies were to have sufficient aggregate distributable reserves to pay a dividend on their own capital stock, this payment would trigger a payment obligation under the Support Agreement for which their distributable reserves would not be adequate.

As a condition for its acceptance of the hybrid securities constituting Tier 1 capital of Fortis Bank, the supervisory authorities have therefore requested that appropriate measures be put in place to ensure that any payments to be made by Fortis SA/NV or Fortis Bank under the Support Agreement as triggered by a dividend payment on their own shares be capped to the level of the aggregate distributable reserves of the Supporting Companies. To meet this condition, the Board of Directors has decided that Fortis Bank SA/NV will not declare a dividend on its ordinary shares or on its preference shares or other capital instruments (if applicable) unless the aggregate of the distributable reserves of the Supporting Companies is sufficient to cover all dividend payments relating to their respective ordinary shares, preference shares or other capital instruments, as well as any amounts payable in the same financial year pursuant to their obligations under the Support Agreement.

Hybrid securities directly issued by Fortis Bank

In 2001 and 2004, Fortis Bank directly issued perpetual hybrid debt securities with a nominal amount of in each case EUR 1,000 million. Both issues share very similar features. They are redeemable in whole and not in part, at the option of the issuer after ten years. The securities benefit from a support agreement entered into by Fortis SA/NV and Fortis N.V.

27.4 Other subordinated liabilities

Other subordinated liabilities include:

- debt securities denominated in various currencies for an amount of EUR 10,610 million (2006: EUR 9,028 million; 2005: EUR 8,652 million) with an average interest rate of 5.0% (2006: 4.9%; 2005: 5.2 %).
- perpetual loans denominated in various currencies for an amount of EUR 158 million (2006: EUR 436 million; 2005: EUR 968 million) with an average interest rate of 5.4% (2006: 5.3%; 2005: 5.4 %).

Fortis Bank has designated selected subordinated liabilities and corresponding investments to be valued at fair value through profit or loss, reducing an accounting mismatch.

Fortis Bank hedges interest rate risk of fixed rate subordinated liabilities on a portfolio basis (macro hedging) using interest rate swaps. The hedged liabilities are subordinated issues with the following features:

- denominated in local currency (euro)
- fixed term to maturity
- fixed principal amounts
- fixed interest payment dates
- does not contain interest rate options or embedded derivatives
- accounted for on an amortised cost basis.

Subordinated liabilities with these features form the portfolio of liabilities on the basis of which the hedged item is designated. Subordinated liabilities included in a portfolio hedge of interest rate risk need to share the risk being hedged. The cash flows are allocated to monthly time buckets based on contractual maturity dates.

The hedging instruments are plain vanilla interest rate swaps entered into with external counterparties at market rates prevailing at the time of the transaction.

Changes in the fair value of the subordinated liabilities which are attributable to the hedged interest rate risk are recorded in the line Fair value adjustment from hedge accounting in order to adjust the carrying amount of the subordinated liabilities. The difference between the fair value and the carrying value of the hedged subordinated liabilities at designation of the hedging is amortised over the remaining life of the hedged item and is reported in Fair value adjustment from hedge accounting.

28 Other borrowings

The table below shows the components of Other borrowings as at 31 December.

	2007	2006	2005
Obligation to return securities	1,605		
Finance lease obligations	61	4	2
Private loans	489	618	4,045
Deposits related to margin accounts and collateral	195	895	331
Other	315	661	645
Other borrowings	**2,665**	**2,178**	**5,023**

Fortis Bank has designated cash-flow hedges using derivative financial instruments such as cross currency swaps to hedge its risks associated with USD fluctuations related to repayment of its interest bearing loans denominated in USD dollar.

Changes in the fair value of the hedging instrument are recognised in equity, while the hedge ineffectiveness is recognised immediately in the income statement

The terms of the cross currency swap agreement match the terms of the interest bearing loan.

Finance lease obligations

Fortis Bank's obligations under finance lease agreements are detailed in the table below.

	Minimum lease payments			*Present value minimum lease payments*		
	2007	2006	2005	2007	2006	2005
Not later than 3 months	40	1		40	1	
Later than 3 months and not later than 1 year	3	2	1	3	2	1
Later than 1 year and not later than 5 years	18	1	1	17	1	1
Later than 5 years	1			1		
Total	**62**	**4**	**2**	**61**	**4**	**2**
Future finance charges	1					

Other

Other borrowings, excluding finance lease obligations, are classified by remaining maturity in the table below.

	2007	2006	2005
Not later than 3 months	2,006	1,382	3,797
Later than 3 months and not later than 1 year	150	275	567
Later than 1 year and not later than 5 years	117	236	133
Later than 5 years	392	285	526
Total	**2,665**	**2,178**	**5,023**

29 Provisions

The table below shows the breakdown of Provisions as at 31 December.

	2007	*2006*	*2005*
Credit commitments	447	229	230
Restructuring	43	133	204
Other	352	355	361
Provisions	**842**	**717**	**795**

Provisions for credit commitments are allowances covering credit risk on Fortis Bank's credit commitments recorded off-balance that have been individually or on a portfolio basis identified as impaired. The amount of the impairment is the present value of the cash-flows, which Fortis Bank expects to be required to settle its commitment.

Restructuring provisions cover the costs of restructuring plans for which implementation has been formally announced by Fortis Bank's management. Restructuring provisions are related to the integration of recently acquired entities and to the further streamlining of the global Fortis Bank organisation and infrastructure. Restructuring provisions include allowances for staff and other operating expenses.

The provisions for early departure programmes are based on the arrangements in the collective labour agreements. The provisions are set up when the collective labour agreements are finalised and the cash outflows are in line with the terms of the collective labour agreements. The provision for the plan to upgrade the quality of management, announced at the end of 2005, had a timescale of one year and the utilisation of this provision mainly explains the decrease in restructuring provisions in 2006.

Other provisions consist of provisions for tax and legal litigations.

The tax and legal litigation provisions are based on best estimates available at the year end based on the opinion of legal and tax advisors. The timing of the outflow of cash related to these provisions is by nature uncertain given the unpredictability of the outcome and the time involved in concluding litigations.

Changes in Provisions during the year are as follows:

	Credit commitments	*Restruc-turing*	*Other*	*Total*
At 1 January 2006	**230**	**204**	**361**	**795**
Acquisition and divestment of subsidiaries				
Increase of provisions	76	54	72	202
Reversal of unused provisions	(100)	(32)	(37)	(169)
Utilised during the year		(100)	(22)	(122)
Accretion of interest		1		1
Foreign exchange differences	(6)		(5)	(11)
Other	29	6	(14)	21
At 31 December 2006	**229**	**133**	**355**	**717**
Acquisition and divestment of subsidiaries				
Increase of provisions	370	40	67	477
Reversal of unused provisions	(151)	(96)	(21)	(268)
Utilised during the year		(22)	(37)	(59)
Accretion of interest				
Foreign exchange differences	(4)	( )	2	(2)
Other	3	(12)	(14)	(23)
At 31 December 2007	**447**	**43**	**352**	**842**

30 Current and deferred tax liabilities

The table below summarises the tax position as at 31 December:

			2007			2006			2005
	Current	Deferred	Total	Current	Deferred	Total	Current	Deferred	Total
Assets	313	2,126	2,439	365	850	1,215	329	641	970
Liabilities	1,010	414	1,423	1,000	469	1,469	649	660	1,309

Tax assets are included under Accrued interest and other assets (see note 23).

The components of deferred tax assets and deferred tax liabilities as at 31 December are shown on the next page.

	Balance sheet			Income statement		
	2007	2006	2005	2007	2006	2005
Deferred tax assets:						
Assets held for trading (trading securities /derivative financial instruments /other assets held for trading)	36	146	224	(108)	(81)	24
Liabilities held for trading (short security sales / derivative financial instruments /other liabilities held for trading)	213	138	432	(37)	(295)	(337)
Investments (HTM/AFS)	365	13	1	(22)	11	(2)
Investment property	2	1	1	1		
Property, plant and equipment	21	23	29	(3)		(28)
Intangible assets (excluding goodwill)	5	2	1	3	1	
Due from customers	194	153	106	42	52	1
Impairments on loans	167	226	162	(54)	66	60
Debt certificates and subordinated liabilities	46	21	46	26	(26)	46
Provisions for pensions and post-retirement benefits	251	254	310	1	(56)	48
Other provisions	213	137	169	80	5	43
Accrued expenses and deferred income	27	18	4	7	14	1
Unused tax losses	1,376	238	67	1,151	174	19
Other	88	177	365	(84)	(176)	(10)
Gross deferred tax assets	**3,004**	**1,547**	**1,917**	**1,003**	**(311)**	**(135)**
Unrecognised deferred tax assets	(86)	(55)	(32)	(53)	(22)	(28)
Net deferred tax assets	**2,918**	**1,492**	**1,885**	**950**	**(333)**	**(163)**
Deferred tax liabilities related to:						
Assets held for trading (trading securities /derivative financial instruments /other assets held for trading)	498	125	172	(263)	(7)	(216)
Liabilities held for trading (short security sales / derivative financial instruments /other liabilities held for trading)	1	1	(1)	(1)	2	(50)
Investments (HTM/AFS)	85	120	786	(23)	(63)	(49)
Investment property	9	9	9	1	(1)	
Property, plant and equipment	135	174	193	38	(17)	(12)
Intangible assets (excluding goodwill)	94	36	22	(58)	7	(4)
Due from customers	81	109	166	44	(52)	61
Impairments on loans	9	8	21	(1)	(13)	2
Debt certificates and subordinated liabilities	18	26	48	7	(22)	12
Other provisions	130	126	119	(2)	5	43
Deferred expense and accrued income	65	55	7	(10)	47	10
Tax exempt realised reserves		1	1			1
Other	76	321	361	249	(49)	64
Total deferred tax liabilities	**1,206**	**1,111**	**1,904**	**(20)**	**(163)**	**(138)**
Deferred tax income (expense)				**930**	**170**	**25**
Net deferred tax	**1,712**	**381**	**(19)**			

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The amounts offset in the balance sheet are:

	2007	2006	2005
Deferred tax asset	2,126	850	641
Deferred tax liability	414	469	660
Net deferred tax	**1,712**	**381**	**(19)**

At 31 December 2007, the aggregate deferred and current tax relating to items that are charged to equity amounts to EUR 214 million, negative, and EUR 4 million respectively (2006: EUR 617 million respectively EUR 1 million; 2005: EUR 1,543 million respectively EUR 4 million, negative).

Deferred tax assets are recognised to the extent that it is probable that there will be sufficient future taxable profit against which the deferred tax asset can be utilised. No deferred tax assets have been recognised on unused tax losses and unused tax credits of EUR 472 million (2006: EUR 416 million; 2005: EUR 351 million) that can be carried forward unlimited in time.

Deferred tax assets depending on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences amount to EUR 40 million (2006: EUR 30 million; 2005: EUR 13 million) and have been recognised based on the expectation that sufficient taxable income will be generated in future years to utilise these deferred tax assets.

31 Accrued interest and other liabilities

The composition of Accrued interest and other liabilities as at 31 December is as follows:

	2007	2006	2005
Deferred revenues	718	597	531
Accrued interest expense	33,742	24,439	19,231
Accrued other expenses	2,640	1,859	1,169
Derivatives held for hedging purposes	245	196	1,843
Defined benefit liabilities	2,149	2,263	2,120
Other employee benefit liabilities	1,206	1,107	1,158
Accounts payable	1,130	869	1,326
Due to agents and intermediaries	4	2	12
VAT and other taxes payable	145	118	85
Dividends payable	5	8	5
Other liabilities	19,520	16,056	13,269
Accrued interest and other liabilities	**61,504**	**47,514**	**40,749**

Derivatives held for hedging purposes contains the negative fair value of all derivatives qualifying as hedging instruments in fair value hedges and in cash flow hedges. EUR 1.077 million (2006: EUR 552 million; 2005: EUR 2.165 million) is related to fair value hedges and EUR 2 million (2006: EUR 12 million; 2005: EUR 14 million) to cash-flow hedges.
The hedging strategies are further explained in note 5.

Further details on pension liabilities can be found in note 7. Other employee-benefit liabilities relate to, among other things, other post-employment benefits (see note 7), social-security charges, termination benefits and accrued-vacation days.

All purchases and sales of financial assets requiring delivery within the time frame established by regulation or market convention are recognised on the trade date, i.e. the date when Fortis Bank becomes a party to the contractual provisions of the instrument.

The line Other includes EUR 834 million (2006: EUR 368 million; 2005: EUR 337 million) regarding the carrying value of non-derivative financial instruments designated as hedging instruments in net investment hedges and EUR 1.784 million (2006: EUR 1.421 million; 2005: EUR 1.288 million) is related to non-derivative financial liabilities designated as hedging instruments in fair value hedges, The remainder of the line Other liabilities mainly consists of balancing temporary amounts between trade date and settlement date.

32 Derivatives

Derivatives include forwards, futures, swaps and option contracts, all of which derive their value from underlying interest rates, foreign exchange rates, commodity values, equity instruments or credit instruments.

A derivative contract may be traded either on an exchange or over-the-counter (‘OTC’). Exchange traded derivatives, which include futures and option contracts, are standardised and generally do not involve significant counterparty risk due to the margin requirements of the individual exchanges. OTC derivative contracts are individually negotiated between contracting parties. Financial instruments can also include embedded derivatives, i.e. components of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary, similar to a stand-alone derivative.

The notional amounts of derivative contracts are not recorded in the balance sheet as assets or liabilities and do not represent the potential for gain or loss associated with such transactions. The exposure to the credit risk associated with counterparty non-performance is limited to the positive fair value of the derivative contracts.

Interest rate swaps are contractual agreements between two parties to exchange periodic payments in the same currency, each of which is computed on a different interest rate basis. Most interest rate swaps involve the net exchange of payments calculated as the difference between the fixed and floating interest rate payments. Fortis Bank uses interest rate swaps to modify the interest rate characteristics of certain assets and liabilities. For example, based on long-term debt, an interest rate swap can be entered into to convert a fixed interest rate instrument into a floating interest rate instrument, in order to reduce the interest rate mismatch. Fortis Bank also uses interest rate swaps to hedge the risk of price fluctuations of the trading securities.

Interest rate futures are exchange traded instruments and represent commitments to purchase or sell a designated security or money market instrument at a specified future date and price.

Interest rate forward agreements are OTC derivative instruments in which two parties agree on an interest rate and period which serve as a reference point in determining a net payment to be made by one party to the other, depending on the prevailing market rate at a future point in time.

Interest rate options are interest rate protection instruments that if exercised, involve the obligation of the seller to pay the buyer an interest rate differential in exchange for a premium paid by the buyer. This differential represents the difference between current rate and an agreed upon rate applied to a notional amount. Exposure to losses on all interest rate contracts will increase or decrease over their respective lives as interest rates fluctuate.

Currency swaps, in their simplest form, are contractual agreements that involve the exchange of both periodic and final payments in different currencies. The value of swap contracts depends upon their maturity dates, interest and foreign exchange rates, and the timing of payments.

Foreign exchange contracts, which include spot, forward and future contracts, represent agreements to exchange payments in different foreign currencies at an agreed exchange rate, on an agreed settlement date. These contracts are used to hedge net capital and foreign exchange exposure.

Foreign exchange option contracts are similar to interest rate option contracts, the difference being that they are based on currency exchange rates rather than interest rates. The value of these contracts will increase or decrease over their respective lives as currency exchange and interest rates fluctuate.

In exchange-traded foreign exchange contracts, exposure to off–balance sheet credit risk is limited, as these transactions are executed on organised exchanges that assume the obligations of counterparties and generally require security deposits and daily settlement of margins.

A commodity forward or future contract is a contract where the underlying is a commodity. A commodity swap is a swap where exchanged cash flows are dependent on the price of an underlying commodity. A commodity option is an option either to buy or to sell a commodity contract at a fixed price until a specified date.

Credit derivatives allow credit risk to be isolated from all other risks as well as from the instrument with which it is associated, so that the credit risk can be passed from one party to another. In a credit default swap, the buyer/beneficiary pays a premium and acquires the right to sell back a reference bond to the seller/guarantor if a credit event occurs.

A total return swap is a contract in which the beneficiary agrees to pay the guarantor the total return on the reference asset, which consists of all contractual payments as well as any appreciation in the market value of the reference asset.

Equity derivatives include equity swaps, options, futures and forward contracts. An equity swap is a swap in which the cash flows that are exchanged are based on the total return on a stock market index or on individual equity securities and an interest rate (either a fixed rate or a floating rate). Equity (or stock) options give the right to buy (in the case of a call option) or to sell (in the case of a put option) a fixed number of shares of a company, at a given price, before or on a specified date.

32.1 Derivatives held for trading

The Derivatives held for trading as at 31 December are composed of the following:

	Assets		Liabilities	
	Fair values	*Notional amount*	*Fair values*	*Notional amount*
2007				
Foreign exchange contracts				
Forwards and futures	982	222,693	1,299	222,548
Interest and currency swaps	432	18,372	422	18,310
Options	758	69,358	571	68,253
Total	**2,172**	**310,423**	**2,292**	**309,111**
Interest rate contracts				
Forwards and futures	16	104,944	33	21,354
Swaps	13,331	1,494,426	14,623	1,494,546
Options	5,787	868,357	6,062	857,495
Total	**19,134**	**2,467,727**	**20,718**	**2,373,395**
Commodity contracts				
Forwards and futures		9,468	96	9,763
Swaps	931	10,388	780	8,687
Options	348	1,054	257	1,044
Total	**1,279**	**20,910**	**1,133**	**19,494**
Equity/Index contracts				
Forwards and futures	1	983	7	1,945
Swaps	368	30,414	1,081	14,480
Options and warrants	4,283	34,573	6,523	43,337
Total	**4,652**	**65,970**	**7,612**	**59,762**
Credit derivatives				
Options				
Swaps	1,475	24,042	1,363	24,511
Other				
Total	**1,475**	**24,042**	**1,363**	**24,511**
Other	**214**	**675**	**262**	**771**
Balance at 31 December 2007	**28,926**	**2,889,747**	**33,380**	**2,787,044**
Fair values supported by observable market data	1,846		2,271	
Fair values obtained using a valuation model	27,080		31,109	
Total	**28,926**		**33,380**	
Over the counter (OTC)	28,448	2,742,244	33,047	2,727,775
Exchange traded	478	147,503	333	59,269
Total	**28,926**	**2,889,747**	**33,380**	**2,787,044**

	Assets		*Liabilities*	
	Fair values	*Notional amount*	*Fair values*	*Notional amount*
2006				
Foreign exchange contracts				
Forwards and futures	702	164,341	677	164,512
Interest and currency swaps	301	15,765	251	15,441
Options	323	53,551	284	52,894
Total	**1,326**	**233,657**	**1,212**	**232,847**
Interest rate contracts				
Forwards and futures	12	14,659	13	13,194
Swaps	11,164	1,298,514	12,947	1,298,594
Options	5,539	616,216	5,574	611,713
Total	**16,715**	**1,929,389**	**18,534**	**1,923,501**
Commodity contracts				
Forwards and futures	554	12,245	463	11,706
Swaps	92	924	64	994
Options	250	150	247	384
Total	**896**	**13,319**	**774**	**13,084**
Equity/Index contracts				
Forwards and futures	2	2,943		4,988
Swaps	554	9,339	276	21,215
Options and warrants	1,880	17,707	3,332	28,457
Total	**2,436**	**29,989**	**3,608**	**54,660**
Credit derivatives				
Options				
Swaps	133	15,509	148	17,624
Total				
Other				
Balance at 31 December 2006	**21,550**	**2,221,981**	**24,336**	**2,241,803**
Fair values supported by observable market data	1,236		855	
Fair values obtained using a valuation model	20,314		23,481	
Total	**21,550**		**24,336**	
over the counter (OTC)	21,026	2,186,881	24,016	2,197,710
Exchange traded	524	35,100	320	44,093
Total	**21,550**	**2,221,981**	**24,336**	**2,241,803**

	Assets		*Liabilities*	
	Fair values	*Notional amount*	*Fair values*	*Notional amount*
2005				
Foreign exchange contracts				
Forwards and futures	494	234,006	346	233,840
Interest and currency swaps	610	14,891	577	14,508
Options	348	50,322	279	49,086
Total	**1,452**	**299,219**	**1,202**	**297,434**
Interest rate contracts				
Forwards and futures	34	24,082	19	30,876
Swaps	12,463	1,306,295	13,588	1,293,547
Options	7,099	433,679	6,981	424,351
Total	**19,596**	**1,764,056**	**20,588**	**1,748,774**
Commodity contracts				
Forwards and futures		2	1	13
Swaps	21	209	12	209
Options	118	639	129	602
Total	**139**	**850**	**142**	**824**
Equity/Index contracts				
Forwards and futures		447	20	2,245
Swaps	408	9,381	92	11,751
Options and warrants	1,991	12,612	2,674	16,651
Total	**2,399**	**22,440**	**2,786**	**30,647**
Credit derivatives				
Options				
Total				
Other				
Balance at 31 December 2005	**23,871**	**2,104,336**	**24,994**	**2,082,894**
Fair values supported by observable market data	1,643		579	
Fair values obtained using a valuation model	22,228		24,415	
Total	**23,871**		**24,994**	
Over the counter (OTC)	23,716	2,078,089	24,869	2,051,909
Exchange traded	155	26,247	125	30,985
Total	**23,871**	**2,104,336**	**24,994**	**2,082,894**

32.2 Derivatives held for hedging purposes

The Derivatives held for hedging are mainly related to fair value hedges. Fortis Bank uses derivatives, principally interest rate swaps, for hedging purposes in the management of its own asset and liability portfolios and structural positions. This enables Fortis Bank to mitigate the market risk which would otherwise arise from structural imbalances in the maturity and other profiles of its assets and liabilities.

Hedging derivatives as at 31 December are shown below.

	Assets		Liabilities	
	Fair values	*Notional amount*	*Fair values*	*Notional amount*
2007				
Foreign exchange contracts				
Forwards and futures				
Interest and currency swaps		105	3	104
Total		**105**	**3**	**104**
Interest rate contracts				
Forwards and futures		14		
Swaps	1,299	51,437	242	51,437
Total	**1,299**	**51,451**	**242**	**51,437**
Balance at 31 December 2007	**1,299**	**51,557**	**245**	**51,541**
Fair value supported by observable market data	1,208		108	
Fair value obtained using a valuation model	91		137	
Total	**1,299**		**245**	
Over the counter (OTC)	1,299	51,557	245	51,541
Exchange traded				
Total	1,299	51,557	245	51,541

	Assets		Liabilities	
	Fair values	Notional amount	Fair values	Notional amount
2006				
Foreign exchange contracts				
Forwards and futures	10	65	10	67
Interest and currency swaps	1	431	3	432
Total	**11**	**496**	**13**	**499**
Interest rate contracts				
Swaps	522	51,019	183	51,027
Total	**522**	**51,019**	**183**	**51,027**
Balance at 31 December 2006	**533**	**51,515**	**196**	**51,526**
Fair values supported by observable market data	462		33	
Fair values obtained using a valuation model	71		163	
Total	**533**		**196**	
Over the counter (OTC)	533	51,515	196	51,526

	Assets		Liabilities	
	Fair values	Notional amount	Fair values	Notional amount
2005				
Foreign exchange contracts				
Forwards and futures	13	123	14	124
Interest and currency swaps	83	826	91	826
Total	**96**	**949**	**105**	**950**
Interest rate contracts				
Swaps	219	43,504	1,738	43,508
Options				
Total	**219**	**43,504**	**1,738**	**43,508**
Balance at 31 December 2005	**315**	**44,453**	**1,843**	**44,458**
Fair values supported by observable market data	302		1,288	
Fair values obtained using a valuation model	13		555	
Total	**315**		**1,843**	
Over the counter (OTC)	315	44,453	1,843	44,458

33 Fair value of financial assets and financial liabilities

The following table presents the carrying amounts and fair values of those classes of financial assets and financial liabilities not reported at fair value on the Fortis Bank consolidated balance sheet. A description of the methods used to determine the fair value of financial instruments is given below.

	2007		2006		2005	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Assets						
Cash and cash equivalents	27,003	26,781	20,792	20,792	25,594	25,700
Due from banks	118,346	118,439	89,413	89,474	80,054	80,442
Due from customers	315,302	313,377	285,877	289,141	277,862	282,758
Investments held to maturity	4,234	4,301	4,505	4,642	4,669	4,841
Other receivables	6,546	6,544	6,105	6,102	7,010	7,008
Total financial assets	**471,431**	**469,442**	**406,692**	**410,151**	**395,189**	**400,749**
Liabilities						
Due to banks	192,141	191,995	177,161	177,161	174,780	176,582
Due to customers	267,164	265,968	260,056	259,536	263,285	262,571
Debt certificates	95,054	95,231	90,360	90,507	76,827	77,880
Subordinated liabilities	23,097	23,393	14,080	14,476	12,490	13,211
Other borrowings	2,665	2,677	2,178	2,177	5,023	5,122
Total financial liabilities	**580,121**	**579,264**	**543,835**	**543,857**	**532,404**	**535,366**

Fair value is the amount for which an asset could be exchanged, a liability settled or an equity instrument granted could be exchanged between knowledgeable, willing parties in an at arm's length transaction.

Fortis Bank uses the following methods, in the order listed, in determining the fair value of financial instruments:

- quoted price in an active market
- valuation techniques, and
- cost.

When a financial instrument is traded in an active and liquid market, its quoted market price or value provides the best evidence of fair value. No adjustment is made to the fair value of large holdings of shares, unless there is a binding agreement to sell the shares at a price other than the market price. The appropriate quoted market price for an asset held or a liability to be issued is the current bid price, and for an asset to be acquired or a liability held, the ask price. Mid-market prices are used as a basis for establishing fair values of assets and liabilities with offsetting market risks.

If no active market price is available, fair values are estimated using present value or other valuation techniques based on market conditions existing at the reporting date. If there is a valuation technique commonly used by market participants to price an instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, Fortis Bank applies that technique.

Valuation techniques that are well established in financial markets include recent market transactions, discounted cash flows and option pricing models. An acceptable valuation technique incorporates all factors that market participants would consider in setting a price, and should be consistent with accepted economic methodologies for pricing financial instruments.

The basic principles in estimating fair value are:

- maximise market inputs and minimise internal estimates and assumptions
- change estimation techniques only if an improvement can be demonstrated or if a change is necessary because of changes in the availability of information.

The fair value presented is the 'clean' fair value, which is the total fair value or 'dirty' fair value less interest accruals. Interest accruals are reported separately.

Methods and assumptions used in determining fair value are largely dependent on whether the instrument is traded on financial markets and what information is available to be incorporated into the valuation models. A summary of different financial instrument types along with the fair value treatment is included below.

Quoted market prices are used for financial instruments traded on a financial market with price quotations.

Non-exchange-traded financial instruments are often traded in over-the-counter (OTC) markets by dealers or other intermediaries from whom market prices are obtainable.

Quotations are available from various sources for many financial instruments traded regularly in the OTC market. Those sources include the financial press, various quotation publications and financial reporting services, and individual market makers.

Quoted market prices provide the most reliable fair value for derivatives traded on a recognised exchange. Fair value for derivatives not traded on a recognised exchange is considered to be the value that could be realised through termination or assignment of the derivative.

Common valuation methodologies for an interest rate swap incorporate a comparison of the yield of the swap with the current swap yield curve. The swap yield curve is derived from quoted swap rates. Dealer bid and offer quotes are generally available for basic interest rate swaps involving counterparties whose securities are investment-grade.

Factors that influence the valuation of an individual derivative include the counterparty's credit standing and the complexity of the derivative. If these factors differ from the basic factors underlying the quote, an adjustment to the quoted price may be considered.

The fair value (FV) calculation of financial instruments not actively traded on financial markets can be summarised as follows:

Instrument Type	Products	FV Calculation
Instruments with no stated maturity	Current accounts, saving accounts, etc.	Nominal value.
Instruments without optional features	Straight loans, deposits, etc.	Discounted cash flow methodology; discounting yield curve is the swap curve plus spread (assets) or the swap curve minus spread (liabilities); spread is based on commercial margin computed based on the average on new production during last 3 months.
Instruments with optional features	Mortgage loans and other instruments with option features	Product is split and linear (non-optional) component is valued using a discounted cash flow methodology and option component valued based on option pricing model.
Subordinated loans	Subordinated loans	Discounted cash flow methodology in which spread is based on subordination cost for Fortis Bank based on market quotations.
Private equity	Private equity and non-quoted participations investments	In general based on the European Venture Capital Association valuation guidelines, using amongst others Enterprise Value/EBITDA, Price/Cash flow and Price/Earnings.
Preference shares (non-quotes)	Preference shares	If the share is characterised as a debt instrument, a discounted cash flow model is used.

Fortis Bank has a policy in place aimed at quantifying and monitoring pricing uncertainties related to the calculation of fair values using valuation techniques and internal models. Related uncertainties are a feature of the ‘model risk’ concept.

Model risk arises when the product pricing requires valuation techniques which are not yet standardised or for which input data cannot be directly observed in the market, leading to assumptions on the input data themselves.

The development of new, sophisticated products in the market has resulted in the development of mathematical models to price them. These models in turn depend on assumptions regarding the stochastic behaviour of underlying variables, numerical algorithms and other possible approximations needed to replicate the complexity of the financial instruments.

Furthermore, the underlying hypotheses of a model depend on the general market conditions (e.g. specific interest rates, volatilities) prevailing at the time it is developed. There is no guarantee that the model will continue to yield adequate results should market conditions change drastically.

Any related model uncertainty is quantified as accurately as possible and is the basis in adjusting the fair value calculated by the valuation techniques and internal models.

Notes to the income statement

34 Interest income

The breakdown of Interest income by type of product for the year ended 31 December is shown below.

	2007	2006	2005
Interest income			
Interest income on cash equivalents	1,310	677	507
Interest income on due from banks	9,790	4,947	3,351
Interest income on investments	5,326	5,536	4,620
Interest income on due from customers	16,850	15,578	11,728
Interest income on derivatives held for trading	55,923	40,563	42,527
Other interest income	3,454	2,896	1,962
Total interest income	**92,653**	**70,197**	**64,695**

The interest on impaired loans amounted in 2007 to EUR 113 million.

35 Dividend and other investment income

This table provides details of Dividend and other investment income for the year ended 31 December.

	2007	2006	2005
Dividend and other investment income			
Dividend income from equity securities	151	125	119
Rental income from investment property	67	56	54
Other investment income	8	19	15
Total dividend and other investment income	**226**	**200**	**188**

36 Realised capital gains and losses on investments

For the year ended 31 December, Realised capital gains and losses on investments are broken down as follows:

	2007	2006	2005
Debt securities	98	76	530
Equity securities	645	375	90
Real estate	83	21	54
Subsidiaries, associates and joint ventures	53	1,682	36
Other	2		2
Realised capital gains (losses) on investments	**881**	**2,154**	**712**

37 Other realised and unrealised gains and losses

Other realised and unrealised gains and losses as included in the income statement for the year ended 31 December are presented below.

	2007	2006	2005
Assets/liabilities held for trading	919	967	475
Assets and liabilities held at fair value through profit or loss	166	140	220
Hedging results	172	272	199
Other	21	(40)	(89)
Other realised and unrealised gains and losses	**1,278**	**1,339**	**805**

All gains and losses arising from a change in the fair value of a financial asset or a financial liability, excluding interest accruals recorded under Interest income and Interest expense, are recorded in Other realised and unrealised gains and losses.

Assets and liabilities held for trading, including derivatives held for trading, are acquired principally for the purpose of generating a profit from short-term fluctuations in the price or the dealer's margin. Initial recognition is at acquisition cost, including any transaction costs to acquire the financial instrument. Subsequent measurement is at fair value with changes in fair value recorded in the income statement.

All changes in fair value of the assets and liabilities held at fair value through profit or loss are reported above. This includes unrealised gains and losses from revaluations and realised gains and losses upon derecognition of the assets or liabilities.

Hedging results contain the changes in fair value attributable to the hedged risk – mainly interest-rate risk – of hedged assets and liabilities and the changes in fair value of the hedging instruments.

In the context of portfolio hedges of interest rate risk (macro hedging), the initial difference between the fair value and the carrying value of the hedged item at designation of the hedging relationship is amortised over the remaining life of the hedged item. These amounts are included in Hedging results in the table above.

38 Fee and commission income

Fee and commission income for the year ended 31 December is specified in the table below.

	2007	2006	2005
Fee and commission income			
Securities and custodian services	1,197	926	716
Insurance	438	345	239
Asset management	1,460	1,236	958
Payment services	510	465	438
Guarantees and commitment fees	291	289	232
Other service fees	347	322	311
Total fee and commission income	**4,243**	**3,583**	**2,894**

39 Other income

Other income includes the following elements for the year ended 31 December.

	2007	2006	2005
Other income			
Operating lease income	34	9	3
Gain on sale of buildings held for sale			
Other	283	261	270
Total other income	**317**	**270**	**273**

40 Interest expenses

The following table shows the breakdown of Interest expenses by product for the year ended 31 December.

	2007	2006	2005
Interest expenses			
Interest expenses due to banks	10,799	7,960	4,808
Interest expenses due to customers	10,530	9,067	6,878
Interest expenses on debt certificates	4,945	3,356	2,468
Interest expenses on subordinated liabilities	765	676	609
Interest expenses on other borrowings	85	454	302
Interest expenses on liabilities held for trading and derivatives	58,230	41,337	43,282
Interest expenses on other liabilities	2,032	2,261	1,696
Total interest expenses	**87,386**	**65,111**	**60,043**

41 Change in impairments

The Changes in impairments for the year ended 31 December are as follows:

	2007	2006	2005
Change in impairments on:			
Cash and cash equivalents		1	
Due from banks	(3)	(3)	(3)
Due from customers	172	171	163
Credit commitments - banks		(5)	(6)
Credit commitments - customers	219	(19)	32
Investments in debt securities	2,424	(5)	1
Investments in equity securities and other	8	4	15
Investment property	(2)	2	
Investments in associates and joint ventures			(1)
Other receivables	2	2	4
Property, plant and equipment		3	11
Goodwill and other intangible assets			3
Accrued interest and other assets	14	7	(10)
Total change in impairments	**2,834**	**158**	**209**

Fortis Bank applies a two step approach in the impairment testing process of financial instruments. Firstly, an assessment is made if objective evidence exists that a financial asset is impaired, followed by the recognition and measurement of an impairment loss. The assessment of objective evidence is based on observable data ('triggers') about loss events.

Impairments are measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows. The impairment losses related to Investments in debt securities in 2007, concern mainly Structured Credit Instruments and are more specific due to US sub-prime residential mortgage-related assets.

Fortis Bank's credit risk exposure from Structured Credit Instruments and the valuation methods applied are described in note 17.4 Structured Credit Instruments.

42 Fee and commission expenses

The components of Fee and commission expenses for the year ended 31 December are as follows:

	2007	2006	2005
Fee and commission expenses			
Securities	335	224	131
Intermediaries	188	163	152
Asset management fees	278	193	91
Payment services	170	151	133
Custodian fees	14	11	10
Other fee and commission expenses	193	77	87
Total fee and commission expenses	**1,178**	**819**	**604**

43 Depreciation and amortisation of tangible and intangible assets

The Depreciation and amortisation of tangible and intangible assets for the year ended 31 December is as follows:

	2007	*2006*	*2005*
Depreciation on tangible assets			
Buildings held for own use	89	87	97
Leasehold improvements	54	53	44
Investment property	22	15	15
Equipment	149	144	118
Amortisation on intangible assets			
Purchased software	37	23	17
Internally developed software	3		
Other intangible assets	27	28	17
Depreciation and amortisation of tangible and intangible assets	**381**	**350**	**308**

44 Staff expenses

Staff expenses for the year ended 31 December are as follows:

	2007	2006	2005
Staff expenses			
Salaries and wages	3,012	2,788	2,354
Social security charges	546	522	482
Pension expenses relating to defined benefit plans	130	146	172
Defined contribution plan expenses	69	97	62
Share based compensation	4	13	7
Other	271	59	293
Total staff expenses	**4,032**	**3,625**	**3,370**

Other includes the costs for non-monetary benefits such as medical costs, termination benefits and restructuring costs.

Note 7 contains further details on Post-employment benefits and Other long-term employee benefits, including pension costs related to defined benefit plans and defined contribution plans.

45 Other expenses

Other expenses for the year ended 31 December are as follows:

	2007	2006	2005
Other expenses			
Operating lease rental expenses and related expenses	245	204	145
Rental and other direct expenses relating to investment property	2	2	3
Professional fees	382	302	248
Marketing and public relations costs	209	190	182
Information technology costs	597	534	387
Other investment charges	1	3	4
Maintenance and repair expenses	129	152	119
Other	1,077	954	836
Total other expenses	**2,642**	**2,341**	**1,924**

The line Other includes expenses for travel, post, telephone, temporary staff and training.

46 Income tax expenses

The components of Income tax expenses for the year ended 31 December are:

	2007	2006	2005
Current tax expenses for the current period	556	504	685
Adjustments recognised in the period for			
current tax of prior periods	(5)	22	34
Previously unrecognised tax losses, tax credits and			
temporary differences increasing (reducing) current tax expenses	16	(6)	(9)
Total current tax expenses	**567**	**520**	**710**
Deferred tax arising from the current period	(995)	109	(12)
Impact of changes in tax rates on deferred taxes	5	34	6
Deferred tax arising from the write-down or reversal			
of a write-down of a deferred tax asset	57	24	32
Previously unrecognised tax losses, tax credits and			
temporary differences reducing deferred tax expense	6	3	(3)
Total deferred tax expenses	**(927)**	**170**	**23**
Tax expense (income) relating changes in accounting policies and			
errors included in profit and loss			
Total income tax expenses	**(361)**	**690**	**733**

Below is a reconciliation of the expected to the actual income tax expense.

	2007	2006	2005
Profit before taxation	1,434	5,431	3,184
Applicable tax rate	33.99%	33.99%	33.99%
Expected income tax expense	487	1,846	1,082
Increase (decrease) in taxes resulting from:			
Tax exempt income	(673)	(1,033)	(340)
Share in result of associates and joint ventures	(91)	(16)	(11)
Disallowed expenses	64	28	10
Previously unrecognised tax losses and temporary differences	(7)	(19)	(27)
Write-down and reversal of write-down of deferred tax assets	113	47	68
Impact of changes in tax rates on temporary differences	5	34	(3)
Foreign tax rate differential	(347)	(128)	(67)
Adjustments for current tax of prior years	(5)	22	8
Other	93	(87)	(2)
Actual income tax expenses	**(361)**	**690**	**733**

Notes to off-balance sheet items

47 Commitments and guarantees

Commitments and guarantees include acceptances, commitments to extend credit, letters of credit, suretyships and financial guarantees. Fortis Bank's exposure to credit loss in the event of non-performance by the counterparty is represented by the contractual notional amounts of those instruments. Fees received from these activities are recorded in the income statement when the service is delivered.

Acceptances are used by customers to effect payments for merchandise sold in import-export transactions.

Credit commitments are agreements to extend a loan to a customer as long as there are no violations of any conditions laid down in the agreement. Commitments generally have fixed expiration dates or other termination clauses. The geographic and counterparty distribution of loan commitments approximates the distribution of outstanding loans. These commitments are generally unsecured and if necessary, collateral may be required.

Letters of credits either ensure payment by Fortis Bank to a third party for a customer's foreign or domestic trade or are conditional commitments issued by Fortis Bank to guarantee the performance of a customer to a third party. Fortis Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained is based on credit evaluation of the counterparty. Collateral could consist of the goods financed as well as of cash deposits. Most documentary credits are taken out, though in many cases this is followed by immediate payment.

Suretyships and financial guarantees are used to guarantee performance of a customer. The credit risk involved in issuing these guarantees is essentially the same as that involved in extending loan facilities to customers. These suretyships and guarantees may be unsecured.

The off-balance sheet credit commitments exposure can be detailed as follows :

	2007	*2006*
Available confirmed credit lines given		
- Credit commitments	2,028	2,088
- Loans to governments and official institutions	2,882	2,478
- Residential mortgage	7,141	5,976
- Consumer loans	8,322	7,938
- Commercial loans	93,773	103,869
- Other loans	10,199	8,860
Total available confirmed credit lines given	**124,345**	**131,209**
Credit related commitments given		
Guarantees and letters of credit	22,638	24,437
Banker's acceptances	819	403
Documentary credits	11,305	9,154
Total other credit commitments	**159,107**	**165,203**

Of these commitments around EUR 31,665 million have a maturity of more than one year (2006: EUR 28,762 million; 2005: EUR 17,618 million).

Liquidity requirements to support calls under guarantees and credit commitments are considerably less than the contractual amounts outstanding, as many of these commitments will expire or terminate without being funded.

The following table describes the impairments related to credit commitments as at 31 December.

	2007	*2006*
Specific credit risk	398	149
Incurred but not reported (IBNR)	49	80
Total	**447**	**229**

48 Contingent liabilities

Like any other financial institution, Fortis Bank is involved as a defendant in various claims, disputes and legal proceedings arising in the ordinary course of the banking business.

Fortis Bank makes provisions for such matters when, in the opinion of management, who consult with legal advisors, it is probable that a payment will have to be made by Fortis Bank, and when the amount can be reasonably estimated.

In respect of further claims and legal proceedings against Fortis Bank of which management is aware (and which, according to the principles outlined above, have not been provided for), it is the opinion of management, after due consideration of appropriate professional advice, that such claims are without merit, can be successfully defended or that the outcome of these actions is not expected to result in a significant loss in the Fortis Bank Consolidated Financial Statements.

In the Netherlands, Fortis Bank is involved in a number of legal proceedings concerning Groeivermogen products (equity lease products), launched either by individuals or by consumer protection associations against some Fortis Bank operating companies. The claims are based on one or more of the following allegations: violation of the ‘duty of care’, absence of second signature or absence of license to sell the products concerned. The present assessment of the legal risk involved in these proceedings does not give rise to material provisions to be set up within Fortis Bank.

49 Lease agreements

Fortis Bank has entered into lease agreements to provide for office space, office equipment and vehicles. The following table reflects future commitments for non-cancellable operating leases as at 31 December.

	2007	*2006*	*2005*
Not later than 3 months	3	2	2
Later than 3 months and not later than 1 year	11	7	14
Later than 1 year and not later than 5 years	29	60	31
Later than 5 years	19	33	41
Total	**62**	**102**	**88**
Annual rental expense:			
Lease payments	155	69	14

50 Assets under management

Assets under management include investments for own account and funds under management. Funds under management include investments that are managed on behalf of clients, either private or institutional, and on which Fortis Bank earns a management or advice fee. Discretionary capital (capital actively managed by Fortis Bank) as well as advisory capital are included in funds under management.

Eliminations in the various tables relates to the funds under management of clients invested in funds managed by Fortis Bank that otherwise would be counted double.

The following table provides a breakdown of Assets under management by investment type and origin.

	2007	*2006*	*2005*
Investments for own account:			
- Debt securities	104,990	131,427	129,719
- Equity securities	7,825	4,150	3,393
- Real estate	688	600	402
- Other	28,019	1,633	1,830
Total investments for own account	**141,522**	**137,810**	**135,344**
Funds under Management:			
- Debt securities	119,721	114,386	101,727
- Equity securities	102,989	92,705	79,812
- Real estate	587	773	1,045
- Eliminations	(25,283)	(26,242)	(25,661)
Total funds under management	**198,014**	**181,622**	**156,923**
Total assets under management	**339,536**	**319,432**	**292,267**

Changes in funds under management by segment are shown below.

	Retail Banking Network	*Retail Banking Asset Management*	*Merchant & Private Banking Clients*	*Merchant & Private Banking Skills*	*Other*	*Eliminations*	*Total*
Balance at 31 December 2006	**7,489**	**120,617**	**78,353**	**893**	**512**	**(26,242)**	**181,622**
In/out flow	(50)	9,614	2,807	(67)	(131)	1,178	13,351
Market gains /losses	(36)	2,685	2,655	32		(237)	5,099
Other			(1,350)	(725)		18	(2,057)
Balance at 31 December 2007	**7,403**	**132,916**	**82,464**	**133**	**381**	**(25,283)**	**198,014**

The column Other includes funds under management managed by operating companies reported in the Other Banking segment. The line Other includes the transfers between segments, the impact of acquisitions and divestments and the currency translation differences.

Other information related to consolidated figures

Post-balance sheet events

There have been no material events after the balance sheet date that would require adjustment to the Consolidated Financial Statements as at 31 December 2007.

Fortis Bank and Santander announced on 27 February 2008 that they have reached an agreement by which Santander will purchase from Fortis Bank the Brazilian asset management activities of ABN AMRO, which Fortis Bank acquired as part of the Consortium's (RBS, Fortis Bank and Santander) purchase of ABN AMRO. Fortis Bank will retain the Latin American (ex-Brazil) institutional sales and some equity investment teams related to funds distributed through ABN AMRO/Fortis Bank channels.

This transaction, which amounts to approximately EUR 209 million, should be finalised in the second quarter of 2008, subject to customary closing conditions and regulatory approvals.

Fortis Bank launched on 18 February 2008 a Core Tier- 1 capital transaction in the amount of USD 750 million ('NITSH' or 'Non-Innovative Tier-1 Hybrid Securities'). The transaction is non-dilutive. This instrument is a non equity-linked, perpetual and subordinated debt, callable as of 2013 and without incentive to redeem. The securities are qualified as "non-innovative Tier- 1", not subject to a 15% regulatory limit.

Consolidation scope

1. Criteria for full consolidation, valuation by equity method and exclusions.

The consolidated accounts are prepared in accordance with the Royal Decree of 5 December 2004 amending the Royal Decree of 23 September 1992 on the non-consolidated accounts and consolidated accounts of credit institutions. The Royal Decree stipulates that, for financial years beginning on or after 1 January 2006, consolidated annual accounts must be drawn up in accordance with international standards (IAS/IFRS), as adopted by the European Union.

The consolidated financial statements include those of Fortis Bank SA/NV and its subsidiaries. Subsidiaries are those companies, for which Fortis Bank, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities (“control”). Subsidiaries are consolidated from the date on which effective control is transferred to Fortis Bank and are no longer consolidated from the date that control ceases.

The consolidated accounts are prepared in accordance with IAS27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates, IAS 31 Interests in Joint Ventures and in accordance with SIC-12 Consolidation-Special Purpose Entities, that requires to consolidate the SPE when the substance of the relationship indicates that Fortis controls the SPE and retains a significant beneficial interest in the SPE’s activities.

Investments in joint ventures – contractual agreements whereby Fortis Bank and other parties undertake an economic activity that is subject to joint control – are accounted for using the equity method.
Investments in Associates – investments in which Fortis Bank has significant influence, but which it does not control, generally holding between 20 % and 50 % of the voting rights – are accounted for using the equity method.

Deviations from these criteria are as follows:

1 Some entities where Fortis Bank has the legal ownership are not consolidated due to the fact that the economic control is held by third parties and in accordance with Art. 107,2° of the Royal Decree of January 30, 2001, this is the case for companies managing real estate and real estate certificates.

2 Based on the IASB Framework–30 and Art. 107,1° of the Royal Decree of January 30, 2001 subsidiaries of minor importance were excluded from the consolidated accounts as the information obtained by the consolidation of this subsidiaries in not material in the financial statements of Fortis Group:
Abic Holding, Acens Technologie, Albankerb Investments, Alchinofin B.V., Antilope Invest, ASLK-CGER Services ESV, AstenJohnson (Holland) B.V., Autor Publicidad Esterior S.L., Avinguda Holding S.A., BPC Developpement, Basement Holding B.V., Battery Technologies, Bigblue Investments S.à.r.l., Bohemia Corporation, Brampton Corporation, Carinthia Corporation N.V., Ceedsa Holdings S.L., Cherras Investments S.à.r.l, Cixi Investments S.à.r.l., Colfridis Invest, Coppefis, CP (New Zealand) Trustees Ltd, Decom Services Ltd, Directiepensioenfonds Hesse B.V., Discontokantoor van Turnhout, Dis Globus Malta Ltd., El Paso LNP Holding BV, Embon Investments S.A.R.L., Emerald Shipping B.V., Eurl Gourville Immobilier, Euroheart Investments S.à.r.l., Fagus, FB Sector Finance LP, Fidass I B.V., Fidass II B.V., Fortis Agency Limited, Fortis Asia Limited, Fortis Bank Escritorio de Representacao Ltda, Fortis China Limited, Fortis Far East Limited, Fortis Foreign Fund Services AG, Fortis Futures Limited, Fortis Greater China Limited, Fortis Group Ltd, Fortis Insurance Limited, Fortis International Limited, Fortis L Capital, Fortis Limited, Fortis Management Limited, Fortis Private Equity Arkimedes N.V., Fortis Services Limited, Fortis Services Monétiques, FP Consult (Guernsey), Generale Branch Nominees Ltd., Geneve Credit & Leasing SA, GeschäftsführungsGmbH der Generale Bank, Grandall International Holding Ltd, Gúzman, Gymna Uniphy B.V., Gymna Uniphy N.V., Hedonaï Estetica Integral S.L., Heijboma B.V., Holding Vreedenlust Fund II, I.D.B.P., Imag SPV, Innovative Medical Solutions BV, Innovative Medical Solutions Holding B.V., Jetowner Investments S.à.r.l., Jmex BV, Kathmandu Holding BV, Konzeptual Holding S.A., Mine.be, Mitsou Fashion S.à.r.l., Nathan Beheer B.V., Newton Green Air Investments I, Newton Green Air Investments II, Nicolas Investments Corporation, Nimox Invest B.V., Novy N.V., OB Invest, Oboist Holding B.V., Packing Invest, Par 3, Paradize Investments S.A., Parisienne d'Acquisition Fonçière, Penne International, Pensioenfonds J.G.H.M. van Lier B.V., Queensland Corporation N.V., Relf Beleggingen, Rothesay, Savina International Inc, SCI Norlum,

Sybetra S.A., Tentaclo Nets Holding II BV, Tondola Holding BV, Tripan International B.V., Uniphy Elektromedizin Beteilgungs GmbH, Uniphy Eltektromedizin Gmbh & Co KG, Veldpoort Beheer BV, Velleman International, VIA-Zaventem N.V., Von Essen GmbH, Von Essen KG - Handelsgesellschaft, Wa Pei Nominees Ltd, Wassenburg Beheer B.V., Wendilo Investments S.A.R.L.

3. The following subsidiaries were accounted for under the equity method because of their minor importance to the consolidated financial statements: Banque Belgolaise, Comptoir Agricole de Wallonie, Credissimo, Crédit pour Habitations Sociales, Demetris, Fortis Private Investments Polska, Holding Vreedenlust Fund III, Hotel Cruisehip Operations 2 BV, La Maison Sociale Tournai Ath, Landbouwkantoor Vlaanderen, Mijn Huis Edouard Pecher, N.V. Brabant Participatiemaatschappij, NeSBIC Holdings III B.V., Prestibel Left Village.

4. The following entities where Fortis owns more than 50% of the subscribed capital and which are not of minor importance were accounted for under the equity method due to a lack of full control: NIB Capital Foreign Debt Fund V, BAFB B.V., Leyden Bay B.V.

5. The following jointventures & associates were not accounted for under the equity method because of their insignificance (Art. 157 of the Royal Decree of January 30, 2001):
Altsys, Antwerps Innovatie Centrum, Arets International, Baekeland Fonds, BBOF I Invest B.V., BBOF I Invest VI B.V., Bedrijvencentrum Zaventem, Bee-Invest B.V., Bexco, Brussels I3 Fund, Burgers Flexiprint, Cetrel Lux sc, Conticlima, Coolstar, Coöperatieve H2 Equity Partners Fund III U.A., Demeter S.A.S, Dolnoslaska Szkola Bankowa Sp.z.o.o., Etna, Europay Lux sc, Flanders Engineering, Gemma Frisius-Fonds K.U. Leuven NV, Gemma Frisius-Fonds K.U. Leuven II, Grupo Elogos S.L., Gudrun Xpert, H2 Lighting BV, Hemag(Atlantic), Immo Regenboog, Kaasbrik Holding, Kuiken N.V., Maredo, Meta International, NeSBIC Investment Fund II Partners B.V., Nova Electro int., B.V.,Sandd Beheer B.V., Société Financière des sociétés de Développement Regional, Sophis System, Studio 100, Transportes García Villalobos, Union Capital BV, Visalux, Xenics.

6. ue to constraints on timely reporting – IASB Framework-43 and Art 107.3° – Belgolaise's African participating interests, in the subsidiaries A.M.B. – West Africa, Banque Internationale pour l'Afrique au Togo were not consolidated and the participations in Banque Commercial du Congo, Banque Crédit de Bujumbura, Banque International Afrique au Niger en Middle East Bank Kenya Ltd were not accounted for under the equity method because of the risk of an unacceptable delay in reporting and because of their minor importance to the consolidated financial statements.

   In global the impact of not consolidating subsidiaries of minor importance is not material in the annual accounts of Fortis Bank.

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	Name	Head-office	VAT/NN	Percent of holding
2810	"Fortis de Hondsrug" B.V.	Amsterdam		99,98
5804	3D GÜVENLIK SISTEMLERI VE ORG. TIC. A.S.	Gayrettepe		93,17
3301	A.B.M.I. Holdings Ltd	George Town		100,00
6577	A.M.S. Administrative & Management Services	Luxembourg		99,98
2380	ACE EQUIPMENT LEASING	Sint-Agatha-Berchem	BE 440.910.431	99,92
1464	ACE LEASING	Brussel	BE 435.610.370	99,92
1502	ACE LEASING B.V.	s-Hertogenbosch		99,92
6804	ACX International N.V.	Curaçao		99,98
2776	Administratie- en Trustkantoor 's-Gravenhage BV	Den Haag		99,98
1214	Administratiekantoor Claimindo B.V.	Amsterdam		99,98
3600	AGRILEASE B.V.	's-Hertogenbosch		99,92
6821	ALANDES	Amsterdam		100,00
3312	Albany Associates Ltd	Tortola		99,98
3336	Albion Financial Services Ltd	Wanchai		99,98
3714	Alfam Holding B.V.	Bunnik		100,00
3705	Alfam Nederland B.V.	Bunnik		100,00
1141	Alkmaar Hypotheken B.V.	Amsterdam		100,00
6695	ALLERAY	Luxembourg		99,92
3706	Alpha Credit Nederland B.V.	Bunnik		100,00
1086	ALPHA CREDIT S.A./N.V.	Bruxelles	BE 445.781.316	100,00
6174	Amance Holding N.V.	Amsterdam		99,98
6237	Amsterdam Brewery Investments B.V.	Amsterdam		99,98
6689	Anelco Ltd	St. Peter Port		99,98
3355	Angelique Corporation NV	Willemstad Curacao		99,98
3174	Anneke Geertuida B.V.	Amsterdam		99,98
3313	Ardgowan Holdings Ltd	Tortola		99,98
6696	ARGANCE	Luxembourg		99,92
3691	Armadu Holding B.V.	Amsterdam		100,00
6235	Arva B.V. (in liquidatie)	Amsterdam		99,98
5229	Arvem S.A.	Amsterdam		99,98
5291	Ashlea Ltd	Wanchai		99,98
4252	ASR Re N.V.	Curacao		99,98
5233	ASTIR	Amsterdam		100,00
5190	ASTIR-I CAPITAL B.V.	Amsterdam		100,00
1549	ASTRO MANAGEMENT S.A.	Brussel	BE 430.189.456	100,00
6686	Asturenne S.A.	Luxembourg		99,98
3425	Athos Group Ltd	Tortola Br.Virgin Isl.		99,98
3359	Atila Corporation NV	Willemstad Curacao		99,98
5375	Atir Immobilien & Finanz AG	Steinhausen		99,98
5319	Auder S.A.	Amsterdam		99,98
2939	B.V. Administratie- en Trustkantoor "Securitas"	Amsterdam		100,00
1191	B.V. Algemene Handelsmaatschappij Almij	Amsterdam		100,00
1152	B.V. Centraal Incasso Bureau C.I.B.	Bunnik		100,00
2999	B.V. Financieringsmaatschappij N.O.B.	Amsterdam		100,00
1172	B.V. Holland Administration Center (H.A.C.)	Amsterdam		97,12
2777	B.V. Maatschappij voor Executele en Trustzaken	Amsterdam		99,98
2884	B.V. Mij tot aankoop, verkoop & verhuur van Huizen	Rotterdam		100,00
2840	B.V. Participatiemaatschappij PHP	Amsterdam		100,00
4567	B.V. Petroleum Maatschappij "Moeara Enim"	Amsterdam		69,52
6576	BAC Management	Luxembourg		99,98
3360	Bachem NV	Willemstad Curacao		99,98
5662	Bajan Limited	Guernsey		99,98
5954	BDO Reads Management Ltd	St. Peter Port		99,98
2775	Becom Management BV	Amsterdam		99,98
4372	Beekman Trading B.V.	Amsterdam		100,00
4287	Beleggingsmaatschappij FBIB Capital Structures BV	Amsterdam		99,96
2888	Beleggingsmaatschappij "Sanamij" BV	Amsterdam		100,00
4373	Beleggingsmaatschappij Beurshave N.V.	Amsterdam		100,00
3561	Beleggingsmaatschappij Giever BV	Brussel	BE 458.403.390	99,98
3384	Beleggingsmaatschappij Mount Kellet N.V.	Willemstad Curacao		99,98
3387	Beleggingsmaatschappij Ouderkerk N.V.	Willemstad Curacao		99,98
3586	Beleggingsmaatschappij Quirina NV	Willemstad Curacao		99,98
6249	Beluga Asset Purchasing Praktijkfinancieringen BV	Amsterdam		100,00
6250	Beluga Master Issuer BV	Amsterdam		100,00
5472	Bentinck Management Services Ltd (BVI)	Tortola Br.Virgin Isl.		99,98
5714	Benvest S.a.	Luxembourg		99,98

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	Name	Head-office	VAT/NN	Percent of holding
5238	Beratungsservices fur Finanzielel Risikostrategien MRA AG	Zug		99,98
5370	Bermobag AG	Zug		99,98
6225	Best Universal Ventures Corp.	Tortola		99,98
5576	BETA EUROPA MANAGEMENT S.A.	Luxembourg		100,00
5582	BETA INTERNATIONAL MANAGEMENT	Luxembourg		100,00
5655	BGL Reads Trust Company Limited	St Peter Port		99,98
1240	BGL RE S.A.	Luxembourg		100,00
1241	BGL Trustees Ltd	St Peter Port		99,98
6221	BOAZ Management Company (Luxembourg) S.A.	Luxembourg		100,00
5556	Bondix Finance BV	Amsterdam		99,98
3535	Bordage Properties Ltd	St Peter Port Guernsey		99,98
3115	Box Consultants B.V.	Eindhoven		68,25
6972	Box Fund Advisory B.V.	Eindhoven		68,25
3265	Brassington Corporation NV	Willemstad Curacao		99,98
5664	C.M.S. Limited	St Peter Port		99,98
4983	CA MOTOR FINANCE LTD	London		99,92
6506	CADOGAN ASSOCIATES LLC	New York		69,99
6424	CADOGAN MANAGEMENT	New York		69,99
6505	CADOGAN MANAGEMENT (UK) LTD	London		69,99
5382	Calanda Holding AG	Glarus		99,98
4982	CALEDONIAN MOTOR FINANCE LTD	Glasgow		99,92
5715	Cami Holding	Luxembourg		99,98
5912	CAMOMILE ALZETTE INVESTMENTS (UK) LTD	George Town		100,00
2906	Camomile Court BV	Rotterdam		100,00
5244	CAMOMILE INVESTMENTS UK LTD	London		100,00
5340	CAMOMILE LIFFEY INVESTMENTS (UK) LTD	George Town		100,00
6933	CAMOMILE PEARL (UK) LTD	George Town		100,00
5342	CAMOMILE ULSTER INVESTMENTS (UK) LTD	George Town		100,00
5526	Cantrust (Far East) Ltd	Tortola		99,98
6841	Captive Finance Corporation	Boulder		99,92
6525	CAPTIVE FINANCE DENMARK AS	Ballerup		99,92
6526	CAPTIVE FINANCE FINLAND OY	Espoo		99,92
6524	CAPTIVE FINANCE HOLDING AS	Oslo		99,92
6523	CAPTIVE FINANCE LIMITED	Wanchai		99,92
6527	CAPTIVE FINANCE NORGE AS	Oslo		99,92
6528	CAPTIVE FINANCE SWEDEN AB	Linköping		99,92
6530	Captive Finance Taiwan Co. Ltd	Taipei		99,92
5585	Carbeneth Financial Management Group NV	Willemstad Curacao		99,98
5584	Carbeneth Holding NV	Willemstad Curacao		99,98
6714	Carbon Compliance Acquisition 5 Limited	London		99,98
3273	Caribbean Depositary Company NV	Willemstad Curacao		99,98
3290	Caribbean Management Company NV	Willemstad Curacao		99,98
3272	Caribbean Participation Company NV	Willemstad Curacao		99,98
5569	Caricom (BVI) Limited	Anguilla		99,98
1182	Caritrust Management Corporation N.V.	Willemstad Curacao		99,98
2941	Carneth Administratie Company NV	Willemstad Curacao		100,00
3364	Cavetto Corporation NV	Willemstad Curacao		99,98
6675	CBFE Holding 2007 B.V.	Amsterdam		99,98
5730	Cecilia Corporation N.V.	Willemstad Curacao		100,00
5369	Centrapriv Zug AG	Zug		99,98
5368	Centrapriv Zurich AG	Zurich		99,98
5366	CEPE Holding AG	Luxembourg		99,98
1516	CERTIFIMMO V	Brussel	BE 450.355.261	100,00
6531	CF Capital (M) Sdn. Bhd	Kuala Lumpur		99,92
6532	CF Capital (S) Pte Ltd	Singapore		99,92
6529	CF Corporation Limited	Wanchai		99,92
2054	Channel Corporate Services	Saint Peter Port		99,98
5663	Chart Trust Company Limited	Saint Peter Port		99,98
5482	Chartertering International (IOM) Ltd	Isle of Man		99,98
5289	Chatham Ltd	Monrovia		99,98
5003	Chrisanda (Nominees) Limited	Wanchai		99,98
5814	Christenburg Management S.A.	Vaduz		99,98
5376	Churfirsten AG	Fribourg		99,98
3175	Claudine Philippine B.V.	Amsterdam		99,98
5558	Clearway Finance BV	Amsterdam		99,98
6810	Codale Secretaries Limited	St. Peter Port		99,98
1237	COFHYLUX S.A.	Luxembourg		99,92
5530	Colec Nominees Ltd	Wanchai		99,98

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	Collier 2005-I	Amsterdam		100,00
2057	Comcolux SARL	Luxembourg		99,98
5666	Commerce House Trustees Limited	St Peter Port		99,98
6492	Compact Administrative Services Pte Ltd	Singapore		99,98
5812	Continuing Care Retirement Community	Brussel	BE 875.844.672	99,00
3334	Cordwell Securities Ltd			99,98
5004	Corporate Directors Ltd	Wanchai		99,98
5571	Corporate Insolvency Services Limited	Anguilla		99,98
5667	Cosign Limited	St. Peter Port		99,98
5665	Cosign Nominees Limited	St. Peter Port		99,98
5668	Cosign Services Limited	St. Peter Port		99,98
5270	CP JER Holding B.V. (in liquidatie)	Amsterdam		99,98
2524	Credivance NV	Bunnik		100,00
5470	Crew Co. Ltd	Douglas		99,98
6694	Crystal Services Ltd	Anguilla		99,98
3365	Culture Club NV	Willemstad Curacao		99,98
5699	Cumanco B.V.	Amsterdam		99,98
5782	DALGARNO	Luxembourg		99,92
3366	Danza Corporation NV	Willemstad Curacao		99,98
3669	Defam Credit B.V.	Bunnik		100,00
3595	Defam Financieringen B.V.	Bunnik		100,00
1156	Defam Flex B.V.	Bunnik		100,00
1143	Defam Plus B.V.	Amsterdam		100,00
5183	Defam Select B.V.	Bunnik		100,00
1158	Defam Totaal B.V.	Bunnik		100,00
5544	Deleda Investments Inc	The Valley		99,98
6980	Delphinus 2000-I	Amsterdam		100,00
6982	Delphinus 2001-I	Amsterdam		100,00
6984	Delphinus 2001-II	Amsterdam		100,00
6986	Delphinus 2002-I	Amsterdam		100,00
6989	Delphinus 2003-I	Amsterdam		100,00
6992	Delphinus 2003-II	Amsterdam		100,00
6994	Delphinus 2004-I	Amsterdam		100,00
6996	Delphinus 2004-II	Amsterdam		100,00
6998	Delphinus 2006-I	Amsterdam		100,00
5783	DELVINO	Luxembourg		99,92
6549	Der Boede BVBA	Brussel	BE 880.336.366	100,00
1521	DIKODI B.V.	Amsterdam		100,00
5005	Dina (Nominees) Ltd	Hong Kong		99,98
1142	Direktbank N.V.	Amstelveen		100,00
5318	DisAcor B.V.	Amsterdam		100,00
6778	Dolphin Asset Purchasing FBN B.V.	Amsterdam		100,00
6779	Dolphin Asset Purchasing FHB B.V.	Amsterdam		100,00
3420	Dolphin Beheer BV	Amsterdam		99,98
6786	Dolphin Master Issuer B.V.	Amsterdam		100,00
6535	DOMINET BANK S.A.	Lubin		100,00
6536	DOMINET FINANSE S.A.	Piaseczno		58,00
6521	DOMINET S.A.	Piaseczno		100,00
6557	DOMINET SPV-II Sp.z.o.o.	Piaseczno		100,00
2778	Drasco B.V.	Amsterdam		99,98
3367	Dreamsville Corporation NV	Willemstad Curacao		99,98
6034	DREIECK ONE LIMITED	George Town		99,92
5775	DRYDEN WEALTH MANAGEMENT (TAIWAN) CO. LTD	Taipei		100,00
5117	Dutch-MBS	Utrecht		75,00
	Dutch MBS98-I	Amsterdam		75,00
2055	Ecoreal S.A.	Luxembourg		99,95
5529	Effectivsec Management Ltd	Wanchai		99,98
2375	ELFA-AUTO	Luxembourg		99,92
3244	Elwood Holdings Ltd	Douglas		100,00
5577	Emerald Services Limited	Anguilla		99,98
5078	Emilia Shipping Ltd	St John's		100,00
5380	Erbutim Verwaltungs AG	Zürich		99,98
1465	ES-FINANCE	Sint-Agatha-Berchem	BE 430.506.289	99,92
6068	Esmerald Partners I S.A.	Luxembourg		99,98
3211	Esprit Nominees Ltd.	London		100,00
5377	Eumetra AG	Zürich		99,98
6302	Euro-Fashion-Center	Bruxelles	BE 884.178.556	99,98

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6304	Euro-Fashion-Center SCA	Bruxelles	BE 884.303.765	63,14
6623	Euro Management Services S.A.	Luxembourg		99,98
6683	European Capital Investment (Luxembourg) S.A.	Luxembourg		99,98
6511	European Multilateral Clearing Facility NV	Amsterdam		100,00
5753	Excellerator B.V.	Amsterdam		100,00
6133	Excellerator Belgium	Bruxelles	BE 881.745.143	100,00
5683	F.A.M. FUND ADVISORY	Luxembourg		99,92
5682	F.A.M. PERSONAL FUND ADVISORY	Luxembourg		99,92
5197	F.L. Zeebrugge	Zeebrugge	BE 865.778.250	99,92
6298	FAL Nazareth	Brussel	BE 879.345.977	99,98
6299	FAL Zevenbronnen	Brussel	BE 879.347.758	99,98
3461	Favorita Corporation NV	Willemstad Curacao		99,98
2943	FB Acquisition Finance Holding B.V	Amsterdam		100,00
2882	FB Asset Based Finance BV	Amsterdam		100,00
2976	FB Aviation & Intermodal Finance Holding BV	Amsterdam		100,00
2980	FB Corporate Holding BV	Amsterdam		100,00
2983	FB Corporate Participaties B.V.	Amsterdam		100,00
6206	FB ENERGY CANADA CORP.	Calgary		100,00
2965	FB Energy Holding B.V.	Amsterdam		100,00
6173	FB ENERGY HOLDINGS LLC	New York		100,00
5941	FB FINANCE LP	New York		100,00
5768	FB FUNDING COMPANY	Calgary		100,00
6204	FB HOLDINGS CANADA CORP.	Calgary		100,00
5940	FB NORTH AMERICA ULC	New York		100,00
5953	FB TRANSPORTATION CAPITAL LLC	Wilmington		100,00
6747	FBC Ltd	Hamilton		100,00
5933	FBGC Participations Limited	London		100,00
1233	FBL Finance	Luxembourg		99,92
1971	FBN Holding International AG	Zug		100,00
3597	FCF Deelnemingen B.V.	's-Hertogenbosch		100,00
6692	FCM PRIVATE EQUITY II S.L.	Madrid		68,18
4053	FCM PRIVATE EQUITY	Madrid		99,97
3304	FFSB Limited	Nassau		100,00
5716	Figa S.A.	Luxembourg		99,98
2454	FIM NL HOLDING N.V.	Amsterdam Zuid-Oost		99,98
1041	FIMAGEN HOLDING	Parijs		100,00
1050	FIMAPIERRE	Parijs		99,98
6550	Fimko N.V.	Brussel	BE 442.971.284	100,00
2927	Financial Participations TCF BV	Rotterdam		100,00
2971	FINOB Asset Based Finance B.V.	Amsterdam		100,00
5720	Finodis N.V.	s-Hertogenbosch		95,00
6687	Finsurance Ltd	Hamilton		99,98
5740	FINTRIMO S.A.	Brussel	BE 874.308.807	66,67
5815	Fionahill Management Inc.	Vaduz		99,98
5955	First Tower Trustees Limited	St. Peter Port		99,98
5758	FLEXIFUND ASSOCIATES	Luxembourg		99,98
3371	Flute Corporation NV	Willemstad Curacao		99,98
5838	FMM Investments N.V.	Curaçao		99,98
6202	FOLEA GRUNDSTUCKSVERWALTUNGS UND VERMIETUNGS GMBH & CO (1)	Berlin		6,00
6872	FOLEA GRUNDSTUCKSV. BURTENBACH (1)	Düsseldorf		6,00
6873	FOLEA II VERWALTUNGS GMBH	Düsseldorf		99,92
6201	FOLEA VERWALTUNGS GMBH	Berlin		99,92
5001	FONDO NAZCA I, FCR	Madrid		100,00
6732	Fondo Nazca II FCR de Régimen Simplificado	Madrid		99,02
5619	Fortis (GSLA) Holding BV	Amsterdam		100,00
3323	Fortis (Hong Kong) LTD	Hong Kong		100,00
3242	Fortis (Isle of Man) Ltd	Douglas		100,00
3247	Fortis (Isle of Man) Nominees Ltd	Douglas		100,00
3318	Fortis (Nominees) Pte Limited	Singapore		100,00
2021	FORTIS (USA) FINANCIAL MARKETS LLC	New York		100,00
5281	Fortis Arbitrage Europe Fondsmaeglerselskab A.S.	Copenhagen		100,00
5701	Fortis Arbitrage Europe Holding A.S.	Copenhagen		100,00
3592	Fortis ASR Bank N.V.	Utrecht		100,00
2638	Fortis ASR Credit N.V.	Utrecht		100,00
2525	Fortis ASR Hypotheekbedrijf N.V.	Utrecht		100,00
2526	Fortis ASR Praktijkvoorziening N.V.	Utrecht		100,00
6712	Fortis Asset Finance IX B.V.	Amsterdam		100,00

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5647	Fortis Asset Management (Guernsey) Ltd	St Peter Port		100,00
6935	FORTIS ASSET MANAGEMENT JAPAN CO., -LTD	Tokyo		99,98
6947	Fortis Aviations Finance Company (FAFCO-01) Ltd	George Town		100,00
3233	Fortis Bank (C.I.) Limited	St Peter Port		100,00
3296	Fortis Bank (Cayman) Ltd	George Town		100,00
3262	Fortis Bank (Curaçao) N.V.	Willemstad Curacao		99,98
3266	Fortis Ban (N.A.) N.V.	Willemstad Curacao		99,98
1140	Fortis Bank (Nederland) N.V.	Rotterdam		100,00
5735	FORTIS BANK A.S.	Gayrettepe		94,11
2865	Fortis Bank Global Clearing N.V.	Amsterdam		100,00
5803	FORTIS BANK MALTA LTD	Gzira		94,11
2005	Fortis Bank Nederland (Holding) N.V.	Utrecht		100,00
3222	Fortis Bank Nominees (UK) Ltd	London		100,00
1066	FORTIS BANK POLSKA	Warszawa		99,19
1000	FORTIS BANQUE	Brussel	BE 403.199.702	100,00
1127	FORTIS BANQUE (SUISSE)	Genève 4		99,92
1028	FORTIS BANQUE FRANCE	Puteaux		99,98
1231	FORTIS BANQUE LUXEMBOURG S.A.	Luxembourg		99,92
6643	FORTIS BANQUE MONACO	Monaco		99,92
5724	FORTIS CAPITAL (CANADA) LTD	White Horse		100,00
4671	Fortis Capital Company Ltd	St. Helier		100,00
4300	FORTIS CAPITAL CORPORATION	Stamford		100,00
5282	Fortis Chameleon B.V.	Amsterdam		100,00
3405	Fortis Clearing (Futures) Hong Kong Ltd	Hong Kong		100,00
3404	Fortis Clearing (Options) Hong Kong Ltd	Hong Kong		100,00
6052	FORTIS CLEARING AMERICAS LLC	Chicago		99,98
6522	Fortis Clearing Safekeeping N.V.	Amsterdam		100,00
5721	Fortis Clearing Singapore Pte Ltd	Singapore		100,00
4551	Fortis Clearing Sydney Nominees Pty Ltd	Sydney		100,00
3557	Fortis Clearing Sydney Pte Ltd.	Sydney		100,00
1107	Fortis Commercial Finance N.V./S.A.	Turnhout	BE 414.392.710	100,00
5866	Fortis Commercial Finance A/S	Copenhagen		100,00
5862	Fortis Commercial Finance AB	Stockholm		100,00
6886	Fortis Commercial Finance Asia Limited	Hong Kong		100,00
4316	Fortis Commercial Finance GmbH	Dusseldorf		100,00
3596	Fortis Commercial Finance Holding N.V.	's-Hertogenbosch		100,00
4317	Fortis Commercial Finance Limited	Tunbridge Wells		100,00
1166	Fortis Commerical Finance N.V.	s-Hertogenbosch		100,00
5723	Fortis Commercial Finance S.A.	Luxembourg		100,00
5863	Fortis Commercial Finance S.p.A.	Milano		100,00
4195	Fortis Commercial Finance SAS	Puteaux		100,00
6219	Fortis Commercial Finance S.p.z.o.o.	Warszawa		100,00
5937	Fortis Commercial Finance Spain S.A.	Madrid		100,00
6143	FORTIS CREDIT4ME GMBH	Essen		100,00
6729	FORTIS CURRENCY GP	Dover		100,00
6518	Fortis Custodial Services (IOM) Limited	Douglas		100,00
3264	Fortis Custody (Curacao) N.V.	Willemstad Curacao		99,98
1148	Fortis Custody N.V.	Rotterdam		100,00
6306	Fortis Direct Real Estate Management S.A.	Luxembourg		99,98
2919	Fortis Effectenbewaarbedrijf NV	Amsterdam		100,00
5493	FORTIS ENERGY LEASING X 2 BV	s-Hertogenbosch		99,92
5338	FORTIS ENERGY LEASING X I BV	s-Hertogenbosch		99,92
6199	FORTIS ENERGY MARKETING & TRADING GP	Houston		100,00
6158	FORTIS ENERGY NORTH AMERICA S.à.R.L.	Luxembourg		100,00
5483	FORTIS EPARGNE RETRAITE	Paris		69,98
3991	Fortis Equipment Leasing XL B.V.	Amsterdam		100,00
3992	Fortis Equipment Leasing XLI B.V.	Amsterdam		100,00
3993	Fortis Equipment Leasing XLII B.V.	Amsterdam		100,00
4293	Fortis Equipment Leasing XLIII B.V.	Amsterdam		100,00
5795	Fortis Faktoring A.S.	Istanbul		100,00
6967	Fortis FBN(H) Preferred Investment B.V.	Amsterdam		70,00
6901	FORTIS FILM FUND	Bruxelles		100,00
4727	Fortis Finance (UK) Ltd	London		100,00
6046	FORTIS FINANCE BELGIUM S.R.C.L.	Bruxelles	BE 879.866.412	100,00
3346	Fortis Financial Products Ltd	Hong Kong		100,00
2020	FORTIS FINANCIAL SERVICES LLC	New York		100,00
5798	FORTIS FINANSAL KIRALAMA A.S.	Istanbul		99,92
5676	Fortis Fund Services (Guernsey) Limited	St. Peter Port		99,98

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	Name	Head-office	VAT/NN	Percent of holding
2024	FORTIS FUNDING LLC	New York		100,00
4259	FORTIS FUNDS (NEDERLAND) NV	Utrecht		99,98
1149	Fortis GBN Effectenbewaarbedrijf N.V.	Rotterdam		100,00
3433	FORTIS GESBETA SGIIC	Madrid		100,00
2003	FORTIS GESTION PRIVÉE	Paris		99,97
3555	Fortis Global Arbitrage (Asia) Ltd	Hong Kong		100,00
3403	Fortis Global Custody Management & Trustee Services (Ireland) Ltd	Dublin		99,99
3019	Fortis Global Custody Services N.V.	Amsterdam		100,00
2780	Fortis Global Management Solutions B.V.	Amsterdam		99,98
3219	Fortis Global Nominees Ltd	London		100,00
2920	Fortis Groenbank B.V.	Amsterdam		100,00
5646	Fortis Group Services (Guernsey) Limited	Guernsey		99,98
6533	Fortis GSFG (Australia) Pty Ltd	Sydney		100,00
3224	Fortis GSFG UK Ltd	London		100,00
5739	Fortis GSLA (Asia) Holdings Ltd	Wanchai		100,00
5727	Fortis GSLA (Singapore) Pte Ltd	Hong Kong		100,00
2839	Fortis GSLA B.V.	Amsterdam		100,00
3590	Fortis GSLA Finance Holding GmbH	Frankfurt am Main		100,00
3696	Fortis Holding (Curacao) N.V.	Willemstad Curacao		99,98
5802	FORTIS HOLDING MALTA B.V.	Amsterdam		94,11
5801	FORTIS HOLDING MALTA LTD	Gzira		94,11
3209	Fortis Holdings (UK) Ltd.	London		100,00
3880	Fortis Hypotheek Bank N.V.	Rotterdam		100,00
1467	FORTIS IFICO	Grand Cayman		100,00
5000	Fortis Information Bank Holdings (Ireland) Ltd.	Dublin		100,00
1479	FORTIS INTERNATIONAL FINANCE (DUBLIN)	Dublin		100,00
6716	Fortis International Finance Luxembourg S.A.R.L.	Luxembourg		100,00
4512	Fortis International Holding Ltd	Nassau - Bahamas		100,00
5016	Fortis Intertax Ltd	Wanchai		99,98
5578	Fortis Intertrust (Antilles) NV	Willemstad Curacao		99,98
5587	Fortis Intertrust (Asia) Limited	Tortola		99,98
4486	Fortis Intertrust (Belgium) NV/SA	Brussel	BE 435.177.929	99,98
3287	Fortis Intertrust (Curaçao) B.V.	Willemstad Curacao		99,98
5579	Fortis Intertrust (Curacao) N.V.	Willemstad, Curacao		99,98
4723	Fortis Intertrust (Denmark) A/S	Copenhagen		99,98
4484	Fortis Intertrust (Far East) Limited	Tortola Br.Virgin Isl.		99,98
2371	Fortis Intertrust (Guernsey) Limited	St Peter Port		99,98
4485	Fortis Intertrust (Hong Kong) Limited	Wanchai		99,98
4480	Fortis Intertrust (Jersey) Limited	St Helier		99,98
1234	Fortis Intertrust (Luxembourg) S.A.	Luxembourg		99,98
2774	Fortis Intertrust (Netherlands) B.V.	Amsterdam		99,98
5275	Fortis Intertrust (Rotterdam) B.V.	Rotterdam		99,98
4722	Fortis Intertrust (Singapore) Ltd	Singapore		99,98
3251	Fortis Intertrust (Spain) S.A.U.	Madrid		99,98
4489	Fortis Intertrust (Suisse) S.A.	Geneva		99,98
5566	Fortis Intertrust (Sweden) AB	Malmo		99,98
5063	Fortis Intertrust Administration Services N.V.	Willemstad, Curaçao		99,98
6567	Fortis Intertrust Agency & Escrow Pte Ltd	Singapore		99,98
2779	Fortis Intertrust Beheer B.V.	Amsterdam		99,98
5011	Fortis Intertrust China Services Ltd	Hong Kong		99,98
3327	Fortis Intertrust Corporate Services Ltd	Wanchai		99,98
5596	Fortis Intertrust Corporate Services SE	Amsterdam		99,98
6246	Fortis Intertrust Danismalik A.S.	Istanbul		99,98
4577	Fortis Intertrust Depositary Receipts B.V.	Amsterdam		99,98
4719	Fortis Intertrust Finance (IOM) Ltd.	Douglas		99,98
4476	Fortis Intertrust Finance N.V.	Willemstad		99,98
4487	Fortis Intertrust Financial Engineering S.A.	Luxembourg		99,98
5421	Fortis Intertrust Financial Services B.V.	Amsterdam		99,98
5858	Fortis Intertrust Financial Services S.A.	Luxembourg		99,98
4542	Fortis Intertrust Governance Advisory B.V.	Amsterdam		99,98
6102	Fortis Intertrust Governance Advisory N.V.	Antwerpen	BE 874.072.542	99,98
5066	Fortis Intertrust Group Holding S.A.	Geneva		99,98
5910	Fortis Intertrust Horwath (HK) Limited	Wanchai		99,98
5236	Fortis Intertrust Intellectual Property Group Holding SA	Geneva		99,98
4493	Fortis Intertrust Management (Antilles) NV	Willemstad, Curaçao		99,98
3307	Fortis Intertrust Management (BVI) Limited	Tortola		99,98
3285	Fortis Intertrust Management (Curaçao) N.V.	Willemstad Curacao		99,98
5299	Fortis Intertrust Management Consultants (Shangai) Co. Ltd	Shangai		99,98

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6138	Fortis Intertrust Management Guernsey Ltd	St.-Peter-Port		99,98
6748	Fortis Intertrust Management Ireland Limited	Dublin 6		99,98
5265	Fortis Intertrust Management N.V. (Zug Branch)	Zug		99,98
4477	Fortis Intertrust Management NV	Willemstad, Curacao		99,98
4490	Fortis Intertrust Management NV Curaçao (Succursale de Genève)	Geneva		99,98
6493	Fortis Intertrust Management Services Pte Ltd	Singapore		99,98
6703	Fortis Intertrust Nominees A Limited	Douglas		99,98
6704	Fortis Intertrust Nominees B Limited	Douglas		99,98
3269	Fortis Intertrust Participations N.V.	Willemstad Curacao		99,98
6705	Fortis Intertrust Secretaries (IOM) Limited	Douglas		99,98
5077	Fortis Intertrust Services (Curaçao) N.V.	Willemstad Curacao		99,98
3575	Fortis Intertrust Services (IOM) Ltd	Douglas		99,98
3252	Fortis Intertrust Services (Schweiz) A.G.	Zug		99,98
3254	Fortis Intertrust Trust Reg. (Liechtenstein)	Vaduz		99,68
6113	Fortis Intertrust Trustee Services B.V.	Amsterdam		99,98
5467	Fortis Intertrust Yacht & Aircraft Group Limited	Douglas		99,98
5832	Fortis Intertrust Yachting B.V.	Amsterdam		99,98
3324	Fortis Investment Far East Ltd	Hong Kong		100,00
1044	FORTIS INVESTMENT FINANCE FRANCE	Paris		99,98
6153	FORTIS INVESTMENT MANAGEMENT BELGIUM	Bruxelles	BE 882.221.433	99,98
4997	FORTIS INVESTMENT MANAGEMENT CAYMAN	George Town		99,97
1046	FORTIS INVESTMENT MANAGEMENT FRANCE SA	Paris		99,98
6183	FORTIS INVESTMENT MANAGEMENT HONG KONG LIMITED	Wanchai		99,98
5171	FORTIS INVESTMENT MANAGEMENT JAPAN	Chiyoda-Ku		99,97
1057	FORTIS INVESTMENT MANAGEMENT LUXEMBOURG	Luxembourg		99,98
4260	FORTIS INVESTMENT MANAGEMENT Netherlands N.V.	Utrecht		99,98
1064	FORTIS INVESTMENT MANAGEMENT USA Inc	Boston		99,98
3316	Fortis Investments (Far East)	Chiyoda-Ku		100,00
6472	FORTIS INVESTMETNS JAPAN HOLDING CO. LTD	Chiyoda-Ku		99,98
6473	FORTIS INVESTMENTS MANAGEMENT TRUST COMPANY CO.	Chiyoda-Ku		99,98
2025	FORTIS INVESTMENTS MANAGEMENT SA	Bruxelles	BE 462.748.891	99,98
1075	FORTIS LEASE (B)	Sint-Agatha-Berchem	BE 403.269.481	99,92
6954	FORTIS LEASE (CHINA) CO. LTD.	Beijing		99,92
1080	FORTIS LEASE (F)	Puteaux		99,92
1076	FORTIS LEASE CT	Sint-Agatha-Berchem	BE 401.108.064	99,92
5779	FORTIS LEASE CZECH	Praha		99,92
4422	FORTIS LEASE DEUTSCHLAND AG	Düsseldorf		99,92
5362	FORTIS LEASE GROUP SA	Luxembourg		99,92
5361	FORTIS LEASE GROUP SERVICES	Brussel	BE 870.741.482	99,92
1078	FORTIS LEASE HOLDINGS UK LTD	London		99,92
6638	Fortis Lease Hungaria Equipment Financing Financial Leasing Company	Budapest		99,92
6175	FORTIS LEASE HUNGARIA REAL ESTATE	Budapest		99,92
6637	Fortis Lease Hungaria Vehicle Financing Financial Leasing Company	Budapest		99,92
5242	FORTIS LEASE IBERIA	Barcelona		99,94
6517	FORTIS LEASE IMMOBILIER SUISSE	Lausanne		99,92
4667	FORTIS LEASE ITALY S.P.A.	Assago		99,92
5722	FORTIS LEASE LUXEMBOURG	Luxembourg		99,92
1163	FORTIS LEASE NL	s-Hertogenbosch		99,92
6170	FORTIS LEASE Operativ Lízing Zártkörüen Múködö Részvénytársaság	Budapest		99,92
5905	FORTIS LEASE PORTUGAL	Lisboa		99,92
2449	FORTIS LEASE POLSKA SP.Z.O.O.	Warsawa		99,92
6402	FORTIS LEASE ROMANIA FIN SA	Bucharest		99,92
5692	FORTIS LEASE S.p.A	Treviso		99,92
6032	FORTIS LEASE SUISSE	Lausanne		99,92
4974	FORTIS LEASE UK LTD	London		99,92
4975	FORTIS LEASE UK LTD	Glasgow		99,92
4976	FORTIS LEASE UK LTD	Glasgow		99,92
4977	FORTIS LEASE UK (3) LTD	Glasgow		99,92
4978	FORTIS LEASE UK (4) LTD	Glasgow		99,92
4979	FORTIS LEASE UK (5) LTD	Glasgow		89,93
4986	FORTIS LEASE UK PROPERTIES LTD	Glasgow		99,92
4984	FORTIS LEASE UK RETAIL LIMITED	Glasgow		99,92
6443	FORTIS LIQUIDITY HIGH GRADE USD	luxembourg		57,13
1095	FORTIS LUXEMBOURG FINANCE	Luxembourg		100,00
6084	FORTIS MEDIACOM FRANCE	Paris		99,95
2978	Fortis ME Holding B.V.	Amsterdam		100,00
6253	Fortis MeesPierson Real Estate Growth Fund Management BV	Amsterdam		100,00

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5648	Fortis MPR Reads Private Clients Ltd	St. Peter Port		98,98
5952	FORTIS MULTI MANAGEMENT NETHERLANDS HOLDING B.V.	Amsterdam		100,00
3569	Fortis Nominees (Curaçao) N.V.	Willemstad Curacao		100,00
3240	Fortis Nominees (Guernsey) Ltd	St. Peter Port		100,00
3959	Fortis Obligatie Groei Fonds N.V.	Amsterdam		100,00
3434	FORTIS PENSION EGFP S.A.	Madrid		100,00
5938	Fortis PF Investments (U.K.) Ltd	London		100,00
5799	FORTIS PORTFÖY YÖNETIMI A.S.	Istanbul		99,98
3212	Fortis Prime Brokerage Ltd	London		100,00
3326	Fortis Prime Fund Solutions (ASIA) Ltd	Hong Kong		100,00
6056	Fortis Prime Fund Solutions (BVI) Ltd	Br. Virgin Islands		100,00
5694	Fortis Prime Fund Solutions (Cayman) Limited	George Town		100,00
3419	Fortis Prime Fund Solutions (Curacao) N.V.	Willemstad Curaçao		100,00
3243	Fortis Prime Fund Solutions (IOM) Ltd	Douglas		100,00
6095	Fortis Prime Fund Solutions (Japan) Ltd	Tokyo		100,00
6159	Fortis Prime Fund Solutions (Singapore) PTE Ltd	Singapore		100,00
5704	Fortis Prime Fund Solutions (Suisse) Sarl	Geneve		99,00
3223	Fortis Prime Fund Solutions (UK) Ltd	London		100,00
6198	FORTIS PRIME FUND SOLUTIONS (USA) LLC	New York		100,00
3249	Fortis Prime Fund Solutions Administration Services (Ireland) Ltd	Dublin		100,00
4999	Fortis Prime Fund Solutions Bank (Ireland) Limited	Dublin		100,00
4726	Fortis Prime Fund Solutions Custodial Services (Ireland) Ltd	Dublin		100,00
6296	Fortis Private Assisted Living I	Brussel	BE 875.965.696	99,98
6297	Fortis Private Assisted Living I N.V.	Brussel	BE 878.716.961	99,98
3317	Fortis Private Banking Singapore Limited	Singapore		100,00
3423	Fortis Private Equity (Asia) Ltd	George Town		66,67
4566	Fortis Private Equity (Hong Kong) Ltd	Wanchai		66,67
3580	Fortis Private Equity (Japan) Ltd.	Chiyoda-Ku		100,00
5196	FORTIS PRIVATE EQUITY ASIA FUND S.A.	Brussel	BE 866.161.894	100,00
1060	FORTIS PRIVATE EQUITY BELGIUM N.V.	Brussel	BE 421.883.286	100,00
1470	FORTIS PRIVATE EQUITY EXPANSION BELGIUM NV	Brussel	BE 425.499.309	100,00
5188	FORTIS PRIVATE EQUITY FRANCE FUND	Strasbourg		100,00
3918	FORTIS PRIVATE EQUITY FRANCE S.A.S.	Strasbourg		100,00
4448	Fortis Private Equity Holding Nederland BV	Utrecht		100,00
1062	FORTIS PRIVATE EQUITY MANAGEMENT N.V.	Brussel	BE 438.091.788	100,00
4413	Fortis Private Equity Special Partnerships Fund B.V.	Utrecht		96,04
1061	FORTIS PRIVATE EQUITY VENTURE BELGIUM S.A.	Brussel	BE 431.044.244	100,00
6467	Fortis Private Euro-Fashion-Center	Luxembourg		49,99
5777	FORTIS PRIVATE INVESTISSEMENT MANAGEMENT LTD	London		100,00
5844	Fortis Private Real Estate Holding S.A.	Luxembourg		99,98
6305	Fortis Private Real Estate Services S.A.	Luxembourg		99,98
6498	Fortis Private V&V Handling	Bruxelles		99,98
2416	Fortis Project Finance	London		100,00
5939	Fortis Project Finance (No 2) Ltd	London		100,00
6690	Fortis Property Holdings (Guernsey) Ltd	St. Peter Port		99,98
6254	Fortis Property Holdings (Ireland) Limited	Dublin		100,00
6290	Fortis Property Holdings (Ireland) Limited	Dublin		100,00
6691	Fortis Property Management (Guernsey) Limited	St. Peter Port		99,98
4301	FORTIS PROPRIETARY CAPITAL	Stamford		100,00
4665	FORTIS PROPRIETARY INVESTMENT (IRELAND) LTD.	Dublin 1		100,00
5649	Fortis Reads International Management Ltd	St. Peter Port		99,98
6139	Fortis Reads Trustees Ltd	St. Peter Port		99,98
5684	Fortis Securities Financing Italia Srl	Milan		100,00
3798	FORTIS SECURITIES LLC	New York		100,00
6735	Fortis Services Japan Ltd	Tokyo		100,00
6659	Fortis Shoken Junbi Kabushiki Kaisha	Tokyo		100,00
2833	Fortis Trading Partners B.V.	Amsterdam		100,00
6896	Fortis Trust Services (Cayman) Limited	George Town		100,00
3235	Fortis Trustees (Guernsey) Ltd	St. Peter Port		99,98
3601	FORTIS VASTGOEDLEASE B.V.	's-Hertogenbosch		99,92
3606	Fortis Venturing Holding B.V.	Amsterdam		100,00
5773	FORTIS WEALTH MANAGEMENT (HONG KONG) LIMITED	Hong Kong		100,00
5776	FORTIS WEALTH MANAGEMENT (SINGAPORE) LIMITED	Singapore		100,00
5911	Fortis Yacht Services NV	Antwerpen	BE 875.209.521	99,71
5796	FORTIS YATIRIM MENKUL DEGERLER A.S.	Etiler / Istanbul		94,11
5977	FPRE Management (Belgium) SA	Brussel	BE 871.937.750	99,98
5283	Frazer Holding Ltd	Tortola		99,98

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5981	FRIEDLAND PARTICIPATION ET GESTION	Puteaux		99,92
6809	FRIM Services Limited	St. Peter Port		99,98
6300	Frynaco	Brussel	BE 418.940.129	99,98
4553	FSI HOLDING INC	New York		100,00
2772	Fund Management Services Ltd	Douglas		100,00
5677	FUNDAMENTUM ASSET MANAGEMENT (FAM)	Luxembourg		96,46
1119	G I FINANCE	Dublin 1		100,00
5345	G.I.E. SERVICES GROUPE FORTIS FRANCE	Puteaux		99,98
6805	Galardon B.V.	Amsterdam		99,98
6554	Galop Trading Limited	Wanchai		99,98
3373	Gardonia Corporation NV	Willemstad Curacao		99,98
2437	GENERALE BANK PREF II NV	Rotterdam		100,00
1087	GENERALE BELGIAN FINANCE CY	Hong Kong		100,00
1088	GENFINANCE INTERNATIONAL S.A.	Bruxelles	BE 421.429.267	100,00
1089	GENFINANCE N.V.	Amsterdam		100,00
6227	Gerbo Société d'Investissement S.A.	Brussel	BE 419.678.121	100,00
6066	GESELLSCHAFT FÜR CAPITAL & VERMÖGENSVERVALTUNG GmbH	Essen		100,00
4995	GIE IMMOBILIER GROUPE FORTIS PARIS	Puteaux		99,98
6485	GLOBAL MANAGEMENT SERVICES	Bucharest		99,92
5372	Glynde Limited	Bristol		99,98
6540	Goldfish Asset Purchasing FBN BV	Amsterdam		100,00
6539	Goldfish Asset Purchasing FHB B.V.	Amsterdam		100,00
6544	Goldfish Master Issuer B.V.	Amsterdam		100,00
4514	Gorillapark B.V.	Amsterdam		79,35
6569	Grandall International Holding Ltd	Tortola		99,98
4261	GROEIVERMOGEN NV	Utrecht		99,98
5192	Grondwaardeplan B.V.	Amsterdam		100,00
2897	Gronefka BV	Amsterdam		100,00
5811	Groupe participations Financieres (GPF) B.V.	Amsterdam		99,98
1175	H.A.C. Consulting Engineers B.V.	Amsterdam		97,12
5543	Halton Corporation Inc.	The Valley		99,98
6471	HAMBAKEN INVEST V	Amersfoort		99,92
3817	Handelsmaatschappij d'Oude Wijnberg B.V. (in liquidatie)	Amsterdam		99,98
6230	Hanro BVBA	Brussel	BE 445.217.330	100,00
6228	Heko Holding N.V.	Brussel	BE 459.532.550	100,00
5469	Heysham International Ltd	London		99,98
6057	HFS Management Services Limited	Tortola		100,00
5378	Hiruvest Beteiligungs AG	Glarus		99,98
6680	Hivec B.V.	Amsterdam		99,98
5379	Holdentia AG	Glarus		99,98
3427	Holme Head Ltd	Tortola		99,98
5532	Horwath IT Ltd	Wanchai		49,99
5002	Horwarth Management Service Ltf	Wanchai		99,98
5006	Horwarth Tax Ltd	Wanchai		99,98
2354	HYPO-G	Brussel	BE 461.696.244	100,00
3009	Hypotrust 21 BV	Amsterdam		100,00
3010	Hypotrust 22 BV	Amsterdam		100,00
3011	Hypotrust 23 BV	Amsterdam		100,00
5702	Ibeco International N.V.	Willemstad		99,98
6222	Iberian Arbitrage S.L.	Madrid		100,00
5384	IBS Trade Limited	Zug		99,98
5079	I-Cap Antilles N.V.	Willemstad, Curacao		99,98
3330	I-Cap Asia Limited	Wanchai		99,98
3443	I-Cap Belgium NV	Brussel	BE 451.627.545	99,98
5523	I-Cap Exploitation Ireland Limited	Dublin		99,98
5772	I-Cap Luxembourg SA	Luxembourg		99,98
5389	I-Cap Magyar Kft	Budapest		99,98
2792	I-Cap Netherlands NV	Amsterdam		99,98
5961	I-Cap UK Ltd	London		99,98
5371	ICC Investments N.V.	Curaçao		99,98
2899	Icestar BV	Rotterdam		100,00
5947	IFS Capital Luxemburg S.A.	Charlotte		99,98
6818	IFS Holding AG	Zug		99,98
6697	IFS International Financial Solutions AG	Zug		99,98
6790	Immo Résidence du Plateau	Wavre		99,98
1058	IMMOBILIERE SAUVENIERE S.A.	Bruxelles	BE 403.302.739	100,00
6688	Imvo S.A.	Luxembourg		99,98

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3310	INB Holdings Ltd	Tortola		99,98
4262	Index Click Fonds B.V.	Amsterdam		100,00
5533	Infiniti Administration (Asia) Ltd	Wanchai		99,98
3338	Infiniti Custody (Asia) Ltd	Wanchai		99,98
5535	Infiniti Escrow (Asia) Ltd.	Wanchai		99,98
5534	Infiniti Registration (Asia) Ltd.	Wanchai		99,98
3308	Infiniti Trust (Asia) Ltd	Tortola		99,98
3314	Infiniti Trust (Hong Kong) Ltd	Wanchai		99,98
5528	Infiniti Trust (NZ) Ltd	Auckland		99,98
5385	Infor Investment AG	Chur		99,98
6065	INKASSO KODAT GmbH & CO. KG	Essen		100,00
3605	Interhof B.V.	Amsterdam		100,00
3689	International Card Services B.V.	Diemen		100,00
5360	International Card Services N.V.	Diegem	BE 870.813.936	100,00
3899	INTERNAXX BANK	Luxembourg		74,94
1407	INTERSELEX S.A./N.V.	Bruxelles	BE 415.213.646	100,00
4724	Intertrust (Guernsey) Limited	St. Peter Port		99,98
5570	Intertrust Corporate Services Limited	Anguilla		99,98
4475	Intertrust Finance Limited (Anguilla)	Anguilla		99,98
4472	Intertrust Group NV	Willemstad, Curacao		99,98
4473	Intertrust Holdings Limited	Anguilla		99,98
4474	Intertrust Insurance NV	Willemstad		99,98
5397	Intertrust Nominees Limited	Tortola		99,98
3293	Intimis Management Company NV	Willemstad Curacao		99,98
5008	Jarwell Ltd	Wanchai		99,98
5843	Jasmatte Valley Inc.	Vaduz		99,98
2808	JAVF Custodian BV	Amsterdam		99,98
5007	JEB Ltd	Monrovia		99,98
5009	Joint Express Investments Ltd	Nassau		99,98
6699	Jopen S.A.R.L	Luxembourg		99,98
5015	Joyeagle Ltd	Tortola		99,98
5651	JSH Services Ltd	St. Peter Port		99,98
5159	Jurian SA	Luxembourg		99,98
3333	Kazan Securities Ltd			99,98
3132	KBW Wesselius Trust N.V.	Amsterdam		99,98
5392	KCP Netherlands Holdings II B.V.	Amsterdam		99,98
5285	Kelburne Ltd	Tortola		99,98
6717	Kinetron S.A.	Luxembourg		99,98
5386	Klausen Finanz AG	Glarus		99,98
6232	Kofran BVBA	Brussel	BE 476.111.632	100,00
5967	Koro Holding N.V.	Brussel	BE 449.502.552	100,00
6744	KOTA JAYA LIMITED	Hong Kong		99,92
6745	KOTA JUTA LIMITED	Hong Kong		99,92
5320	Krowal N.V.	Brussel	BE 453.869.433	99,98
3279	L.C.H. Investment NV	Willemstad Curacao		99,98
5010	LaBoras Inc.	Tortola		99,98
5549	Lakei B.V.	Amsterdam		99,98
5554	Lattice Systems BV	Amsterdam		99,98
2901	Leamaat Dzeta BV	Rotterdam		100,00
2903	Leamaat Eta BV	Rotterdam		100,00
5230	Leplatex-Verein Holding S.A.	Amsterdam		99,98
6722	Les Banques Holdings Limited	St. Peter Port		99,98
5601	Lexus Services Limited	St Peter Port		99,98
3056	Lippizaner N.V.	Amsterdam		99,98
5207	LISIA I LTD	Guernsey		100,00
3311	Locherben Company Ltd	Tortola		99,98
3275	Locum NV	Willemstad Curacao		99,98
5381	Lodans Holding SA	Geneva		99,98
2835	Lohuis & Co BV	Rotterdam		100,00
3381	Lotom Holding S.a.	Willemstad Curacao		99,98
2990	Maas Capital Investments B.V.	Rotterdam		100,00
1177	Maatschappij voor Trust-en Administratiezaken B.V.	Rotterdam		100,00
3382	Mahonie Corporation NV	Willemstad Curacao		99,98
3347	Malmsbury Nominees Ltd	Wanchai		100,00
5560	Mamoru Autumn C.V.	Amsterdam		49,99
5817	Mapasc Management Ltd	Willemstad Curacao		99,98
6071	Mayel Holding S.A.	Luxembourg		99,98

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	Name	Head-office	VAT/NN	Percent of holding
6908	MCI Car Carriers	Rotterdam		100,00
6902	MCI Tankers I Pte Ltd	Singapore		100,00
6903	MCI Tankers II Pte Ltd	Singapore		100,00
5133	McKinley Corporation N.V.	Willemstad Curacao		99,98
3602	MEDI LEASE FINANS B.V.	's-Hertogenbosch		99,92
3153	Medifix R&D B.V. (in liquidatie)	Amsterdam		99,98
2891	Mees & Hope C.V.	Amsterdam		100,00
2966	Mees Jota BV	Amsterdam		100,00
3303	MeesPierson (Bahamas) Ltd in liquidatie	Nassau		100,00
2974	MeesPierson AIS Holding BV	Amsterdam		100,00
3325	MeesPierson Capital Management (B.V.I) Ltd	Tortola		100,00
5156	MeesPierson Capital Management (BVI) Ltd			100,00
3263	MeesPierson Capital Management (Curaçao) N.V.	Willemstad Curacao		99,98
3319	MeesPierson Corporate Advisory Service Pte Ltd	Singapore		100,00
3271	MeesPierson Deelnemingen (Curacao) NV	Willemstad Curacao		99,98
3127	MeesPierson Defeasance XXIV BV	Amsterdam		100,00
3893	MeesPierson Deposito Fonds B.V.	Amsterdam		100,00
2981	MeesPierson ECAZ Maatschappij BV	Amsterdam		100,00
3065	MeesPierson Equipment Leasing XII BV	Amsterdam		100,00
3067	MeesPierson Equipment Leasing XIII BV	Amsterdam		100,00
3068	MeesPierson Equipment Leasing XIV BV	Amsterdam		100,00
3082	MeesPierson Equipment Leasing XIX BV	Amsterdam		100,00
3072	MeesPierson Equipment Leasing XVI BV	Amsterdam		100,00
3073	MeesPierson Equipment Leasing XVII BV	Amsterdam		100,00
3081	MeesPierson Equipment Leasing XVIII BV	Amsterdam		100,00
3083	MeesPierson Equipment Leasing XX BV	Amsterdam		100,00
3096	MeesPierson Equipment Leasing XXI BV	Amsterdam		100,00
3111	MeesPierson Equipment Leasing XXIII BV	Amsterdam		100,00
3112	MeesPierson Equipment Leasing XXIV BV	Rotterdam		100,00
3156	MeesPierson Equipment Leasing XXIX BV	Amsterdam		100,00
3126	MeesPierson Equipment Leasing XXV BV	Amsterdam		100,00
3101	MeesPierson Family Office B.V.	Den Haag		100,00
2868	MeesPierson Fund Custodian BV	Amsterdam		100,00
4491	MeesPierson Intertrust (Caribbean) Limited	Anguilla		99,98
5355	MeesPierson Intertrust Consulting S.A.	Geneva		99,98
2853	MeesPierson Investeringsmaatschappij II BV	Amsterdam		100,00
2969	MeesPierson Investment Holding BV	Amsterdam		100,00
3430	MeesPierson Investments (Luxembourg) SA	Luxembourg		100,00
2806	MeesPierson Leasing BV	Amsterdam		99,98
3297	MeesPierson Management (Cayman) Ltd	George Town		100,00
3298	MeesPierson Nominees (Cayman) Ltd	George Town		100,00
2956	MeesPierson Participaties BV	Amsterdam		100,00
5754	MeesPierson PE Participatiemaatschappij B.V.	Amsterdam		100,00
2979	MeesPierson Private & Trust Holding BV	Amsterdam		100,00
5913	MeesPierson Private Belgian Offices N.V.	Sint-Joost-Ten-Noode	BE 870.332.104	99,98
5164	MeesPierson Private Equity Management B.V.	Amsterdam		100,00
5163	MeesPierson Real Estate Management B.V.	Amsterdam		100,00
3335	MeesPierson Services Ltd	Central Hong Kong		99,98
2975	MeesPierson Treasury Holding BV	Amsterdam		100,00
6568	Mejis Management Limited	Tortola		99,98
6698	Mellin Corp	Amsterdam		99,98
6064	MERKUR BETEILIGUNGS- UND VERVALTUNGSGESELLSCHAFT GmbH	Essen		100,00
6812	Merley Holdings Limited	St. Peter Port		99,98
5373	Merrit Developments Limited	Douglas		99,98
5552	Mida Systems Enterprise BV	Amsterdam		99,98
5288	Mody LTD	Monrovia		99,98
4568	Moeara Enim Investeringmaatschappij I B.V.	Amsterdam		100,00
4581	Moeara Enim Investeringmaatschappij II B.V.	Amsterdam		100,00
4989	Moeara Enim Investeringmaatschappij III B.V.	Amsterdam		100,00
4990	Moeara Enim Investeringmaatschappij IV B.V.	Amsterdam		100,00
4991	Moeara Enim Investeringmaatschappij V B.V.	Amsterdam		100,00
6646	Moeara Enim Investeringsmaatschappij VIII B.V.	Amsterdam		100,00
5481	Moffgrove International Ltd	Dublin		99,98
5321	Monte Caribe Investment Trust N.V.	Amsterdam		99,98
5602	Monterey Nominees Limited	St Peter Port		100,00
2056	Monterey Services	Luxembourg		99,98
5717	Mori Holding	Luxembourg		99,98

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	Name	Head-office	VAT/NN	Percent of holding
2397	MP Beheermaatschappij 2 N.V.	Brussel	BE 404.455.851	100,00
5913	MP Private Belgian Offices	Brussel	BE 870332104	99,98
5689	MP Dutch IC Fund Management B.V.	Amsterdam		100,00
3038	MPGF Euro Liquiditeiten Fonds N.V.	Amsterdam		100,00
1534	MPI Services	Brussel	BE 463.120.065	99,98
5678	MPR Trust Company Limited	St. Peter Port		99,98
3201	MPT Services N.V.	Brussel	BE 449.131.378	99,98
5531	M-Style Ltd	Wanchai		99,98
5290	Multi Trade Services Limited	Wanchai		99,98
3470	N.V. Beleggingsmaatschappij Mihul	Willemstad Curacao		99,98
5231	Nagro S.A.	Amsterdam		99,98
3961	NAZCA CAPITAL	Madrid		70,00
4052	NAZCA INVERSIONES	Madrid		100,00
2921	Nederlandse Overzee Bank BV	Amsterdam		100,00
5934	Neossolution S.A.	Bruxelles	BE 877.740.627	99,80
4414	NeSBIC Fund Management B.V.	Utrecht		100,00
3612	NeSBIC Groep B.V.	Utrecht		100,00
3630	NeSBIC Holdings I B.V.	Utrecht		80,00
3631	NeSBIC Holdings II B.V.	Utrecht		80,00
3643	NeSBIC III C.V.	Utrecht		100,00
3628	NeSBIC Investment Fund C.V.	Utrecht		99,00
3629	NeSBIC Venture Fund C.V.	Utrecht		100,00
4425	NeSBIC Venture Management B.V.	Utrecht		100,00
4426	NeSBIC Ventures B.V.	Utrecht		100,00
3963	NISSAN FINANCE BELGIUM	Brussel	BE 445.305.917	99,98
4947	Nucletron Beheer B.V.	Curaçao		99,98
5771	O.T.C. Option Traders Combination 1 B.V.	Amsterdam		100,00
2867	OCA Pom	Amsterdam		100,00
2924	Onroerend-goed Maatschappij Coolsingel BV	Rotterdam		100,00
1151	Ook & Eigen N.V.	Amsterdam		100,00
6642	OOO Fortis Intertrust Rus	Moscow		99,98
3694	Oosteroever Hypotheken B.V.	Rotterdam		100,00
1195	Orsay International B.V.	Amsterdam		100,00
5946	Overland S.a.r.l.	Charlotte		99,98
3246	Overseas Investments Ltd	Douglas		100,00
1184	Oyens Aruba Management Corporation N.V.	Aruba		99,98
5948	P.M.S. Trust S.A.	Charlotte		99,98
2902	Packskill BV	Rotterdam		100,00
6189	PAD GAS LEASING LLC	New York		100,00
5718	Parabole S.A.	Luxembourg		99,98
5553	Pararium BV	Amsterdam		99,98
6928	PARK MOUNTAIN SME 2007-I B.V.	Amsterdam		100,00
2949	Partlease Rotterdam II BV	Rotterdam		100,00
2950	Partlease Rotterdam III BV	Rotterdam		100,00
2953	Partlease Rotterdam V BV	Rotterdam		100,00
2970	Partship Holding BV	Amsterdam		100,00
6677	Pasarena	Amsterdam		99,98
6041	PATTISON	Luxembourg		99,92
3968	PBI HOLDING AG	Zug		99,92
5284	PCS Ltd	Wanchai		99,98
5293	PCS Secretaries Ltd	Wanchai		99,98
6555	PCS Trustees Limited	Wanchai		99,98
3291	Pehapex NV	Willemstad Curacao		99,98
6814	Penhall Limited	St. Peter Port		99,98
6746	Penmark Limited	Tortola		99,98
6813	Perbury Limited	St. Peter Port		99,98
2913	Permese Holding III B.V	Amsterdam		80,50
5700	Pet Pack N.V.	Sint-Niklaas	BE 862.519.941	99,79
5548	PhastabeWEK B.V.	Amsterdam		99,98
5559	Phidias Management NV	Brussel	BE 447.279.272	99,98
5780	Pierjet Investments S.A.	Luxembourg		99,98
2821	Podocarpus Holding BV	Amsterdam		100,00
5239	Polyval Associates SA	Geneva		99,98
5234	Poole holdings Antilles N.V.	Amsterdam		99,98
5287	Portfolio & Investment Management Services	Monrovia		99,98
3426	Porthos Group Ltd	Tortola		99,98
5161	PREMIUM EMERGING MANAGED CAPITAL I B.V.	Amsterdam		100,00

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	Name	Head-office	VAT/NN	Percent of holding
5014	Prinza Ltd	Wanchai		99,98
5654	Prisim Services Limited (UK)	London		99,98
5650	Pritchards Secreterial Services Ltd	St. Peter Port		99,98
5653	Pritchards Trustees Ltd	Guernsey		99,98
6791	Procurement	Wavre	BE 426.241.160	99,98
3322	PT FORTIS INVESTMENTS	Jakarta		98,98
5393	PT MeesPierson Indonesia (in liquidation)	Jakarta		100,00
3329	PW Management Ltd	Wanchai		99,98
6820	Qent Hypotheken BV	Rotterdam		100,00
6715	QUAINTON FUNDIN S.A.R.L.	Luxembourg		99,92
5725	Quercus Vermögensverwaltungs AG	Basle		68,25
1193	Quion 9 B.V.	Rotterdam		100,00
3594	Quion VII B.V.	Rotterdam		100,00
6676	R&L Management en Beleggingen B.V.	Amsterdam		99,98
2994	Reefer Three BV	Rotterdam		100,00
6811	Relton Holdings Limited	St. Peter Port		99,98
3380	Rescue Corporation	Willemstad Curacao		99,98
5850	Ridavo NV	Brussel	BE 450.318.045	100,00
3392	Rigoletto Corporation N.V.	Willemstad Curacao		99,98
5388	Rilar Associated S.A.	Road Town		99,98
3292	Rimeda Holding & Investment Company NV	Willemstad Curacao		99,98
5949	Rocom Limited	Douglas		99,98
3074	Rokin Derivatives Trading B.V.	Amsterdam		100,00
3270	Rosencranz Realty Corporation NV	Willemstad Curacao		99,98
5292	Roslea LTD	Wanchai		99,98
6895	Rouille B.V.	Amsterdam		99,98
5013	Rustem Ltd	Tortola		99,98
3903	SADE	Strasbourg		99,92
5816	Saltasol Associated S.A.	Vaduz		99,98
5286	San Maramba (BVI) Ltd	Tortola		99,98
3332	Sandwell Investment Ltd	Wanchai		99,98
5401	Sapphire Services N.V.	Curaçao		99,98
5269	Satepe Beheer B.V. (in liquidation)	Amsterdam		99,98
5110	SCALDIS CAPITAL LIMITED	Jersey		100,00
5982	SCI CHAMPVERNIER	Puteaux		99,92
5983	SCI FLIF-AZUR	Puteaux		99,92
5984	SCI FLIF-CHATEAU LANDON	Puteaux		99,92
5989	SCI FLIF-EVRY 2	Puteaux		99,92
5985	SCI FLIF-LE GALLO	Puteaux		99,92
5986	SCI FLIF-LE PORT	Puteaux		99,92
5987	SCI FLIF-SAINTE MARIE	Puteaux		99,92
2805	Seckford Finance B.V.	Amsterdam		99,98
6971	Seniorie de Maretak N.V.	Halle	BE 881.890.049	99,00
5387	Serna AG	Glarus		99,98
3225	Shaw & Company Ltd	London		100,00
5813	SITF Holding B.V.	Amsterdam		99,98
5403	Skyline Impex Ltd	London		99,98
5157	Slock International	Amsterdam		66,67
5818	Snowdon-Mast B.V.	Amsterdam		99,98
5906	Société de Participations Agro Industrielles SA (Sopagri SA)	Luxembourg		99,98
5383	Socigemar AG	Zug		99,98
5232	Socotel S.A.	Amsterdam		99,98
	Solid 2005-I	Amsterdam		100,00
6871	Sorelu S.A.	Luxembourg		99,98
5869	SOWO INVEST S.A./N.V.	Brussel	BE 877.279.282	87,50
5679	Spread Nominees Limited	St. Peter Port		99,98
5680	Spread Services Limited	St. Peter Port		99,98
5681	Spread Trustee Company Ltd	St. Peter Port		99,98
2933	Stachys Beheer BV	Amsterdam		100,00
5374	Stalder Treuhand AG	Zug		99,98
5580	Staten Management NV	Willemstad Curacao		99,98
5555	Stichting Bondix Finance	Amsterdam		99,98
5557	Stichting Clearway Finance	Amsterdam		99,98
3428	Stocksfield Ltd	Tortola		99,98
6888	Tabor Funding	Luxembourg		99,92
5235	Tacupai Corporation N.V.	Curaçao		99,98
4676	Taitbout Silicium B.V.	Amsterdam		99,98
5012	Tapman (Nominees) Ltd	Wanchai		99,98

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6777	Tarazona BVBA	Brussel	BE 475.695.027	99,98
3889	TG Netto Geldmarkt Fonds N.V.	Amsterdam		100,00
3294	The Offshore Management Company NV	Willemstad Curacao		99,98
6229	Tonko NV	Brussel	BE 458.599.370	100,00
2926	Trade Commodity Finance Holding BV	Rotterdam		100,00
6780	Tribeca BVBA	Brussel	BE 475.695.423	99,98
3395	Troubadour Corporation BV	Willemstad Curacao		99,98
5760	Trust & Administratiekantoor Brentano B.V.	Amsterdam		99,98
1219	Uninter B.V.	Amsterdam		100,00
3095	United Reforce II B.V.	Amsterdam		100,00
4377	Universal Management Services	Luxembourg		99,98
5344	UPPER HATCH SECURITIES LTD	Dublin 1		100,00
5908	Van Haaften Beheer BVBA	Brussel	BE 459.845.425	100,00
5316	Velma Corporation N.V.	Curacao		99,98
4980	VELO DIRECT LIMITED	Glasgow		99,92
6706	Verdurmen en de Feijter B.V.	Amsterdam		99,98
4682	Verne Business Excellence B.V.	Culemborg		92,00
6433	VerzekeringsOffice B.V.	Culemborg		92,00
6047	Vestimentum B.V.	Amsterdam		99,98
2947	Vijverberg Trust BV	Amsterdam		99,98
2946	Vijverberg Trust Custodian B.V.	Amsterdam		99,98
6063	VON ESSEN GMBH & CO. KG BANKGESELLSCHAFT	Essen		100,00
5402	W.I.T.G Ltd	London		99,98
1007	WA PEI CREDIT LIMITED	Hong Kong		100,00
1002	WA PEI FINANCE COMPANY LTD	Hong Kong		100,00
1006	WA PEI PROPERTIES	Hong Kong		100,00
6327	WB II FUNDING LLC	New York		100,00
6512	Wegodit	Ganshoren	BE 880.835.719	99,98
3245	Whitefriars Holdings Ltd	Douglas		100,00
6226	World International Affliates Corp	Tortola		99,98
4478	Yacht Finance & Services BV	Amsterdam		99,98
6682	Yasawa Holdings 2007 B.V.	Curacao		99,98
6231	Yvko Holding N.V.	Brussel	BE 475.206.562	100,00
3274	Yvomanta Corporation NV	Willemstad Curacao		99,98
3466	Zefanja Corporation NV	Willemstad Curacao		99,98
5367	Zentravest Holding AG	Zug		99,98
4495	Zoë S. Company Ltd	Nassau		100,00
3276	Zonet Corporation NV	Willemstad Curacao		99,98
5326	Zuidvoorne Beheer	Amsterdam		99,98

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(1) Participation of Fortis Banque Luxembourg
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	Name	Zetel	VAT/NN	Percent of holding	Reasons
4576	A.M.B. - WEST AFRICA	Abidjan 01		100,00	Unjustified delay
4504	Abic Holding B.V.	Ansen		72,22	Immaterial interest
6614	ACENS TECHNOLOGIES	Madrid		88,79	Immaterial interest
6753	Albankerb Investments S.à.r.l.	Luxembourg		99,95	Immaterial interest
6860	Alchinofin B.V.	Amsterdam		99,98	Immaterial interest
6497	ANTILOPE INVEST	Lier	BE 887.200.008	57,75	Immaterial interest
1604	ASLK-CGER Services	Brussel	BE 458.523.354	89,00	In liquidation
6843	AstenJohnson (Holland) B.V.	Amsterdam		99,98	Immaterial interest
6787	AUTOR PUBLICIDAD ESTERIOR S.L.	Madrid		86,61	Immaterial interest
6580	Avinguda Holding S.A.	Luxembourg		99,98	Immaterial interest
1016	BANQUE DE CREDIT DE BUJUMBURA	Bujumbura		55,00	Unjustified delay
1012	BIA-TOGO	Lome		60,18	Unjustified delay
1034	BPC DEVELOPPEMENT	Paris		99,96	Immaterial interest
2869	Basement Holding B.V.	Amsterdam		100,00	Immaterial interest
6844	Battery Technologies	Amsterdam		99,98	Immaterial interest
4408	BBOF I Invest VI B.V.	Amsterdam		50,00	Immaterial interest
6755	Bigblue Investments S.à.r.l.	Luxembourg		99,95	Immaterial interest
6847	Bohemia Corporation	Amsterdam		99,98	Immaterial interest
6848	Bramptom Corporation	Amsterdam		99,98	Immaterial interest
6850	Carinthia Corporation N.V.	Amsterdam		99,98	Immaterial interest
6233	CEEDSA HOLDINGS S.L.	Madrid		56,59	Immaterial interest
1472	CERTIFIMMO S.A. IN LIQUIDATION	Bruxelles	BE 430.926.656	51,00	In liquidation
1473	CERTIFIMMO II	Bruxelles	BE 431.434.224	51,20	Real estate certificate
6756	Cherras Investments S.à.r.l.	Luxembourg		99,95	Immaterial interest
6757	Cixi Investments S.à.r.l.	Luxembourg		99,95	Immaterial interest
6546	COLFRIDIS INVEST	Londerzeel	BE 888.183.072	78,33	Immaterial interest
1523	COPPEFIS	Brussel	BE 453.987.813	100,00	Immaterial interest
6148	CP (New Zealand) Trustees Limited	Auckland		99,98	Immaterial interest
5806	DECOM SERVICES LTD	Malta		94,10	In liquidation
6853	Directiepersioenfonds Hesse B.V.	Amsterdam		99,98	Immaterial interest
1514	DISCONTOKANTOOR VAN TURNHOUT	Turnhout	BE 404.154.755	100,00	In liquidation
5807	DIS GLOBUS MALTA LTD	Griza		94,05	In liquidation
1476	DISTRI-INVEST	Bruxelles	BE 431.242.105	51,00	Real estate certificate
6842	El Paso LNP Holding BV	Amsterdam		99,98	Immaterial interest
3910	ELIMMO	Luxembourg		99,92	Real estate certificate
6604	Embon Investments S.A.R.L.	Luxembourg		99,95	Immaterial interest
4508	Emerald Shipping B.V.	Utrecht		99,00	Immaterial interest
1437	EURL GOURVILLE IMMOBILIER	Paris		99,98	Immaterial interest
6759	Euroheart Investments S.à.r.l.	Luxembourg		99,95	Immaterial interest
4010	FAGUS	Zwijnaarde	BE 475.207.255	55,00	Immaterial interest
6207	FB SECTOR FINANCE LP	New York		100,00	Immaterial interest
6899	Fidass I B.V.	Apeldoorn		99,98	Immaterial interest
6900	Fidass II B.V.	Apeldoorn		99,98	Immaterial interest
1531	FINEST	Bruxelles	BE 449.082.680	100,00	Real estate certificate
4565	Fortis Agency Limited	Wanchai		100,00	Immaterial interest
4558	Fortis Asia Limited	Wanchai		100,00	Immaterial interest
1094	FORTIS BANK ESCRITORIO	Sao Paulo		88,40	Immaterial interest
4557	Fortis China Limited	Wanchai		100,00	Immaterial interest
4562	Fortis Far East Limited	Wanchai		100,00	Immaterial interest
5685	FORTIS FOREIGN FUND SERVICES AG (1)	Zurich		99,61	Immaterial interest
4561	Fortis Futures Limited	Wanchai		100,00	Immaterial interest
4554	Fortis Greater China Limited	Wanchai		100,00	Immaterial interest
4555	Fortis Group Ltd	Wanchai		100,00	Immaterial interest
4556	Fortis Insurance Limited	Wanchai		100,00	Immaterial interest
4559	Fortis International Limited	Wanchai		100,00	Immaterial interest
2399	FORTIS L CAPITAL (1)	Luxembourg		99,92	Immaterial interest
4564	Fortis Limited	Wanchai		100,00	Immaterial interest
4563	Fortis Management Limited	Wanchai		100,00	Immaterial interest
6022	FORTIS PRIVATE EQUITY ARKIMEDES N.V.	Bruxelles	BE 878.499.603	50,10	Immaterial interest
4560	Fortis Services Limited	Hong Kong		100,00	Immaterial interest
1035	FORTIS SERVICES MONETIQUES	Puteaux		99,98	Immaterial interest
1056	FP CONSULT (GUERNSEY) LTD (2)	Guernsey		99,98	Immaterial interest

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List of not consolidated affiliated companies

(1) Participation of Fortis Banque Luxembourg
(2) Participation of Fortis Investment Management
Capital letters = Participation of Fortis Bank (Belgium)
Small letters =Participation of Fortis Bank (Netherlands)

	Name	Zetel	VAT/NN	Percent of holding	Reasons
1021	GENERALE BRANCH NOMINEES LTD	London		100,00	Immaterial interest
5305	GENEVE CREDIT & LEASING SA	Geneve		51,00	Immaterial interest
1104	G BANK GMBH	Köln		100,00	Immaterial interest
6070	GÚZMAN	Barcelona		84,31	Immaterial interest
6876	Gymna Uniphy B.V.	Mierlo		94,00	Immaterial interest
6877	Gymna Uniphy NV	Bilzen		94,00	Immaterial interest
4950	Hedonaï Estetica Integral, S.L.	Madrid		96,15	Immaterial interest
6854	Heijboma B.V.	Amsterdam		99,98	Immaterial interest
4521	Holding Vreedenlust Fund II	Amsterdam		75,82	Immaterial interest
1533	I.D.B.P. SA	Parijs	414 878 777 00013	99,33	Real estate certificate
6459	IMAG SPV B.V.	Lelystad		81,25	Immaterial interest
1529	IMMO CERTREST	Brussel	BE 458.406.954	100,00	Real estate certificate
1532	IMMO KOLONEL BOURGSTRAAT	Brussel	BE 461.139.879	50,00	Real estate certificate
3914	IMMOBILIERE DAVOUT (1)	Dijon		99,92	Real estate certificate
6477	Innovative Medical Solutions BV	Mierlo		94,00	Immaterial interest
6875	Innovative Medical Solutions Holding BV	Utrecht		94,00	Immaterial interest
6752	Jetowner Investments S.à.r.l.	Luxembourg		99,95	Immaterial interest
6857	Jmex BV	Amsterdam		99,98	Immaterial interest
6858	Kathmandu Holding BV	Amsterdam		99,98	Immaterial interest
6583	Konzeptual Holding S.A.	Luxembourg		99,98	Immaterial interest
2402	MINE.BE	Brussel	BE 471.793.053	100,00	Immaterial interest
6582	Mitsou Fashion S.à.r.l	Luxembourg		99,98	Immaterial interest
6861	Nathan Beheer B.V.	Amsterdam		99,98	Immaterial interest
6898	Newton Green Air Investments I	Luxembourg		99,95	Immaterial interest
6898	Newton Green Air Investments II	Luxembourg		99,95	Immaterial interest
6862	Nicolas Investments Corporation	Amsterdam		99,98	Immaterial interest
3637	Nimox Invest B.V.	Utrecht		99,00	Immaterial interest
5840	NOVY N.V.	Kuurne		53,69	Immaterial interest
6088	OB INVEST	Rotselaar	BE 880.203.635	95,00	Immaterial interest
6863	Oboist Holding B.V.	Amsterdam		99,98	Immaterial interest
5540	PACKING INVEST	Bomm	BE 871.096.028	91,11	Immaterial interest
5719	PAR 3 (1)	Senningerberg		76,52	Immaterial interest
6597	Paradize Investments S.A.	Luxembourg		99,95	Immaterial interest
1036	PARISIENNE D'ACQUISITION FONCIERE	Paris		99,98	Immaterial interest
6501	PENNE INTERNATIONAL	Aalst	BE 887.229.207	74,90	Immaterial interest
6856	Pensioenfonds J.G.H.M. van Lier B.V.	Amsterdam		99,98	Immaterial interest
6865	Queensland Corporation N.V.	Amsterdam		99,98	Immaterial interest
6974	Relf Beleggingen B.V.	Amsterdam		99,98	Immaterial interest
5278	ROTHESAY (1)	Luxembourg		99,92	Immaterial interest
6788	Savina International Inc	Belize City		99,98	Immaterial interest
4274	SCI NORLUM	Lille		99,98	Immaterial interest
1451	SYBETRA S.A.	Herstal	BE 400.398.281	76,30	In liquidation
6867	Tentaclo Nets Holding II BV	Amsterdam		99,98	Immaterial interest
6868	Tondola Holding BV	Amsterdam		99,98	Immaterial interest
6845	Tripan International B.V.	Amsterdam		99,98	Immaterial interest
6878	Uniphy Elektromedizin Beteilgungs GmbH	Henningsdorf		94,00	Immaterial interest
6879	Uniphy Elektromedizin Gmbh & Co KG	Henningsdorf		94,00	Immaterial interest
6869	Veldpoort Beheer BV	Amsterdam		99,98	Immaterial interest
5204	VELLEMAN INTERNATIONAL	Gavere	BE 866.481.994	69,95	Immaterial interest
6882	VIA-ZAVENTEM N.V.	Brussel	BE 892.742.765	51,00	Immaterial interest
6062	VON ESSEN GmbH	Essen		100,00	Immaterial interest
6058	VON ESSEN KG -HANDELSGESELLSCHAFT-	Essen		100,00	Immaterial interest
1005	WA PEI NOMINEES LTD	Wanchai		100,00	Immaterial interest
6973	Wassenburg Beheer B.V.	Amsterdam		99,98	Immaterial interest
6601	Wendilo Investments S.A.R.L.	Luxembourg		99,95	Immaterial interest

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List of participating interests valued by equity method

(1) Consolidated by Fortis Banque Luxembourg
(2) Consolidated by Fortis Investment Management
Capital letters = Consolidated by Fortis Bank Belgium
Small letters = Consolidated by Fortis Bank (Netherlands)

	Name	Head-office	VAT/NN	Percent of holding
5670	ABACUS Wertpapier Handelsgesellschaft mbH	Keulen		35,00
2004	ALPHA CARD S.C.R.L.	Watermaal - Bosvoorde	BE 463.926.551	50,00
3902	ALSABAIL (1)	Strasbourg		40,65
3208	Amsterdam Options Traders (Deutschland) GmbH	Keulen		49,00
6970	ARAMEA ASSET MANAGEMENT AG (2)	Hamburg		29,99
2113	AREMAS	Brussel	BE 466.301.368	50,00
6664	BAFB B.V.	Amsterdam		74,96
6239	BANKING FUNDING COMPANY	Brussel	BE 884.525.182	33,39
1073	BANK VAN DE POST N.V.	Brussel	BE 456.038.471	50,00
1009	BANQUE BELGOLAISE	Brussel	BE 403.200.294	100,00
6193	BCC CORPORATE	Brussel	BE 883.523.807	37,25
4406	Bencis BuyOut Fund 1 B.V.	Amsterdam		24,91
2413	BIP INVESTMENTS PARTNERS (1)	Luxemburg		25,52
6238	BRAND & LICENCE COMPANY	Brussel	BE 884.499.250	20,00
3031	C & C Tankers Holding BV	Amsterdam		21,74
6115	Caipora International Finance Coöperatieve UA	Amsterdam		25,00
6075	CameleOne	Brussel	BE 880.110.395	33,33
6921	Car Carriers Management B.V.	Breskens		50,00
4378	CF LEASING LIMITED	Hamilton		50,00
3107	CommonWealth Investment BV	Den Haag		50,00
2366	COMPTOIR AGRICOLE DE WALLONIE	Namen	BE 400.364.530	100,00
1490	CREDISSIMO	SERAING	BE 403.977.482	100,00
1573	CREDIT POUR HABITATIONS SOCIALES	Watermaal - Bosvoorde	BE 402.204.461	76,57
6116	Debra International Finance Coöperatieve U.A.	Amsterdam		25,00
1522	DEMETRIS	GROOT-BIJGAARDEN	BE 452.211.723	100,00
6453	Diana Cap Inversion S.a.	Panama		27,85
	Dutch MBS97-II	Amsterdam		50,00
	Dutch MBS99-III	Amsterdam		50,00
	Dutch MBS2001-I	Amsterdam		50,00
5859	Dutch Sustainbility Research B.V.	Bunnik		20,00
2053	Esofac Insurace Services (E.I.S.)	Luxembourg		19,20
1544	EUROPAY BELGIUM	Brussel	BE 434.197.536	39,80
5848	European Merchant Services B.V.	Diemen		49,00
6141	EURO-SCRIBE SAS (1)	Parijs		49,96
1110	FASTNET BELGIUM (1)	Brussel	BE 460.019.728	47,76
1111	FASTNET LUXEMBOURG (1)	Luxembourg		47,75
4127	FASTNET NETHERLANDS(1)	Amsterdam		47,80
6035	FINALIA	Brussel	BE 878.920.562	49,00
5061	FORTIS HAITONG INV. MAN. LTD (2)	Pudong		48,99
5537	Fortis Horwath China Holdings Limited	Port Louis		49,99
2643	FORTIS LUXEMBOURG - VIE S.A. (1)	Luxemburg		49,96
2363	FORTIS PRIVATE INVESTMENTS POLSKA	Warszawa		99,19
6184	FvdH Beheer B.V.	Utrecht		33,33
4517	H2 Equity partners Fund II BV	Amsterdam		43,22
5484	HAITONG-FORTIS PRIVATE EQUITY FUND MANAGEMENT COMPANY LTD	Shanghai		32,99
5072	Helvoet Holding	Hellevoetsluis		14,63
1569	HET WERKMANSHUIS	Tongeren	BE 400.986.518	41,04
4522	Holding Vreedenlust Fund III	Den Haag		50,02
2850	Holland Venture BV	Amsterdam		33,13
5536	Horwath Intertrust Holdings Limited	Wanchai		39,99
5672	Hotel Cruiseship Operations 2 BV	Soest		80,00
6880	Houderstermaatschappij TAH B.V.	Amsterdam		20,00
6429	Hui Fu Holding Limited S.A.	Panama City		50,00
1069	IMMOLOUNEUVE	Brussel	BE 416.030.426	50,00
6887	Inter Company Runner B.V.	Utrecht		50,00
1583	ISABEL	Bruxelles	BE 455.530.509	25,33
3229	K & H Options Ltd	London		20,00
6503	KIT FORTIS INVESTMENT MANAGEMENT HOLDING B.V.	Amsterdam		49,99
1492	LA MAISON SOCIALE TOURNAI-ATH	TOURNAI	BE 402.495.065	99,72
1555	LA PROPRIETE SOCIALE BINCHE-MORLANWELZ	BINCHE	BE 401.198.136	20,81
2361	LANDBOUWKANTOOR VLAANDEREN	KORTRIJK	BE 405.460.889	100,00
6936	Leyden Bay B.V.	Amsterdam		59,99

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List of participating interests valued by equity method

(1) Consolidated by Fortis Banque Luxembourg
(2) Consolidated by Fortis Investment Management
Capital letters = Consolidated by Fortis Bank Belgium
Small letters = Consolidated by Fortis Bank (Netherlands)

	Name	Head-office	VAT/NN	Percent of holding
3572	Ligthouse Capital Insurance Company	George Town		50,00
5563	Magonin Spring C.V.	Amsterdam		49,99
6194	MARIE LEASE SARL (1)	LUXEMBOURG		49,96
1553	MIJN HUIS & EDOUARD PECHER	ANTWERPEN	BE 404.476.340	50,26
3614	N.V. Brabant Participatiemaatschappij	Utrecht		100,00
6155	N336UA Trust	Wilmington		50,00
4401	NeSBIC Converging Technologies & e-Commerce (CTe) Fund II B.V.	Utrecht		29,69
3622	NeSBIC Converging Technologies Europe (CTE) Fund B.V.	Utrecht		31,82
4419	NeSBIC CTE Side Fund BV	Utrecht		47,37
6460	NeSBIC Graphic Industrie Holding	Amsterdam		23,14
3632	NeSBIC Holdings III B.V.	Utrecht		100,00
3633	NeSBIC Holdings IV B.V.	Utrecht		20,83
4385	NeSBIC Investment Fund II B.V.	Utrecht		34,63
3648	NeSTRUST III B.V.	Utrecht		37,39
6117	NIB Capital Foreign Debt Fund V	Den Haag		75,00
1563	NIEUWE MAATSCHAPPIJ ROND DEN HEERD	Kortrijk	BE 426.351.028	23,26
2856	Nimbus B.V.	Zeist		21,00
4985	OTIS VEHICLE RENTALS LIMITED (1)	WEST MIDLANDS		39,97
6904	PayDutch Holding B.V.	Heerlen		25,00
6313	POSTBANK IRELAND LTD (1)	Dublin 2		49,96
6792	PRESTIBEL LEFT VILLAGE	Antwerpen		68,64
5652	Probus Reads Trust Company Limited	St Peter Port		49,99
6200	Regional Jet Leasing 3 C.V.	Den Haag		23,33
5695	RFH Ltd	Hamilton		49,90
6641	RFS Holding B.V.	Amsterdam		33,81
6466	Rijnlandse Plastic Groep B.V.	Amsterdam		30,00
3023	Rovast Onroerend Goed advies BV	Amsterdam		20,00
5671	Secfinex Ltd	London		37,50
3852	SR-Hypotheken	Rotterdam		50,00
6905	Start Green Consumer Products Fund B.V.	Huizen		38,27
6074	Start Green Fund B.V.	Utrecht		33,33
5444	Stellar Maritime S.A.	Majuro		30,74
5565	Sumai C.V.	Amsterdam		49,99
5169	TEXTAINER MARINE CONTAINERS LTD.	Hamilton HMHX		49,99
1449	Titrisation Belge - belgische Effectisering	Brussel	BE 457.416.465	49,99
5916	Trade Credit Re Insurance Company SA	Woluwe-Saint-Pierre		23,79
6265	Trifleet Leasing BV	Dordrecht		25,00
5729	Triodos MeesPierson Sustainable Investment Management BV	Zeist		50,00
5733	VERSIKO AG (2)	Düsseldorf		22,39
6934	Vibrant Media Inc	New York		23,17
1540	VISA BELGIUM S.C.	Bruxelles	BE 435.551.972	25,07
6050	VSTEP Holding B.V.	Rotterdam		25,00

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List of participating interests not valued by equity method

Capital letters = Participation of Fortis Bank (Belgium)
Small letters =Participation of Fortis Bank (Netherlands)

	Name	Zetel	VAT/NN	Percent of holding	Reasons
1360	ALTERNATIVE SYSTEMS en abrégé "ALTSYS"	Malonne	BE 436.528.704	21,44	In liquidation
2672	ANTWERPS INNOVATIE CENTRUM	Edegem	BE 472.386.634	21,30	Immaterial interest
6718	Arets International	Niel	BE 890.356.466	49,90	Immaterial interest
2063	BAEKELANDFONDS R.U. GENT N.V.	Gent	BE 465.509.235	33,38	Immaterial interest
1256	BANQUE COMMERCIALE DU CONGO	Kinshasa		25,61	Unjustified delay
1011	BANQUE INTERNATIONALE AFRIQUE AU NIGER	Niamey		35,00	Unjustified delay
4407	BBOF I Invest I B.V.	Amsterdam		30,00	Immaterial interest
1581	BEDRIJVENCENTRUM ZAVENTEM	Zaventem	BE 426.496.726	24,98	Immaterial interest
6474	Bee-Invest B.V.	Zeist		29,80	Immaterial interest
2335	BEXCO	Hamme	BE 412.623.251	26,62	Immaterial interest
4355	BRUSSELS I3 FUND	Elseen	BE 477.925.433	36,37	Immaterial interest
6789	Burgers Flexiprint	Putten		38,42	Immaterial interest
1578	CERTIFICAT ETOILE S.A.	Luxembourg		25,00	Immaterial interest
2031	CETREL S.C.	Munsbach	LU 130 693 41	26,36	Immaterial interest
2286	CONTICLIMA	Sint-Kruis-Winkel	BE 457.655.403	22,36	Immaterial interest
1993	COOLSTAR	Anderlecht	BE 433.254.359	32,14	Immaterial interest
6432	COÖPERATIEVE H2 EQUITY PARTNERS FUND III U.A.	Amsterdam		24,07	Immaterial interest
5709	DEMETER S.A.S	Torce		29,55	Immaterial interest
6556	DOLNOSLASKA SZKOLA BANKOWA Sp.z.o.o	Lubin		24,75	Immaterial interest
1712	ETNA	Erembodegem	BE 419,508,766	20,97	Immaterial interest
2034	EUROPAY LUXEMBOURG SC	Munsbach	B 30.764	32,97	Immaterial interest
1339	FLANDERS ENGINEERING	Erpe-Mere	BE 425.252.552	39,97	Immaterial interest
6920	Garant 4 2	Amersfoort		49,50	Immaterial interest
1342	GEMMA FRISIUS-FONDS K.U.LEUVEN N.V.	Leuven	BE 461.734.351	40,00	Immaterial interest
4357	GEMMA FRISIUS-FONDS K.U.LEUVEN II NV	Leuven	BE 477.960.372	40,00	Immaterial interest
6941	GRUP ELOGOS, S.L.	Madrid		44,93	Immaterial interest
4273	GUDRUN XPERT	Brussel	BE 477.315.422	26,00	Immaterial interest
4520	H2 Lighting BV	Amsterdam		29,11	Immaterial interest
1264	HEMAG (ATLANTIC)	Moeskroen	BE 426.085.267	25,00	Immaterial interest
1548	IMMO-BEAULIEU	Bruxelles	BE 450.193.133	25,00	Real estate certificate
1280	IMMO REGENBOOG N.V.	Mechelen	BE 448.859.481	30,01	Immaterial interest
5185	KAASBRIK HOLDING	Halen	BE 863.954.749	35,71	Immaterial interest
4526	Kuiken N.V.	Emmeloord		21,84	Immaterial interest
5737	MAREDO	Frankfurt Am Main		37,17	Immaterial interest
2680	META INTERNATIONAL	Heule	BE 473.507.280	36,61	Immaterial interest
1424	MIDDLE EAST BANK KENYA LTD	Nairobi		25,03	Unjustified delay
4399	NeSBIC Investment Fund II Partners B.V.	Utrecht		21,27	Immaterial interest
1285	NOVA ELECTRO INTERNATIONAL (in vereffening)	Tongeren	BE 441.210.537	26,84	Immaterial interest
6091	Pluswoning B.V.	Utrecht		49,00	Immaterial interest
6468	Sandd Beheer B.V.	Zeist		22,50	Immaterial interest
3912	FINANSDER	Paris		21,93	Immaterial interest
1292	SOPHIS SYSTEMS	Wevelgem	BE 424.871.975	27,25	In liquidation
6240	STUDIO 100	Schelle	BE 457.622.640	32,56	Immaterial interest
6968	Transportes Garcia Vilalobos S.A.	Barcelona		45,74	Immaterial interest
6480	Union Capital BV	Zeist		31,58	Immaterial interest
1585	VISALUX	Munsbach	150.901.46	29,15	Immaterial interest
2675	XENICS	Heverlee	BE 473.044.848	21,51	Immaterial interest

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List of participating interests not consolidated and not valued by equity method in wich the group holds rights representing at least 10% of the capital subscribed

Capital letters = Participation of Fortis Bank Belgium
Small letters = Participation of Fortis Bank (Netherlands)

	Name	Head-office	VAT/NN	Percent of holding	Monetary unit	Net result as at 31/12/06 (in thousands)	Shareholders' equity as at 31/12/06 (in thousands)
6160	ABX LUXEMBOURGS HOLDINGS 1 S.A.	Luxembourg		11,85	EUR	6.343	(302)
2427	ALGONOMICS	Zwijnaarde	BE 466.416.184	25,56			
5614	ASSOCIATION DE FRAIS FORTIS REAL ESTATE	Brussel		14,29	EUR		
5821	BAEKELAND-FONDS II	Gent	BE 876.424.296	18,02	EUR	3684	(352)
6672	BBOF III INVESTORS B.V.	Amsterdam		12,13	EUR	248	400
1617	BEDRIJVENCENTRUM DENDERMONDE	Dendermonde	BE 438.558.081	19,61	EUR	1.073	115
1610	BEDRIJVENCENTRUM REGIO AALST	Erembodegem	BE 428.749.502	14,24	EUR	686	18
1382	BEDRIJVENCENTRUM VILVOORDE N.V.	Vilvoorde	BE 434.222.577	11,02	EUR	1.046	(10)
1383	BEDRIJVENCENTRUM WAASLAND N.V.	Sint-Niklaas	BE 427.264.214	16,03	EUR	963	18
1346	BELNEP RPODUCTION	Tournai	BE 437.121.095	14,71	EUR	23	(84)
5617	BEM-FLEMISH CONSTRUCT. & INVES	Brussel	BE 461.612.904	12,08	EUR	4.916	10
6444	Bencis Buyout Fund II Investors B.V.	Amsterdam		12,23	EUR	54.436	(4.712)
1550	BERLAYMONT 2000 (En Liquidation)	Etterbeek	BE 441.629.617	14,85	EUR	11.154	(844)
2029	BOURSE DE LUXEMBOURG S.A.	Luxembourg	B 6.222	12,38	EUR	20.933	6.350
5622	CHINA-BELGIUM FUND	Beijing		10,00	CNY	978.554	(6.420)
1567	CREDIT SOC. DE BRABANT WALLON	Nivelles	BE 400.351.068	12,10	EUR	52	71
6455	Diana I FCR			14,25	EUR	59954	126
4496	Diana Shipping Inc	Majuro		11,16	EUR		
1546	DOMUS FLANDRIA	Antwerpen	BE 436.825.642	11,22	EUR	26.545	2.301
5124	Econosu B.V.	Amsterdam		13,00	EUR		
1996	EUROSCREEN	Anderlecht	BE 453.325.639	13,05	EUR	8.054	(1.093)
6724	European Software Opportunity Funds Corporate BV	Amsterdam		17,81			
5315	GEMIDIS	Zwijnaarde	BE 866.667.482	12,65	EUR	1.820	(2.767)
2419	GIMV CZECH VENTURES	Amsterdam		14,63	EUR	3.515	(95)
6456	Groupe Editor S.A.	Aix-en-Provence		17,49	EUR	25.345	914
1278	HACO	Rumbeke	BE 405.568.183	13,64	EUR	26.437	3.760
1652	HERACLES	Charleroi	BE 427.178.892	13,58	EUR	319	(145)
3063	Holland Venture Deelnemingen BV	Amsterdam		14,11	EUR	27	(4)
3188	Holland Venture III B.V.	Amsterdam		10,00	EUR		
3796	HORECA SERVE	Zedelgem	BE 432.000.980	11,93	EUR	2.704	1.725
1365	I.R.M.	Ans	BE 433.711.447	19,72	EUR	(7.483)	(10)
1675	IMMOBILIERE DISTRI-LAND	Molenbeek	BE 436.440.909	12,48	EUR	167	10
1677	INNOV. DEV. BRABANT WALLON	Tubize	BE 460.658.938	16,32	EUR	700	50
3410	International Mezzanine Investment N.V.	Amsterdam		13,33	USD	132.497	27.692
3012	Japan Asian Venture Fund N.V.	Amsterdam		15,00	USD	11.272	387
1560	LANDWAARTS SOCIAAL WOONKREDIET	Genk	BE 401.363.828	14,49	EUR	14.691	753
1571	LE CREDIT SOCIAL DE TUBIZE	Tubize	BE 400.344.140	11,43	EUR	270	(30)
1558	CRED. SOC. PETITS PROP. REUN.	Chatelet	BE 401.609.593	12,38	EUR	2.389	253
1575	LE PETIT PROPRIETAIRE	Woluwe-Saint-Lambert	BE 403.290.366	11,60	EUR	762	8
1247	LUXAIR	Luxembourg	B 4.109	13,49	EUR	217.958	16.882
5186	MARFIL	Hulshout	BE 458.805.248	16,94	EUR	288	4
2422	METALOGIC	Heverlee	BE 444.184.576	18,04	EUR	25	4
1305	MONUMENT GROUP	Berchem	BE 439.707.334	12,89	EUR	7207	902
4528	Mtel B.V.	Amsterdam		11,99	EUR	4.597	0
4403	NeSBIC Cte Fund II Partners B.V.	Utrecht		10,00	EUR	(20)	(4)
4386	NeSBIC Investment Fund II Invest I B.V.	Utrecht		13,33	EUR	971	(31)
2433	Net Fund Europe	Groot-Bijgaarden	BE 465.995.423	10,65	EUR	3.852	8.482
6463	Nimbus Investments III BV (Nimpn)	Zeist		18,32	EUR	14.096	21.231
3933	OLEON HOLDING NV	Ertvelde	BE 473.266.166	12,36	EUR	40.882	88
1415	PARK DE HAAN N.V.	Brussel	BE 438.533.436	15,00	EUR	68	40
1250	PAUL WURTH	Luxembourg	B 4.446	10,98	EUR	25.609	7.161
5090	PHARMADM	Scherpenheuvel	BE 473.394.147	18,59	EUR	(385)	(154)
5091	SALYP	Ieper	BE 468.785.459	15,35	EUR	4	(1.437)
6507	SHENERGY GROUPE FINANCE COMPANY LTD	Shanghai		10,00	HKD		
1554	SINT-JOZEFSKREDIETMAATSCHAPPIJ	Beringen	BE 401.349.970	11,93	EUR	19.572	560
1614	S.B.I - B.M.I.	Bruxelles	BE 411.892.088	19,52	EUR	32.084	(45)
5126	Softnosu	Amsterdam		13,00	EUR		
2344	START-IT	Angleur	BE 466.790.625	16,67	EUR	5.202	(39)
5327	TOUS PROPRIETAIRES S.A.	Erquelinnes	BE 401.731.339	16,82	EUR	4.908	283
4013	TRIODOS VENTURE CAP. FUND	Zeist		11,29	EUR	15.475	6.109
5936	Triple IP B.V.	Amsterdam		15,00	EUR		

V.A.T. BE 403.199.702

List of participating interests not consolidated and not valued by equity method in wich the group holds rights representing at least 10% of the capital subscribed

Capital letters = Participation of Fortis Bank Belgium
Small letters = Participation of Fortis Bank (Netherlands)

	Name	Head-office	VAT/NN	Percent of holding	Monetary unit	Net result as at 31/12/06 (in thousands)	Shareholders' equity as at 31/12/06 (in thousands)
6469	Tyrus Capital Group B.V.	Oirschot		17,81	EUR		
2287	ULTRAGENDA	Lochistri	BE 458.951.936	15,01	EUR	2.070	812
4375	VANERUM GROUP SERVICES	Diest	BE 430.486.889	17,66	EUR	5.255	103
5093	VIVES N.V.	Ottignies	BE 862.398.591	13,63	EUR	2.070	236
2809	Vreedenlust Fund II BV	Maarssen		14,64	EUR		

Report of the accredited statutory auditors

Fortis Bank S.A./N.V.

Joint Statutory Auditors' report to the General Shareholders' Meeting on the consolidated accounts as of and for the year ended 31 December 2007

19 March 2008

JOINT STATUTORY AUDITORS' REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED ACCOUNTS OF THE COMPANY FORTIS BANK NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2007

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditors. This report includes our opinion on the consolidated accounts and the required additional disclosure.

Unqualified opinion on the consolidated accounts

We have audited the consolidated accounts of Fortis Bank NV (the "Company") and its subsidiaries (the "Group") as of and for the year ended 31 December 2007, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated accounts comprise the consolidated balance sheet as of 31 December 2007 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance sheet amounts to EUR (000.000) 767.213 and the consolidated statement of income shows a profit for the year (group share) of EUR (000.000) 1.781.

The company's board of directors is responsible for the preparation of the consolidated accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated accounts contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Group, as well as the presentation of the consolidated accounts taken as a whole. Finally, we have obtained from the board of directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated accounts of give a true and fair view of the Group's net worth and financial position as of 31 December 2007 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Additional remark

The company's board of directors is responsible for the preparation and content of the management report on the consolidated accounts.

Our responsibility is to include in our report the following additional remark, which does not have any effect on our opinion on the consolidated accounts:

- The management report on the consolidated accounts deals with the information required by the law and is consistent with the consolidated accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

Brussels, 19 March 2008

PricewaterhouseCoopers Bedrijfsrevisoren BCVBA	Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren BCVBA
The statutory auditor Represented by	The statutory auditor Represented by
L. Discry Partner	O. Macq Partner

Fortis Bank N.V.
Non consolidated
Financial Statements of Fortis Bank

1 Notes to the unconsolidated balance sheet and income statement

Balance sheet

Total balance sheet on 31 December 2007 amounts to EUR 538 billion, an increase of EUR 86 billion or 19 % compared with last financial year.

On the *assets* side, **government securities eligible for refinancing at the central bank** decrease (EUR 2 billion).

The **amounts receivable from credit institutions** increase with EUR 16 billion or 13 %. End 2007, the relative weight of interbank receivables represents 27% of total assets.
The progress of the interbank activity results mainly from the reverse repurchase agreements, which represent 48 % of this caption and of which the increase needs to be seen together with the increase on the liability side. The advantage of these transactions is the low impact on the regulatory own funds required for solvency purposes.

The **amounts receivable from customers** increase with EUR 28 billion or 21 %. They represent 29 % of total assets.
Term loans on more than one year increase (EUR 6 billion, in particular roll-overs), as well as term loans on less than one year (EUR 4 billion), mortgage loans (EUR 2 billion) and advances on current accounts (EUR 2 billion). Moreover a loan to the subsidiary Fortis Capital Corporation has been granted (EUR 10 billion) in order to fund her market activities.

The **bonds and other fixed-income securities** portfolio grows with EUR 1 billion or 1 % and represents 21 % of total assets.
Despite the repurchase of securitized receivables from the subsidiary Fortis Bank Nederland (EUR 10 billion), the investment portfolio decreases with EUR 5 billion, reflecting the strategy of the Bank taking into account the evolution of the interest rates. However, the trading portfolio grows with EUR 6 billion and amounts to EUR 31 billion.

The increase of **corporate shares and other variable-income securities** with EUR 3 billion or 31 % concerns mainly the investment portfolio.

The **financial fixed assets** rise with EUR 24 billion. Fortis Bank has carried out a capital increase (EUR 15 billion) in the subsidiary Fortis Bank Nederland and also granted her a subordinated loan (EUR 7 billion) for her funding needs in the framework of the take-over of ABN AMRO.

The **other assets** increase with EUR 3 billion, mainly related to the increase of the paid premiums on derivatives.

The increase of the **deferred charges and accrued income** with EUR 13 billion or 33 % concerns the balance sheet and the derivatives (off balance sheet), in relation with rising volumes and interest rates.

On the *liabilities* side, **amounts payable to credit institutions** increase with EUR 29 billion or 16 %. End 2007, the relative weight of interbank liabilities represents 38 % of total liabilities.
The increase of the interbank liabilities especially results from the repurchase agreements, who represents 30% of this caption and of which the increase needs to be seen together with the increase on the assets side. The growing use of these products reflects a relative low funding price.

The **amounts payable to clients** rise by EUR 9 billion or 6 %. They represent 33 % of total liabilities.
The increase especially results from the current accounts (EUR 7 billion).
We observe also a transfer from the saving deposits to the term deposits, however, these latter have a growth due to the increasing interest rate.

The **amounts payable represented by a security** increase with EUR 11 billion or 35 %.
The bond loans portfolio increases with EUR 8 billion. In addition, the certificates of deposits rise by EUR 4 billion. The saving certificates continue decreasing (EUR 1 billion).

The **other amounts payable** increase with EUR 2 billion, mainly related to the received premiums on derivatives.

As on the assets side, the increase of the **accrued charges and deferred income** with EUR 11 billion or 30 % concerns the balance sheet and the derivatives (off balance sheet), in relation with rising volumes and interest rates.

The **fund for general banking risks** remains unchanged apart form a slight decrease in the Hong Kong branch, due to an exchange rate difference.

Within the framework of the take-over of ABN AMRO and in order to increase the own funds required for solvency purposes, the **subordinated amounts payable** increase with EUR 7 billion or 62 %.

The **shareholders' equity** after appropriation increases with EUR 15 billion.
Also in the framework of the take-over of ABN AMRO, two capital increases have been carried out for EUR 17 billion.

Income statement

The **result of the year**, before transfer from untaxed reserves, is a loss of EUR 1.608 million, compared to a profit of EUR 3.582 million in 2006.

The deterioration of the US subprime market over the second half of 2007, particularly in the last quarter, impacts negatively the results and is reported in the captions Amounts written off on receivables, Amounts written off on the investment portfolio and Loss on financial operations.

The **interest margin** (captions I+II) amounts to EUR 1.635 million, a decrease with EUR 119 million or 7 % compared with 2006.

A part of the receivables from group entities has been transferred to the subsidiary Fortis Finance Belgium in March 2006, This transfer influenced the interest margin with EUR 61 million. To be noticed that this impact is eliminated in the consolidated result of Fortis.

Taking into account the balance sheet structure, the increase of the interest rates and the flattening of the yield curve have a negative impact on the interest margin. Furthermore, the heavy competition in lending products leads to shrinking margins, which can not be completely compensated by higher volumes. Moreover, interest rate evolution and commercial pressure generate a shift from saving accounts towards lower margin generating term accounts. The interest margin of the foreign branches however increases because of the development of the activities.

The **income from variable-income securities** decreases with EUR 713 million.
The increase of the dividends on shares (EUR 71 million) is coming from an ongoing growing activity.The income from participating interests in affiliated enterprises decreases with EUR 712 million and mainly relates to dividends received from Fortis Bank Luxemburg, Fortis Bank Nederland and Fortis Finance Belgium (respectively EUR 283 million, EUR 75 million and EUR 230 million in 2007, against EUR 650 million, EUR 770 million and none in 2006). Nevertheless, these revenues have no impact on the consolidated result of Fortis. The decrease of the income from other companies in which the Bank has a participating interest (EUR 58 million) results mainly from the sale of Fortis Insurance in 2006. The revenues of the other financial fixed assets decrease (EUR 13 million), as a consequence of sales.

The **commissions received** increase with EUR 154 million or 13 %.
The commissions for the issuing and placement of securities, on stock orders and on the management of investment funds increase (EUR 76 million), thanks to favorable stock market conditions, especially in the first half of the year. The commissions received on the sale of insurance products (EUR 23 million), on guarantees and credit commitments (EUR 13 million) and on payment services (EUR 8 million) increase as well. We also note an increase of the commissions received by the foreign branches, relating to the growth of their activities (EUR 29 million).

The **commissions paid** show some parallelism with the commissions received and increase with EUR 80 million or 26 %. The biggest contributors are payment services (EUR 5 million) and securities transactions (EUR 4 million). Furthermore, there is a reclassification of brokerage fees on derivatives (EUR 38 million). The growth of the activities of the foreign branches translates itself also in an increase of the paid commissions (EUR 17 million).

The **profit from (loss on) financial operations** grows with EUR 128 million.
Despite the turmoil on the international capital markets, the result from *exchange transactions and trading in securities and other financial instruments* increases with EUR 102 million. Better performances are realized in 2007, both on the operations linked to the interest rates (the positive results on derivatives are bigger than the negative results on fixed-income securities, in an environment where the short term interest rates rose more than the long term interest rates and where the market become more volatile) and on the share transactions (favorable market evolution). The capital gains on *disposal of investment securities* amounts to EUR 190 million, an increase of EUR 26 million compared to 2006.

The **general administrative expenses** increase with EUR 479 million or 18%.
The *remuneration, social charges and pensions* grow with EUR 191 million or 11%. The staff expenses in Belgium increase (EUR 81 million or 5 %), due to the higher number of staff (3%) and the salary increases.
Staff expenses also grow in the foreign branches (EUR 110 million or 41%), due to the increased activity (in particular in London, Hong Kong, Paris and Madrid).

The *other administrative expenses* increase with EUR 288 million or 34 %, mainly due to IT and consultancy costs, but also due to expenses in general in the foreign branches. We also note that more expenses are re-invoiced to subsidiaries of the group (see infra - Other operating income).

The increase of EUR 23 million or 15 % in **depreciations and amounts written off on formation expenses, intangible and tangible fixed assets** is mainly due to the depreciation on IT equipment.

The **amounts written off on receivables** amount to EUR - 263 million in 2007 against EUR - 95 million in 2006. The year 2007 is affected by impairments on the CDO subprime portfolio. We also note in 2007 the positive impact of the abolition of the mandatory country risk provision by the CBFA for Turkey.

The **amounts written off on the investment portfolio** amount to EUR - 2.445 million in 2007 against EUR - 9 million in 2006. The year 2007 is largely affected by impairments on the CDO subprime portfolio.

The **(uses and write-backs of) provisions for risks and charges** (captions XI en XII) have a negative impact of EUR 12 million in 2007, compared to a positive impact of EUR 1 million in 2006, mainly due to legal disputes.

The increase of **other operating income** with EUR 47 million or 24 % is mainly due to a rise of re-invoicing of costs to other group entities (see supra - general administrative expenses).

The **other operating charges** increase with EUR 49 million or 26 %, mainly related to the non-recoverable VAT which rises in proportion to the costs (see supra – other administrative expenses) and the loss on the subordinated loan granted by the Cologne branch to its Von Essen subsidiary (eliminated in the consolidated accounts).

The **extraordinary income** decreases with EUR 1.544 million. In 2006, there were capital gains on the realization of participations (EUR 1.921 million, for the biggest part eliminated at consolidated level, of which EUR 1.483 million for FB Insurance and EUR 285 million for Fortis Insurance). In 2007, capital gains are realized on other financial fixed assets (EUR 409 million).

The **extraordinary charges** decrease with EUR 64 million. We note less provision for early departures (EUR 7 million in 2007 against EUR 43 million in 2006) and a realized loss in 2006 on the transfer of receivables to a subsidiary (EUR 34 million).

The **income taxes** of the financial year amount to EUR - 68 million (captions XIXbis and XX), a decrease of EUR 41 million compared with last year. The taxation level is derived from the result before taxation. However, the Belgian GAAP doesn't allow registering deferred taxes on losses. The taxation level is also influenced by the specific fiscal treatment of the results on participations and shares, as well as by regularizations of previous years. Furthermore, the tax regime differs from one branch to the other.

The 20 **foreign branches** situated in Athens, Bucharest, Budapest, Cologne, Copenhagen, Guangzhou, Hong Kong, Lisbon, London, Madrid, Milan, New York, Paris, Prague, Shanghai, Singapore, Stockholm, Taipei, Vienna and Zurich, together record a loss of EUR 2.578 million in 2007, mainly due to the subprime CDO-portfolio, against a profit of EUR 131 million in 2006.

Taking into account the transfer from untaxed reserves, the **loss for the year for appropriation** amounts to EUR 1.606 million.

2 Proposed profit appropriation for the period

Loss for the period for appropriation	EUR	1.605,8	million
Profit brought forward	EUR	3.095,4	million
Profit available for appropriation	EUR	1.489,6	million
Profit carried forward	EUR	1.489,3	million
Director's fees	EUR	0,3	million
	EUR	1.489,6	million

In accordance with the aforementioned appropriation of the result for the financial year 2007, the Board of Directors of Fortis Bank will request the approval of the General Meeting of Shareholders not to distribute a dividend.

In 1999, Fortis Capital Company Limited, a subsidiary of Fortis Bank Nederland, issued non-cumulative preference shares for a total amount of EUR 650 million, guaranteed by Fortis Bank, Fortis SA/NV and Fortis NV. A tranch of EUR 200 million was redeemed during 2004. The Board of Directors of Fortis Bank has committed itself to the Belgian Banking, Finance and Insurance Commission in this respect : not to pay a dividend unless the available reserves are sufficient to meet all liabilities arising from the aforementioned issue of non-cumulative preference shares, to set out this commitment in the annual report of Fortis Bank and to consult the Banking, Finance and Insurance Commission prior to proposing any dividend payment, so as to demonstrate that the available reserves are sufficient and that the capital adequacy ratio calculated on the narrowly defined capital and reserves of Fortis Bank amounts to the compulsory minimum of 5%.

As part of its pursuit of cheaper capital, Fortis Bank issued innovative financial debt instruments ('Redeemable Perpetual Cumulative Coupon Debt Securities') on the international market on 26 September 2001 for a total amount of EUR 1 billion. The purpose of the issue was to bolster Fortis Bank's solvency in a proactive manner and hence to support the further development of banking operations, in terms of corporate and consumer credit provision and of marketing operations. The move also anticipates new solvency regulations, including coverage of additional risk categories such as operational risk. Since these securities are, by their nature, highly subordinated liabilities, the Banking, Finance and Insurance Commission has agreed to rate them as equal to tier one capital. A number of conditions have to be met to this end, including the possibility of converting the securities into Fortis Bank profit-sharing instruments under certain circumstances. To allow profit-sharing instruments to be issued on submission of these securities, the Extraordinary Meeting of Shareholders of 23 November 2001 added Article 5b to the articles of association. The authorized capital was also adjusted to enable the Board of Directors, amongst other things, to pay the interest on the securities by issuing new Fortis Bank shares, if that should prove necessary. Article 5b of the articles of association further lists the circumstances in which profit-sharing instruments of this kind may be issued, the characteristics of those instruments, the dividend restrictions applying to them and various other provisions. The Board of Directors has also committed itself to respect the following regulatory limits : if actually issued, the profit-sharing instruments, together with other innovative capital instruments issued by Fortis Bank that qualify as tier one, will not amount to more than 15% of Fortis Bank's tier one capital and if actually used, the profit-sharing instruments, together with other similar instruments or shares without voting rights issued by Fortis Bank, will not amount to more than one third of Fortis Bank's authorized capital, including issue premiums.

On 27 October 2004, Fortis Bank issued Directly Issued Perpetual Securities to the value of EUR 1 billion with a goal and characteristics that are broadly comparable with the Redeemable Perpetual Cumulative Coupon Debt Securities dating from 2001. The regulatory limits described above also apply for this issue. In order to facilitate the issue of Directly Issued Perpetual Securities, the Articles of Association were amended at an Extraordinary General Meeting of Shareholders on 28 April 2005. A new Article 5c was added, which defines in detail the circumstances under which profit-sharing instruments will be issued, their characteristics, the associated dividend restrictions and various other provisions.

On 20 December 2007, Fortis Bank issued a subordinated loan in a principal amount of Euro 1.75 billion qualified as Upper Tier 2 capital for its regulatory capital purposes. The transaction which was fully underwritten by Fortis Brussels was meant to improve the solvency ratio and to address the temporary shortage of regulatory capital before transfer of the capital instruments from ABN AMRO. The transaction has a perpetual maturity with an option for the borrower to repay the loan in whole or in part, after five years.

On 30 November 2007 Fortis Bank issued the Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) with a nominal value of EUR 3 billion and a denomination of EUR 250,000 each, as part of the plan to finance the acquisition of certain ABN AMRO assets. The coupons on the securities are payable quarterly at a variable rate per annum of 3 month Euribor + 2.0%. For regulatory purposes, the CASHES securities are treated as part of Tier 1 capital. The coupons of the CASHES securities constitute direct and subordinated obligations of each of Fortis Bank sa-nv, Fortis SA/NV and Fortis N.V. as Co-obligors. The coupons of CASHES are subordinated to all other loans, subordinated loans and preference shares, but rank senior to ordinary shares. The principal amount of the securities will not be repaid in cash. The sole recourse of the note holders of the CASHES securities against any of the co-obligors with respect to the principal amount is equal to 125,313,283 shares that Fortis Bank has pledged in favour of the CASHES holders. Those shares have no dividend entitlement or voting rights until the exchange. The CASHES securities have no maturity date, but may be exchanged into Fortis shares at a price of EUR 23.94 per share at the discretion of the holder. From 19 December 2014, the bonds will be automatically exchanged into Fortis shares if the price of the Fortis share is equal to or higher than EUR 35.91 on twenty successive trading days.

3 Auditors: special assignments

The Council of Accredited Auditors and the companies with which it has a professional relationship undertook a number of supplementary, special tasks in 2007. These mainly involved audit assignments at subsidiary banks, the performance of limited reviews, the audit of IFRS consolidation documents for the Fortis consolidation, assistance in relation to the acquisition of new participating interests and various technical consultancy assignments.

The Council of Accredited Auditors' fees for these assignments reached EUR 4.816.637 in 2007.

4 Article 523 of company law

The Directors declare that no decision has been taken and no transaction decided that would fall within the scope of Article 523 of Company Law.

5 Unconsolidated balance sheet and income statement

2. V.A.T.. BE 403.199.702

(in thousands EUR)	Codes	Financial year 05	Previous financial year 10
1. Balance after appropriation			
ASSETS			
I. Cash, balances with central banks and giro offices	101.000	**696.086**	**322.535**
II. Government securities eligible for refinancing at the central bank	102.000	**614.928**	**2.176.160**
III. Amounts receivable from credit institutions	103.000	**143.547.738**	**127.280.410**
A. At sight	103.100	6.832.737	6.622.859
B. Other amounts receivable (at fixed term or period of notice)	103.200	136.715.001	120.657.551
IV. Amounts receivable from customers	104.000	**157.946.104**	**130.221.592**
V. Bonds and other fixed-income securities	105.000	**114.133.543**	**113.251.401**
A. Of public issuers	105.100	48.595.229	70.220.162
B. Of other issuers	105.200	65.538.314	43.031.239
VI. Corporate shares and other variable-income securities	106.000	**10.667.806**	**8.128.419**
VII. Financial fixed assets	107.000	**46.715.707**	**22.826.999**
A. Participating interests in affiliated enterprises	107.100	37.170.792	21.931.028
B. Participating interests in other enterprises linked by participating interests	107.200	2.497.701	167.674
C. Other company shares constituting financial fixed assets	107.300	15.643	695.622
D. Subordinated claims on affiliated enterprises and on other enterprises linked by participating interests	107.400	7.031.571	32.675
VIII. Formation expenses and intangible fixed assets	108.000	**79.862**	**44.165**
IX. Tangible fixed assets	109.000	**1.008.084**	**888.658**
X. Own shares	110.000	**0**	**0**
XI. Other assets	111.000	**11.465.553**	**8.371.815**
XII. Deferred charges and accrued income	112.000	**50.815.171**	**38.320.279**
TOTAL ASSETS	**199.000**	**537.690.582**	**451.832.433**

3. V.A.T. BE 403.199.702

(in thousands EUR)		Codes	Financial year 05	Previous financial year 10
LIABILITIES				
I.	**Amounts payable to credit institutions**	201.000	**207.559.371**	**178.166.925**
	A. At sight	201.100	35.569.523	24.361.449
	B. Resulting from refinancing by rediscounting of trade bills	201.200	0	0
	C. Other amounts payable (at fixed term or period of notice)	201.300	171.989.848	153.805.476
II.	**Amounts payable to clients**	202.000	**176.795.830**	**167.361.160**
	A. Savings deposits	202.100	40.002.914	44.832.377
	B. Other amounts payable	202.200	136.792.916	122.528.783
	1. at sight	*202.201*	*41.895.609*	*34.563.866*
	2. at fixed term or period of notice	*202.202*	*94.897.307*	*87.964.917*
	3. resulting from refinancing by rediscounting of trade bills	*202.203*	*0*	*0*
III.	**Amounts payable represented by a security**	203.000	**42.812.280**	**31.743.449**
	A. Bills and bonds in circulation	203.100	17.373.712	10.774.823
	B. Other	203.200	25.438.568	20.968.626
IV.	**Other amounts payable**	204.000	**13.894.896**	**12.212.008**
V.	**Accrued charges and deferred income**	205.000	**48.775.261**	**37.402.991**
VI.	**A. Provisions for risks and charges**	206.100	**658.263**	**396.954**
	1. Pensions and similar obligations	*206.101*	*1.273*	*1.075*
	2. Fiscal charges	*206.102*	*18.910*	*12.880*
	3. Other risks and charges	*206.103*	*638.080*	*382.999*
	B. Deferred taxes	206.200	**2.307**	**3.631**
VII.	**Fund for general banking risks**	207.000	**872.078**	**872.126**
VIII.	**Subordinated amounts payable**	208.000	**19.024.046**	**11.718.034**
	SHAREHOLDERS' EQUITY	290.000	**27.296.250**	**11.955.155**
IX.	**Capital**	209.000	**4.693.552**	**3.111.839**
	A. Subscribed capital	209.100	4.693.552	3.111.839
	B. Uncalled capital (-)	209.200	0	0
X.	**Share premiums**	210.000	**20.257.380**	**4.889.469**
XI.	**Revaluation surpluses**	211.000	**0**	**0**
XII.	**Reserves**	212.000	**855.987**	**858.369**
	A. Statutory reserve	212.100	311.184	311.184
	B. Unavailable reserves	212.200	36.987	36.987
	1. for own shares	*212.201*	*0*	*0*
	2. miscellaneous	*212.202*	*36.987*	*36.987*
	C. Untaxed reserves	212.300	*155.830*	158.635
	D. Available reserves	212.400	*351.986*	351.563
XIII.	**Profit brought forward (loss brought forward(-))**	213.000	**1.489.331**	**3.095.478**
TOTAL LIABILITIES		299.000	**537.690.582**	**451.832.433**

4. V.A.T. BE 403.199.702

(in thousands EUR)

		Codes	Financial year 05	Previous financial year 10
OFF-BALANCE SHEET ITEMS				
I.	**Contingent liabilities**	301.000	**58.597.131**	**56.007.917**
	A. Unnegotiated acceptances	301.100	410.011	212.339
	B. Guarantees in the nature of credit subsitutes	301.200	4.175.411	3.632.637
	C. Other guarantees	301.300	47.454.738	46.643.673
	D. Documentary credits	301.400	6.556.840	5.519.122
	E. Assets pledged by secured guarantees on behalf of third parties	301.500	131	146
II.	**Verplichtingen met een potentieel kredietrisico**	302.000	**101.179.583**	**92.849.941**
	A. Firm commitments to make funds available	302.100	8.603.827	8.288.238
	B. Commitments in respect of spot purchases of transferable securities or other assets	302.200	1.471.092	1.256.556
	C. Available margin under confirmed credit lines	302.300	91.104.372	83.304.859
	D. Commitments to underwrite and place securities	302.400	292	288
	E. Repurchase commitments resulting from imperfect repurchase agreements	302.500	0	0
III.	**Assets entrusted to the credit institution**	303.000	**133.342.609**	**126.383.635**
	A. Held on an organized trusteeship basis	303.100	0	0
	B. Safe custody deposits and similar arrangements	303.200	133.342.609	126.383.635
IV.	**Amounts to be paid up on corporate shares**	304.000	**561.901**	**607.887**

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(in thousands EUR)		Codes	Financial year 05	Previous financial year 10
2.	**INCOME STATEMENT** *(vertical presentation)*			
I.	**Interest and similar income**	401.000	**19.122.063**	**14.405.613**
	of which : from fixed-income securities	401.001	5.051.630	4.441.189
II.	**Interest and similar charges (-)**	502.000	**(17.486.863)**	**(12.651.536)**
III.	**Income from variable-income securities**	403.000	**1.016.520**	**1.729.091**
	A. Corporate shares and units and other variable-income securities	403.100	150.409	79.592
	B. Participating interests in affiliated enterprises	403.200	841.702	1.554.079
	C. Participating interests in other enterprises linked by participating interests	403.300	7.565	65.559
	D. Other corporate shares and units constituting financial fixed assets	403.400	16.844	29.861
IV.	**Commission received**	404.000	**1.347.797**	**1.194.143**
V.	**Commission paid (-)**	505.000	**(386.220)**	**(306.464)**
VI.	**Profit from (loss on(-)) financial operations**	506.000	**467.287**	**339.309**
	A. Exchange transactions and trading in securities and other financial instruments	506.100	277.139	174.783
	B. Disposal of investment securities	506.200	190.148	164.526
VII.	**General administrative expenses (-)**	507.000	**(3.135.312)**	**(2.656.292)**
	A. Remuneration, social charges and pensions	507.100	(1.994.351)	(1.803.010)
	B. Other administrative expenses	507.200	(1.140.961)	(853.282)
VIII.	**Depreciation of and amounts written off (-)on formation expenses, intangible and tangible fixed assets**	508.000	**(172.314)**	**(149.376)**
IX.	**Write-back of amounts written off (Amounts written off(-)) on amounts receivable and write-back of provisions (provisions(-)) for the headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section**	509.000	**(263.152)**	**(95.184)**
X.	**Write-back of amounts written off (Amounts written off(-)) on the investment portfolio of bonds, shares and other fixed-income or variable-income securities**	510.000	**(2.444.691)**	**(9.189)**
XI.	**Uses and write-back of provisions for risks and charges other than those referred to by headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section**	411.000	**20.229**	**25.301**
XII.	**Provisions for risks and charges other than those covered by the headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section (-)**	512.000	**(32.464)**	**(23.939)**
XIII.	**Transfers from (Appropriation to(-)) the fund for general banking risks**	513.000	**0**	**0**
XIV.	**Other operating income**	414.000	**240.103**	**193.392**
XV.	**Other operating charges (-)**	515.000	**(243.170)**	**(193.678)**
XVI.	**Current profit (Current loss(-)) before taxes**	416.000	**(1.950.187)**	**1.801.191**

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(in thousands EUR)		*Codes*	*Financial year 05*	*Previous financial year 10*
2.	**INCOME STATEMENT** *(vertical presentation)*			
XVII.	**Extraordinary income**	417.000	**450.894**	**1.995.279**
	A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets	417.100	0	0
	B. Write-back of amounts written off on financial fixed assets	417.200	7.472	0
	C. Write-back of provisions for exceptional risks and charges	417.300	7.605	9.622
	D. Capital gains on disposal of fixed assets	417.400	424.766	1.981.150
	E. Other extraordinary income	417.500	11.051	4.507
XVIII.	**Extraordinary charges (-)**	518.000	**(40.518)**	**(104.921)**
	A. Extraordinary depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets	518.100	0	0
	B. Amounts written off on financial fixed assets	518.200	(14.398)	(1.492)
	C. Provisions for extraordinary risks and charges	518.300	(7.212)	(43.376)
	D. Capital losses on disposal of fixed assets	518.400	(2.862)	(14.684)
	E. Other extraordinary charges	518.500	(16.046)	(45.369)
XIX.	**Profit (Loss(-)) for the year before taxes**	419.000	**(1.539.811)**	**3.691.549**
XIX bis.	**A. Transfers to deferred taxes (-)**	519.100	**0**	**0**
	B. Transfers from deferred taxes	419.200	**1.324**	**5.678**
XX.	**Income taxes**	520.000	**(69.717)**	**(114.788)**
	A. Taxes (-)	520.100	(104.013)	(149.148)
	B. Adjustment of income taxes and write-back of tax provisions	420.200	34.296	34.360
XXI.	**Profit (Loss(-)) for the year**	421.000	**(1.608.204)**	**3.582.439**
XXII.	**Transfers to untaxed reserves (-)**	522.000	**0**	**0**
	Transfers from untaxed reserves	422.000	**2.382**	**10.904**
XXIII.	**Profit (Loss(-)) for the year available for appropriation**	423.000	**(1.605.822)**	**3.593.343**

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(in thousands EUR)

APPROPRIATION ACCOUNT

		Codes	Financial year 05	Previous financial year 10
A.	**Profit (Loss(-)) to be appropriated**	600.100	**1.489.656**	**4.475.278**
	1. Profit (Loss(-)) for the financial year available for appropriation	600.101	(1.605.822)	3.593.343
	2. Profit (Loss(-)) brought forward from the previous financial year	600.102	3.095.478	881.935
B.	**Transfers from capital and reserves**	600.200	**0**	**0**
	1. from capital and share premium account	600.201	0	0
	2. from reserves	600.202	0	0
C.	**Appropriations to capital and reserves (-)**	600.300	**0**	**0**
	1. to capital and share premium account	600.301	0	0
	2. to statutory reserve	600.302	0	0
	3. to other reserves	600.303	0	0
D.	**Result to be carried forward**	600.400	**(1.489.331)**	**(3.095.478)**
	1. Profit to be carried forward (-)	600.401	1.489.331	3.095.478
	2. Loss to be carried forward	600.402	0	0
E.	**Shareholders' contribution in respect of losses**	600.500	**0**	**0**
F.	**Distribution of profit (-)**	600.600	**(325)**	**(1.379.800)**
	1. Dividends (a)	600.601	0	1.379.475
	2. Directors (a)	600.602	325	325
	3. Other allocations (a)	600.603	0	0

(a) Only in limited liability companies governed by Belgian law

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(in thousands EUR)

3. ANNEXE

	Codes	Financial year 05	Previous financial year 10
I. STATEMENT OF AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS			
(heading III of the Assets)			
A. For the heading as a whole :			
1. • amounts receivable from affiliated enterprises	010	41.959.275	50.614.782
• amounts receivable from other enterprises linked	020	22	22
2. by participating interests	030	0	0
B. Other amounts receivable from on credit institutions (term or period of notice)			
(heading III B. of the Assets)			
1. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution	040	2.164.321	1.186.880
2. Breakdown of these amounts receivable by residual period to maturity :			
• up to three months	050	96.850.694	
• over three months and up to one year	060	28.428.922	
• over one year and up to five years	070	2.419.434	
• over five years	080	6.157.923	
• indeterminate period	090	2.858.028	

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(in thousands EUR)

	Codes	Financial year 05	Previous financial year 10
II. STATEMENT OF AMOUNTS RECEIVABLE FROM CUSTOMERS *(heading IV of the assets)*			
1. Amounts receivable			
• from affiliated enterprises	010	19.471.226	11.108.731
• from other enterprises linked by participating interests	020	49.500	77.806
2. Subordinated amounts receivable	030	28.808	54.805
3. Bills eligible for refinancing at the central bank of the country or countries where the credit institution is established	040	925.568	852.198
4. Breakdown of amounts receivable by residual period to maturity :			
• up to three months	050	59.234.687	
• over three months and up to one year	060	19.033.322	
• over one year and up to five years	070	17.881.242	
• over five years	080	48.898.685	
• indeterminate period	090	12.898.168	
5. Breakdown of amounts receivable by nature :			
• trade bills (including own acceptances)	100	916.002	
• amounts resulting from hire-purchase and similar claims	110	37.544	
• loans with flat-rate charges	120	1.659.783	
• mortgage loans	130	26.066.833	
• other term loans for periods of over one year	140	44.084.518	
• other amounts receivable	150	85.181.424	
6. Geographical breakdown			
• claims on Belgium	160	77.077.946	
• claims on foreign countries	170	80.868.158	
7. Analytical data concerning mortgage loans with reconstitution at the institution or coupled with life insurance and capitalization contracts			
a) the principal sums initially lent	180	0	
b) the reconstitution fund and mathematical reserves relating to these loans	190	0	
c) the net outstanding amount of these loans (a - b)	200	0	

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(in thousands EUR)

	Codes	Financial year 05	Previous financial year 10
III. STATEMENT OF BONDS AND OTHER FIXED-INCOME SECURITIES *(heading V of the assets)*			
1. Bonds and other securities issued by :			
• affiliated enterprises	010	576.958	562.259
• other enterprises linked by participating interests	020	3.170	2.155
2. Bonds and securities representing subordinated claims	030	0	0

	Codes	Belgium	Foreign countries
3. Geographical breakdown of the following headings:			
V.A. public issuers	040	8.947.951	39.647.278
V.B. other issuers	050	512.077	65.026.237

	Codes	Book value	Market value
4. Listed - Terms			
a) • listed securities	060	72.231.124	71.813.274
• unlisted securities	070	41.902.419	

	Codes	Financial year
b) • residual term up to one year	080	28.146.980
• residual term over one year	090	85.986.563

	Codes	Financial year
5. Breakdown according to whether securities belong		
a) to the commercial portfolio	100	26.661.751
b) to the investment portfolio	110	87.471.792

	Codes	Financial year
6. For the commercial portfolio :		
• positive difference between the market value and the acquisition value for bonds and securities valued at their market value, whichever is higher	120	501.951
• positive difference between the market value, when higher, and the book value for bonds and securities valued in accordance with article 35 ter § 2	130	0

	Codes	Financial year
7. For the investment portfolio		
• positive difference in respect of all securities combined whose redemption value is higher than their book value	140	286.613
• negative difference in respect of all securities combined whose redemption value is lower than their book value	150	3.159.981

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(in thousands EUR)

8. Details of the book value of the investment portfolio

	Codes	Financial year 05
a) ACQUISITION VALUE		
At the end of the previous financial year	**010**	**93.394.362**
Changes during the financial year :		
• acquisitions	020	57.116.548
• transfers	030	(59.611.459)
• adjustments made in accordance with Article 35 ter § 4 and 5	040	326.124
• exchange differences	050	(1.336.648)
At the end of the financial year	**099**	**89.888.927**
b) TRANSFERS BETWEEN PORTFOLIOS		
1. Transfers		
• from the investment portfolio to the commercial portfolio	110	0
• from the commercial portfolio to the investment portfolio	120	0
2. Impacts of these transfers on the result	130	0
c) WRITE-OFFS		
At the end of the previous financial year	**200**	**20.577**
Changes during the financial year :		
• charged	210	2.398.122
• taken back because surplus	220	(526)
• cancelled	230	(87)
• transferred from one heading to another	240	0
• exchange differences	250	(951)
At the end of the financial year	**299**	**2.471.135**
d) NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		
[a) + b)1. - c)]	399	87.471.492

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(in thousands EUR)

	Codes	Financial year 05	Previous financial year 10
IV. STATEMENT OF SHARES AND OTHER VARIABLE-INCOME SECURITIES *(heading VI of the assets)*			
1. Geographical breakdown of the issuers of the securities			
• Belgian issuers	010	180.413	
• foreign issuers	020	10.487.393	

	Codes	Book value	Market value
2. Listed			
• listed securities	030	9.628.346	9.284.723
• unlisted securities	040	1.039.460	

	Codes	Financial year
3. Breakdown according to whether securities belong		
• to the commercial portfolio	050	7.081.614
• to the investment portfolio	060	3.586.192
4. For the commercial portfolio :		
• positive difference between the acquisition value and the market value for securities valued at their market value	070	343.027
• positive difference between the market value, when higher, and the book value for securities valued in accordance with article 35 ter § 2	080	0
5. Details of the book value of the investment portfolio		
a) **ACQUISITION VALUE**		
At the end of the previous financial year	**100**	**1.267.422**
Changes during the financial year		
• acquisitions	110	3.398.387
• transfers	120	951.119)
• other changes	130	(60.615)
At the end of the financial year	**199**	**3.654.075**
b) **TRANSFERS BETWEEN PORTFOLIOS**		
1. Transfers		
• from the investment portfolio to the commercial portfolio	200	0
• from the commercial portfolio to the investment portfolio	210	0
2. Impact of these transfers on the result	220	0
c) **WRITE-OFFS**		
At the close of the previous financial year	**300**	**28.402**
Changes during the financial year		
• recorded	310	54.295
• taken back because surplus	320	(7.200)
• cancelled	330	(6.249)
• transferred from one heading to another	340	0
• exchange differences	350	(1.365)
At the end of the financial year	**399**	**67.883**
d) **NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR** [a) + b)1. - c)]	499	3.586.192

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(in thousands EUR)	Codes	*Financial Year* 05	*Previous Financial year* 10	*Financial Year* 15	*Previous Financial year* 20
		Credit institutions		*Other enterprises*	

V. STATEMENT OF THE FINANCIAL FIXED ASSETS

(heading VII of the assets)

A.1. Breakdown of headings VII A, B, C of the assets :		*Financial year*	*Previous Financial year*	*Financial year*	*Previous Financial year*
a) Economic sector of the following items :					
A. Participating interests in affiliated enterprises	010	25.603.169	10.912.565	11.567.623	11.018.463
B. Participating interests in other enterprises linked by participating interests	020	85.095	85.095	2.412.606	82.579
C. Other company shares constituting financial fixed assets	030	110	645.966	15.533	49.656

b) Listed		*Listed*	*Unlisted*
A. Participating interests in affiliated enterprises	040	1.271.941	35.898.851
B. Participating interests in other enterprises linked by participating interests	050	2.434.720	62.981
C. Other company shares constituting financial fixed assets	060	564	15.079

A.2. Details of the book value of the headings VII A,B,C of the assets at the end of the financial year	*Codes*	*affiliated enterprises (VII.A)*	*Enterprises linked by participating-interests (VII.B.)*	*other Enterprises (VII.C)*
a) ACQUISITION VALUE				
At the end of the previous financial year	100	21.916.182	170.733	702.716
Changes during the financial year				
• acquisitions	110	15.713.853	2.356.039	37
• disposals and cessation of use	120	(402.771)	(24.320)	(680.324)
• transferred from one heading to another	130	1.474	(1.693)	218
• exchange differences	140	(66.025)		0
At the end of the financial year	199	37.162.713	2.500.759	22.647
b) SURPLUSES				
At the end of the previous financial year	200	113.518	0	0
Changes during the financial year				
• recorded	210	0	0	0
• acquired from third parties	220	0	0	0
• cancelled	230	0	0	0
• transferred from one heading to another	240	0	0	0
At the end of the financial year	299	113.518	0	0
c) WRITE-OFFS				
At the end of the previous financial year	300	98.672	3.058	7.094
Changes during the financial year				
• recorded	310	14.398	0	0
• taken back because surplus	320	(7.453)	0	(19)
• acquired from third parties	330	0	0	0
• cancelled	340	(178)	0	(71)
• transferred from one heading to another	350	0	0	0
• exchange differences	360	0)	0	0
At the end of the financial year	399	105.439	3.058	7.004
d) NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR [a) + b) - c)]	499	37.170.792	2.497.701	15.643

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(in thousands EUR)

	Codes	Financial Year	Previous Financial year	Financial Year	Previous Financial year
		05	10	15	20
		Credit institutions		Other enterprises	
B. Breakdown of the heading VII D. of the assets					
1. Subordinated claims on					
• affiliated enterprises	010	19.288	19.288	7.012.283	13.387
• other enterprises linked by participating interests	020	0	0	0	0
2. Amount of subordinated claims represented by listed securities	030	0			

3. Details of the subordinated claims

	Codes	affiliated enterprises	Enterprises linked by participating-interests
Net book value at the end of the previous financial year	100	32.675	0
Changes during the financial year			
• additions	110	7.101.248	0
• repayments	120	(100.674)	0
• amounts written off recorded	130	0	0
• amounts written off taken back	140	0	0
• exchange differences	150	(1.678)	0
• other changes	160	0	0
			0
Net book value at the end of the financial year	199	7.031.571	
Cumulative amounts written off at the end of the financial year	200	0	0

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VI § 1 LIST OF ENTREPRISES IN WHICH THE CREDIT INSTITUTION HAS A PARTICIPATING INTEREST

The following list shows the enterprises in which the credit institution has a participating interest as defined in the Royal Decree of 23 September 1992, and also other enterprises in which the company holds rights representing at least ten percent of the subscribed capital.

Name, registered office, VAT nr. or national ID. No.	Shares and units held				Data extracted from the latest annual accounts available			
	directly			via subsidiaries	Annual accounts as at	Monetary units	Shareholder's equity	Net Result
	Type	Number	Annual accounts	%			(+) or (-)	(+) or (-)
ABX Luxembourg Holdings 1 S.A. Luxembourg		237.022	11,85		31/12/2006	EUR	6.343	(302)
Alendes BV, Amsterdam		1	100,00				Starting phase	
Alpha Card Watermael-Bosvoorde BE 463.926.551		735.000	50,00		31/12/2006	EUR	8.610	(251)
Alpha Credit Brussel BE 445.781.316		1.146.937	100,00		31/12/2006	EUR	86.985	19.644
ASLK-CGER Services (In liquidatie) Brussel BE 458.523.354		89	89,00				In liquidation	
Astro Management Brussel BE 430.189.456		999	99,90	0,10	31/12/2006	EUR	739	222
Banking Funding Company Brussel BE 884.525.164		22.415	36,45			EUR	Starting phase	
Banque Belgolaise N.V. Brussel BE 403.200.294	(1) (2)	449.999 119.250	100,00		31/12/2006	EUR	103.417	20.573
Bank van de post N.V. Brussel BE 456.038.471		300.000	50,00		31/12/2006	EUR	179.446	6.202
BBOF III Investors B.V. Amsterdam		24.000	12,13			EUR	Starting phase	
BCC Corporate Brussel BE 883.523.807		8.941	37,25			EUR	Starting phase	
Bedrijvencentrum Dendermonde N.V. Dendermonde BE 438.558.081		500	19,61		31/12/2006	EUR	1073	115
Bedrijvencentrum Regio Aalst N.V. Erembodegem BE 428.749.502		80	14,24		31/12/2006	EUR	686	18
Bedrijvencentrum Vilvoorde N.V. Vilvoorde BE 434.222.577		400	11,02		31/12/2006	EUR	1.046	(10)
Bedrijvencentrum Waasland N.V. Sint-Niklaas BE 427.264.214		400	16,03		31/12/2006	EUR	963	18
Bedrijvencentrum Zaventem N.V. Zaventem Zuid 8 BE 426.496.726		751	24,98		31/12/2006	EUR	333	(102)
BEM-Flemish Construction & Investment Company Bruxelles BE 461.612.904		2.793	12,05	0,03	31/12/2006	EUR	4.916	10

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Name, registered office, VAT nr. or national ID. No.	Shares and units held				Data extracted from the latest annual accounts available			
	directly			via subsidiaries	Annual accounts as at	Monetary units	Shareholder's equity	Net Result
	Type	Number	Annual accounts	%			(+) or (-)	(+) or (-)
Beta Europa Management SA Luxembourg		27.250	100,00		31/12/2006	EUR	4.999	110
BGL Reassurance S.A. Luxembourg		25.000	100,00		31/12/2006	EUR	7.762	
Brand & Licence Company Bruxelles BE 884.499.250		123	20,00			EUR	Starting phase	
Camomile Investments UK LTD London		2.000.000	100,00		31/12/2006	EUR	3.385	3.340
Camomile Ulster Investments Cayman Islands		1.356	99,97	0,03	31/12/2006		n.a	n.a
Certificat Etoile Luxembourg		1.250	25,00		31/12/2006	EUR	124	-
Certifimmo S.A. in liquidation Bruxelles BE 430.926.656		102	51,00		5/06/2007	EUR	68	613
Certifimmo II Bruxelles BE 431.434.224		64	51,20		31/12/2006	EUR	95	(8)
Certifimmo V Bruxelles BE 450.355.261		12.261	99,99	0,01	31/12/2006	EUR	1.384	1.552
China Belgium Direct Equity investment Fund Beijing		10.000.000	10,0		31/12/2006	CYN	978.554	(6.420)
Comptoir Agricole de Wallonie Nivelles BE 400.364.530		2.499	99,96	0,04	31/12/2006	EUR	1.150	390
Cooperative H2 Equity Partners Fund III U.A Amsterdam		1.220.067	24,07				Starting phase	
Coppefis Bruxelles BE 453.987.813		74	98,67	1,33	31/12/2006	EUR	228	235
Credissimo Seraing BE 403.977.482		124.999	100,00		31/12/2006	EUR	11.421	857
Crédit Social de la Province du Brabant Wallon Nivelles BE 400.351.068		11.012	12,10		31/12/2006	EUR	52	71
Demeter S.A.S Torce, France		1.120	20,65	8,90	31/12/2006	EUR	61.106	2.908
Demetris Groot-Bijgaarden BE 452.211.723		9.999	99,99	0,01	31/12/2006	EUR	2.940	493
Dikodi Amsterdam		42	100,00		31/12/2006	EUR	(15.010)	(495)

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VI § 1 LIST OF ENTREPRISES IN WHICH THE CREDIT INSTITUTION HAS A PARTICIPATING INTEREST

The following list shows the enterprises in which the credit institution has a participating interest as defined in the Royal Decree of 23 September 1992, and also other enterprises in which the company holds rights representing at least ten percent of the subscribed capital.

Name, registered office, VAT nr. or national ID. No.	Shares and units held				Data extracted from the latest annual accounts available			
	directly			via subsidiaries	Annual accounts as at	Monetary units	Shareholder's equity	Net Result
	Type	Number	Annual accounts	%			(+) or (-)	(+) or (-)
Discontokantoor van Turnhout Turnhout BE 404.154.755		10.000	100,00		31/12/2006	EUR	38	(25)
Distri-Invest Bruxelles BE 431. 242.105		102	51,00		31/12/2006	EUR	108	3
Dominet S.A. Piaseczno		15.615	100,00		31/12/2006	PLN	74.138	(3.952)
Domus Flandria Antwerpen BE 436.825.642		22.500	11,22		31/12/2006	EUR	26.545	2.301
Dryden Wealth Management (Taiwan) Ltd Taiwan		20.000.000	100,00		31/12/2006	TWD	360.232	20.951
Europay Belgium S.C. Bruxelles BE 434.197.536		13.618	39,73	0,07	31/12/2006	EUR	1.175	6.639
FB Holdings Canada Corp. Calgary, Canada		100	100,00		31/12/2006	USD	10.000	-
FB Transportation Capital LLC Wilmington, USA		5.000.000	100,00		31/12/2006	USD	10.000	24.286
FCM Private Equity II S.L .Madrid		47.725	68,18				Starting phase	
FCM Private Equity, S.L. Spain		2.914.995	99,97		31/12/2006	EUR	3.621	12.287
Fimagen Holding Paris		2.933.313	96,85	3,15	31/12/2006	EUR	192.687	30.133
Finest Bruxelles BE 449.082.680		14.793	99,99	0,01	31/12/2006	EUR	1.194	111
Fintrimo S.A Saint josse - Noode BE 0874.308.807		200	33,33	33,33	31/12/2006	EUR	94	14
Fondo Nazca II,FCR de Régimen Simplificado Madrid		61.432.105	99,02				Starting phase	
Fortis Bank A.S. Gayrettepe		941.113.753	94,11		31/12/2006	YTL	1.110.575	119.155
Fortis Bank Escritorio de Representacao Ltda Sao Paulo		990.364	88,40		31/12/2006	BRL	410	
Fortis Bank Nederland Holding. Utrecht		1.095.737	82,33	17,67	31/12/2006	EUR	6.097.000	1.177.000
Fortis Bank Polska Warszawa		16.771.155	99,19		31/12/2006	PLN	237.945	108.266
Fortis Banque France Puteaux		2.832.092	99,98		31/12/2006	EUR	339.142	19.584
Fortis Banque Luxembourg. Luxembourg		13.720.846	99,92		31/12/2006	EUR	2.403.800	580.000
Fortis Capital Canada Canada		100	100,00		31/12/2006	USD	899	970

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The following list shows the enterprises in which the credit institution has a participating interest as defined in the Royal Decree of 23 September 1992, and also other enterprises in which the company holds rights representing at least ten percent of the subscribed capital.

Name, registered office, VAT nr. or national ID. No.	Shares and units held				Data extracted from the latest annual accounts available			
	directly			via subsidiaries	Annual accounts as at	Monetary units	Shareholder's equity	Net Result
	Type	Number	Annual accounts	%			(+) or (-)	(+) or (-)
Fortis Capital Corporation Inc Stamford		1.000	100,00		31/12/2006	USD	1.869	39.581
Fortis Energy North America S.A.R.L. Luxembourg		8.630.116	100,00				Starting phase	
Fortis Film Fund S.A .Brussel		99	99,00	1,00			Staring phase	
Fortis Finance Belgium S.C.R.L. Bruxelles BE 879.866.412		8.533.312	100,00		31/12/2006	EUR	8.545.455	252.817
Fortis Financial Services LLC New York		159.992	100,00		31/12/2006	USD	223.567	18.526
Fortis Funding LLC New York		100	100,00		31/12/2006	USD		(42)
Fortis Gesbeta, SGIIC SA Madrid Spain		75.000	100,00		31/12/2006	EUR	16.149	4.711
Fortis Ifico Grand Cayman		100.000	100,00		31/12/2006	USD	2.671	53
Fortis Int'l Finance Dublin Dublin		209.368.065	79,32	20,68	31/12/2006	EUR	348.781	25.502
Fortis Investment Finance Paris France		2.099.995	100,00		31/12/2006	EUR	33.309	3.210
Fortis Lease Iberia Barcelona Spain		1.170.000	21,39	78,61	31/12/2006	EUR	25.497	(999)
Fortis Luxembourg Finance Luxembourg		19.999	100,00		31/12/2006	EUR	14.648	11.610
Fortis Pension EGFP SA Madrid Spain		130.000	100,00		31/12/2006	EUR	1.549	60
Fortis Private Equity Asia Fund Bruxelles BE 0866.161.894		22.199	100,00		31/12/2006	EUR	11.831	(830)
Fortis Private Equity Belgium Bruxelles BE 421.883.286		557.866	100,00		31/12/2006	EUR	121.564	(777)
Fortis Private Equity France S.A.S. Strasbourg		200.000	100,00		31/12/2006	EUR	411	35
Fortis Private Equity France Fund Strasbourg		38.760.000	99,90	0,10	31/12/2006	EUR	29.857	(809)
Fortis Private Investment Management Limited Londen		64.993.419	100,00		31/12/2006	GBP	18.797	(4.048)
Fortis Proprietary Investments Dublin, Ireland		9.999.999	100,00		31/12/2006	USD	54.444	16.218
Fortis Wealth Management (Hong Kong) Ltd Hong Kong		549.999	100,00		31/12/2006	HKD	284.370	33.989

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Name, registered office, VAT nr. or national ID. No.	Shares and units held				Data extracted from the latest annual accounts available			
	directly			via subsidiaries	Annual accounts as at	Monetary units	Shareholder's equity	Net Result
	Type	Number	Annual accounts	%			(+) or (-)	(+) or (-)
Fortis Wealth Management (Singapore) Ltd Singapore		9.450.000	100,00		31/12/2006	SGD	826	(1.495)
G.I.E Services Groupe Fortis France Puteaux		1	16,67	83,31				
Generale Bank Pref II Rotterdam		9.075.609	100,00		31/12/2006	EUR	(7.261)	7.261
Generale Belgian Finance Company Ltd. Hong Kong		99.999	100,00		31/12/2006	USD	8.957	1.032
Generale Branch Nominees Ltd. London		100	100,00		31/12/2006	GBP	-	-
Genfinance International N.V. Bruxelles BE 421.429.267		19.999	100,00		31/12/2006	EUR	1.252	2
G I Finance Dublin Ireland		54.600.000	100,00		31/12/2006	GBP	54.637	37
G.I.E Immobilier Groupe Fortis Paris Puteaux		1	20,00	79,98	31/12/2006	EUR		
Geschäftührung GmbH der Generale Bank Germany		1	100,00		31/12/2006	EUR		
Gudrun Xpert Bruxelles BE 477.315.422		5.200	26,00		31/12/2006	EUR	621	(129)
Heracles S.C.R.L Charleroi BE 427.178.892		4.500	13,55	0,05	31/12/2006	EUR	319	(145)
Het Werkmanshuis Tongeren BE 400.986.518		1.095	41,04		31/12/2006	EUR	1.283	45
Hypo-G, SIC (in liquidation since 01/08/2007) Bruxelles BE 461.696.244		1000	100,00		31/12/2006	EUR	68	6
I.D.P.B. Paris 414 878 777 000 13		145	96,67	2,66	31/12/2006	EUR	697	17
Immo Certrest Bruxelles BE 458.406.954		999	99,90	0,10	31/12/2006	EUR	(1.074)	17
Immo Kolonel Bourgstraat Bruxelles BE 461.139.879		1.250	50,00		31/12/2006	EUR	69	2
Immo-Beaulieu Bruxelles BE 450.193.133		500	25,00		31/12/2006	EUR	68	106
Immobilière Distri-Land Bruxelles BE 436.440.909		156	12,48		31/12/2006	EUR	167	10
Immobilière Sauvenière N.V. Bruxelles BE 403.302.739		15.741	99,99	0,01	31/12/2006	EUR	27.274	1.619

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Name, registered office, VAT nr. or national ID. No.	Shares and units held				Data extracted from the latest annual accounts available			
	directly			via subsidiaries	Annual accounts as at	Monetary units	Shareholder's equity	Net Result
	Type	Number	Annual accounts	%			(+) or (-)	(+) or (-)
Immolouneuve Bruxelles BE 416.030.426		1.000	50,00		31/12/2006	EUR	85	6
Innovation et Développement en Brabant Wallon Tubize (Saintes) BE 460.658.938		3.500	16,32		31/12/2006	EUR	700	50
Interselex N.V. Bruxelles BE 415.213.646		185.499	100,00		31/12/2006	EUR	5.531	377
Isabel N.V. Bruxelles BE 455.530.509		253.322	25,33		31/12/2006	EUR	12.206	3.569
Krediet voor Sociale Woningen Bruxelles BE 402.204.461		65.009	66,61	3,35	31/12/2006	EUR	10.879	411
La Maison Sociale de Tournai - Ath Tournai BE 402.495.065		465.570	99,72		31/12/2006	EUR	2.835	151
La Propriété Sociale de Binche - Morlanwelz Binche BE 401.198.136		23.520	20,81	0,67	31/12/2006	EUR	1.292	21
Landbouwkantoor Vlaanderen Wevelgem BE 405.460.889		499	99,80	0,20	31/12/2006	EUR	2.663	944
Landwaarts Sociaal Woonkrediet Genk BE 401.363.828		5.100	14,49		31/12/2006	EUR	14.691	753
Le Crédit Social de Tubize Tubize BE 400.344.140		400	11,43		31/12/2006	EUR	270	(30)
Le Crédit Social et les petits Propriétaires réunis Chatelet BE 401.609.593		3.347	12,38		31/12/2006	EUR	2.389	253
Le Petit Propriétaire Bruxelles		690	11,60		31/12/2006	EUR	762	8
Maredo Frankfurt-Am-Main, Germany		369.900	36,99	0,18	31/12/2006	EUR	(5.547)	578
Metropolitan Buildings N.V. Bruxelles BE434.742.734		55	15,00		31/12/2006	EUR	116	2.488
Mijn Huis Edouard Pecher Antwerpen BE 404.476.340		20.859	50,26		31/12/2006	EUR	4.115	41
Mine.Be Bruxelles BE 471.793.053		39.999	100,00		31/12/2006	EUR	2.190	3
Nazca Capital Spain		1.120.355	70,00		31/12/2006	EUR	291	120

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VI § 1 LIST OF ENTREPRISES IN WHICH THE CREDIT INSTITUTION HAS A PARTICIPATING INTEREST

The following list shows the enterprises in which the credit institution has a participating interest as defined in the Royal Decree of 23 September 1992, and also other enterprises in which the company holds rights representing at least ten percent of the subscribed capital.

Name, registered office, VAT nr. or national ID. No.	Shares and units held				Data extracted from the latest annual accounts available			
	directly			via subsidiaries	Annual accounts as at	Monetary units	Shareholder's equity	Net Result
	Type	Number	Annual accounts	%			(+) or (-)	(+) or (-)
Nazca Inversiones Spain		54.486.300	95,00	5,00	31/12/2006	EUR	59.820	15.004
Nieuwe Maatschappij Rond Den Heerd Kortrijk BE 426.351.028		2.000	23,26		31/12/2006	EUR	1.605	52
Park De Haan N.V. Bruxelles BE 438.533.436		300	15,00		31/12/2006	EUR	68	40
S.A. Berlaymont 200 N.V.(in liquidation since 12.05.2006) Bruxelles BE 441.629.617		251	14,85		31/12/2006	EUR	11.154	(844)
Shenergy Groupe Finance Company Limited Shanghai		50.000.000	10,00				Starting phase	
S.B.I. - B.M.I. Bruxelles BE 411.892.088		2.595	19,51	0,01	31/12/2006	EUR	32.215	131
St.-Jozefs Kredietmaatschappij Beringen Beringen BE 401.349.970		522	11,93		31/12/2006	EUR	19.572	560
SOWO Invest Bruxelles BE 877 279 282		875,00	87,50		31/12/2006	EUR	153	(13)
Sybetra (Into liquidation) Charleroi BE 400.398.281		62.800	76,30		31/12/2006	EUR	4.442	3.286
Titrisation Belge - Belgische effectisering N.V. Bruxelles BE 457.416.465		7.500	50,00		31/12/2006	EUR	578	(26)
Tous Propriétaires SA Erquelinnes BE 401.731.339		43.425	16,82		31/12/2006	EUR	4.908	283
Velleman International Gavere BE 866.481.994		3.997.006	69,95		31/12/2006	EUR	16.770	3.590
Via Zaventem N.V Brussel BE 892.742.765		5.100	51,00				Starting phase	
Visa Belgium S.R.C. L. Bruxelles BE 435.551.972		44	24,58	0,49	31/12/2006	EUR	266	30
Von Essen GmbH Essen, Germany		1	100,00		31/12/2006	EUR	46.000	
Wa Pei Finance Hongkong		340.997	100,00		31/12/2006	HKD	214.327	34.780

(1) ordinary shares
(2) VVPR shares

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VI. § 2 LIST OF THE ENTERPRISES FOR WHICH THE CREDIT INSTITUTION HAS UNLIMITED LIABILITY AS A SHAREHOLDER OR AS A MEMBER LIABLE WITHOUT LIMIT :

Name, full address of the HEAD OFFICE and, For the enterprises governed by Belgian law, mention of the VAT number or of the NATIONAL IDENTIFICATION NUMBER	Eventual codes (*)
Codes 05	10
ASLK-CGER Services, wolvengracht 48, 1000 Brussel BE 458.523.354	

(*) The annual accounts of the enterprise :

A. are published by deposit with the National Bank of Belgium by this enterprise ;

B. are actually published by this enterprise in another Member State of the EEC in the form prescribed in Article 3 of Directive EEC/68/151;

C. are integrated by overall consolidation or by proportional consolidation in the consolidated accounts of the credit institution compiled, audited and published in accordance with the Royal Decree of 23 September 1992 concerning the consolidated accounts of Credit institutions

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(in thousands EUR)

VII. STATEMENT OF FORMATION EXPENSES AND INTANGIBLE FIXED ASSETS

(heading VIII of the assets)

	Codes	05 Financial year
A. Detail of the formation expenses		
Net book value at the close of the previous financial year	**010**	**2.547**
Changes during the financial year :		
• New expenses incurred	020	3
• Writing down	030	(431)
• Other	040	(1.258)
• Exchange differences	050	(58)
Net book value at the close of the financial year	099	803
including :		
• formation and capital - increase expenses		
issuing expenses for loans and other start-up expenses	110	803
• reorganization expenses	120	0

B. Intangible fixed assets	Codes	05 Goodwill	10 Other intangible fixed assets	15 Including commissions for the bringing in of operations with clients Art. 27 Bis*
a) ACQUISITION VALUE				
At the close of the previous financial year	**210**	**16.193**	**51.016**	**0**
Changes during the financial year				
• acquisitions including production shown as fixed assets	220	0	52.562	0
• transfers and disposals	230	0	(76)	0
• transfers from one heading to another	240	9.918	0	0
• exchange differences	250	0	(714)	0
At the close of the financial year	**299**	**26.111**	**102.788**	**0**
b) DEPRECIATIONS AND AMOUNTS WRITTEN OFF				
At the close of the previous financial year	**310**	**9.435**	**16.156**	**0**
Changes during the financial year				
• charged	320	2.869	13.475	0
• taken back because surplus	330	0	0	0
• acquired from third parties	340	0	0	0
• cancelled	350	0	(174)	0
• transferred from one heading to another	360	8.645	15	0
• exchange differences	370	0	(581)	0
At the close of the financial year	**399**	**20.949**	**28.891**	**0**
c) NET BOOK VALUE AT THE CLOSE OF THE FINANCIAL YEAR [a) -b)]	**499**	**5.162**	**73.897**	**0**

* If this heading contains an important amount

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(in thousands EUR)

VIII. STATEMENT OF THE TANGIBLE FIXED ASSETS

(heading IX of the assets)

	Codes	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Hire-purchase and similar rights	Other tangible fixed assets	Fixed assets in course of construction and payments on account made
		05	10	15	20	25	30
a) ACQUISITION VALUE							
At the end of the previous financial year	**010**	**1.453.504**	**283.854**	**125.055**	**0**	**301.858**	**0**
Changes during the financial year							
• acquisitions including fixed assets produced	020	100.485	65.675	25.760	0	84.953	0
• disposals and cessation of use	030	(41.699)	(51.640)	(9.349)	0	(3.980)	0
• transferred from one heading to another	040	(642)	(111)	111	0	642	0
• exchange differences	050	(94)	(1.651)	(414)	0	(1.244)	0
At the end of the financial year	**099**	**1.511.554**	**296.127**	**141.163**	**0**	**382.229**	**0**
b) CAPITAL GAINS							
At the end of the previous financial year	**110**	**275.472**	**14**	**10**	**0**	**13.464**	**0**
Changes during the financial year							
• recorded	120	0	0	74	0	0	0
• acquired from third parties	130	0	0	0	0	0	0
• cancelled	140	(741)	0	0	0	(1.821)	0
• transferred from one heading to another	150	0	0	0	0	0	0
At the end of the financial year	**199**	**274.731**	**14**	**84**	**0**	**11.643**	**0**
c) DEPRECIATIONS AND AMOUNTS WRITTEN OFF							
At the end of the previous financial year	**210**	**1.109.920**	**192.851**	**71.551**	**0**	**190.251**	**0**
Changes during the financial year							
• recorded	220	69.823	51.938	9.902	0	24.307	0
• taken back because surplus	230	0	(93)	(30)	0	0	0
• acquired from third parties	240	0	0	0	0	15	0
• cancelled because surplus	250	(34.939)	(51.182)	(9.370)	0	(12.790)	0
• transferred from one heading to another	260	(376)	155	(155)	0	376	0
• exchange differences	270	(8)	(1.272)	(269)	0	(1.144)	0
At the end of the financial year	**299**	**1.144.420**	**192.397**	**71.629**	**0**	**201.015**	**0**
d) NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR [a) + b) - c)]	**399**	**641.865**	**103.744**	**69.618**	**0**	**192.857**	**0**
including							
• land and buildings	410				0		
• installations, machines and tools	420				0		
• furniture and vehicles	430				0		

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(in thousands EUR)	*Codes*	*Financial year 05*
IX. OTHER ASSETS		
(heading XI of the assets)		
Breakdown of this heading if it represents a substantial amount		
• premiums paid in advance on derivatives	010	7.761.653
• suspense accounts	020	2.490.416
• recovery on income taxes	030	22.048
• claims on invoices	040	88.419
	050	0
	060	0
	070	0
X. DEFERRED CHARGES AND ACCRUED INCOME		
(heading XII of the assets)		
1. Charges to be carried forward	110	298.572
2 Accrued income	120	50.516.599

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(in thousands EUR)	Codes	Financial year 05	Previous Financial year 10
XI. STATEMENT OF AMOUNTS PAYABLE TO CREDIT INSTITUTIONS			
(heading 1 of the liabilities)			
A. For the heading as a whole :			
• amounts payable to affiliated enterprises	010	40.219.467	24.200.801
• amounts payable to other enterprises linked by participating interests	020	22	0
B. Breakdown of amounts payable other than at sight by residual period to maturity (heading I.B. and C. of the liabilities)			
• up to three months	110	152.112.035	
• over three months and up to one year	120	19.305.490	
• over one year and up to five years	130	499.285	
• over five years	140	73.038	
• indeterminate period	150	0	
XII. STATEMENT OF AMOUNTS PAYABLE TO CUSTOMERS			
(heading II of the liabilities)			
1. Amounts payable to			
• affiliated enterprises	210	7.107.090	6.813.014
• other enterprises linked by participating interests	220	79.721	32.901
2. Geographical breakdown of amounts payable :			
• to Belgium	310	97.079.868	
• to foreign countries	320	79.715.962	
3. Breakdown by residual period to maturity :			
• at sight	410	41.895.610	
• up to three months	420	59.139.640	
• over three months and up to one year	430	12.699.094	
• over one year and up to five years	440	9.712.318	
• over five years	450	12.875.626	
• indeterminate period	460	40.473.542	

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(in thousands EUR)	*Codes*	*Financial year* 05	*Previous Financial year* 10
XIII. STATEMENT OF AMOUNTS PAYABLE REPRESENTED BY A SECURITY			
(heading III of the liabilities)			
1. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable :			
• to affiliated enterprises	010	3.219.242	2.592.170
• to other enterprises linked by participating interests	020	0	0
2. Breakdown by residual period to maturity :			
• up to three months	110	20.510.318	
• over three months and up to one year	120	7.191.375	
• over one year and up to five years	130	12.526.159	
• over five years	140	2.478.642	
• indeterminate period	150	105.786	
XIV. STATEMENT OF OTHER AMOUNTS PAYABLE			
(heading IV of the liabilities)			
1. Tax, wage and salary and social amounts payable :			
a) amounts payable due to tax administrations	210	0	
b) amounts payable due to N.S.S.O.	220	0	
2. Taxes			
a) payable	230	91.764	
b) estimated tax amounts payable	240	0	
3. Other amounts payable			
Breakdown of this sub-heading if it represents a substantial amount			
• premiums received on derivatives	310	9.959.667	
• suspense accounts	320	1.435.638	
• remunerations and social-security charges not paid	330	661.074	
• debts resulting from profit appropriation	340	4.415	
	350	0	

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(in thousands EUR)	Codes	Financial year 05
XV. ACCRUED CHARGES AND DEFERRED INCOME		
(heading V of the liabilities)		
1. Charges to be assigned	010	48.668.425
2. Income to be carried forward	020	106.836
XVI. PROVISIONS FOR RISKS AND CHARGES		
(heading VI. A. 3. of the liabilities)		
Breakdown of this sub-heading if it represents a substantial amount		
• provisions for guaranteed commitments	110	379.464
• provisions for open claims	120	94.210
• provisions for restructuration within the scope of the integration of bank activities of the Fortis group	130	33.687
• provisions for personnel	150	21.615

XVII. STATEMENT OF THE SUBORDINATED AMOUNTS PAYABLE *(heading VIII of the liabilities)*	Codes	Financial year 05	Previous Financial year 10
A. For the heading as a whole :			
• amounts payable to affiliated enterprises	210	3.514.851	3.488.127
• amounts payable to other enterprises linked by participating interests	220	0	0
B. Charges in respect of subordinated amounts payable	310	675.662	

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(in thousands EUR)

	Codes	05 amount	10 number of shares
XVIII. STATEMENT OF CAPITAL			
A. SHAREHOLDERS' EQUITY			
1. Subscribed capital (heading IX. A. of the liabilities)			
• at the end of the previous financial year	010	3.111.839	160.404.065
• changes during the financial year :	020	0	0
Capital increase	030	1.581.713	81.531.598
....	040	0	0
....	050	0	0
....	060	0	0
• **at the end of the financial year**	**099**	**4.693.552**	**241.935.663**
2. Representation of the capital			
2.1 Categories of shares common	110	4.693.552	241.935.663
....	120	0	0
....	130	0	0
....	140	0	0
....	150	0	0
2.2 Registered shares and bearer shares			
• Registered	160	xxxxxxxxxx	159.283.477
• Bearer	170	Xxxxxxxxxx	82.652.186

	Codes	*amounts of uncalled capital*	*called capital not paid up*
B. UNCALLED CAPITAL			
Shareholders liable for payment in full			
....	210	0	0
....	220	0	0
....	230	0	0
....	240	0	0
....	250	0	0
(if necessary, continuation on page ....)			
TOTAL	**299**	**0**	**0**

	Codes	*amount of own shares*	*corresponding number of shares*
C. OWN SHARES HELD			
• by the company itself	310	0	0
• by its subsidiaries	320	0	0
D. SHARE-ISSUE COMMITMENTS			
1. Resulting from the exercice of conversion			
• amount of the convertible loans outstanding	410	0	0
• amount of the capital to be subscribed	420	0	0
• the corresponding number of shares to be issued	430	0	0
2. Resulting from the exercice of subscription			
• number of subscription rights in circulation	440	0	0
• amount of the capital to be subscribed	450	0	0
• the corresponding number of shares to be issued	460	0	0
E. UNSUBSCRIBED AUTHORIZED CAPITAL	510	1.280.736	0

	Codes	*number of equity units*	*number of votes attaching thereto*
F. EQUITY UNITS ISSUED WHICH ARE NOT REPRESENTATIVE OF THE CAPITAL including			
• the units held by the company itself	610	0	0
• the units held by its subsidiaries	620	0	0

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(in thousands EUR)

XIX. BREAKDOWN OF BALANCE SHEET TOTAL AND TOTAL LIABILITIES BETWEEN EUR & FOREIGN CURRENCIES

	Codes	*05*	*10*
		in EUR	*in foreign currencies (EUR equivalent)*
TOTAL ASSETS	**010**	**386.387.361**	**151.303.221**
TOTAL LIABILITIES	**020**	**381.942.616**	**155.747.966**

XX. TRUSTEE OPERATIONS REFERRED TO IN ARTICLE 27ter, § 1 paragraph 3

(in thousands EUR)

	Codes	*Financial year* *05*
Relevant headings of the assets and liabilities		
....	110	0
....	120	0
....	130	0
....	140	0
....	150	0
....	160	0
....	170	0
....	180	0
....	190	0
....	200	0
....	210	0
....	220	0
....	230	0

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(in thousands EUR)

(1) Amount registered or book value of the real estate encumbered if the latter is lower
(2) Amount registered
(3) Book value of the assets pledged
(4) Amount of the assets in question

XXI. STATEMENT OF THE GUARANTEED LIABILITIES AND COMMITMENTS

Real guarantees provided or irrevocably promised
by the credit institution from its own assets

(in thousands EUR)

	Codes	*Mortgages (1)*	*Pledging of goodwill (2)*	*Pledging of other assets (3)*	*Guarantees established on future assets (4)*
		05	*10*	*15*	
a) as security for liabilities and commitments of the credit institution					
1. Headings of liabilities					
• amounts owed as a result of commitments and advances	010	0	0	163.668.383	0
•	020	0	0	0	0
•	030	0	0	0	0
•	040	0	0	0	0
•	050	0	0	0	0
2. Off-balance sheet headings					
•	110	0	0	0	0
•	120	0	0	0	0
•	130	0	0	0	0
•	140	0	0	0	0
•	150	0	0	0	0
b) as security for liabilities and commitments of third parties					
1. Headings of assets					
• amounts owed as a result of commitments and advances	210	0	0	0	0
•	220	0	0	0	0
•	230	0	0	0	0
•	240	0	0	0	0
•	250	0	0	0	0
2. Off-balance sheet headings					
•	310	0	0	0	0
•	320	0	0	0	0
•	330	0	0	0	0
•	340	0	0	0	0
•	350	0	0	0	0

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(in thousands EUR)	Codes	Financial year 05	Previous Financial year 10
XXII. STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS WHICH MAY GIVE RISE TO A CREDIT RISK			
(headings I and II of the off-balance sheet section)			
• Total of contingent liabilities on behalf of affiliated enterprises	010	6.409.752	7.690.847
• Total of contingent liabilities on behalf of other enterprises linked by participating interests	020	0	46
• Total commitments to affiliated enterprises	030	2.077.902	2.682.867
• Total commitments to other enterprises linked by participating interests	040	55.950	1.480
XXIII. DETAILS CONCERNING OPERATING RESULTS			
(headings I and II of the off-balance sheet section)			
A. 1. Staff under contract			
a) Total number of staff at the end of the financial year	101	22.171	22.083
b) Average number of staff in full-time equivalents	102	20.242	19.948
c) Effective hours worked	103	27.171.445	26.187.227
1bis Hired staff and staff put at the disposal of the company			
a) Total number employed at the end of the financial year	200	167	188
b) Average number employed in full-time equivalents	201	104	80
c) Effective hours worked	202	195.150	150.324
d) Personnel expenses incurred by the company (in thousands EUR)	203	6.487	6.310
2. Personnel expenses			
a) Remunerations and direct company benefits	210	1.451.619	1.321.404
b) Employer's social insurance contributions	220	357.702	330.579
c) Employer's premiums for non-statutory insurances	230	138.914	116.140
d) Other personnel expenses	240	45.133	31.165
e) Pensions	250	983	3.722
3. Provisions for pensions			
a) appropriations	310	360	97
b) uses and write-backs	320	1	50
B. 1. Other operating incomes (heading XIV of the income statement) which represent a substantial amount			
• rent	410	19.825	23.904
• miscellaneous recoveries	420	169.112	29.272
• inventory costs	430	8.885	21.079
• postage expenses of accounts	440	11.599	11.513
• collection of debts	450	22.200	26.138
• other	460	8.482	7.378
2. Other operating charges (heading XV of the income statement)			
• taxes	510	140.655	131.643
• other operating charges	520	102.515	62.035
Breakdown of the other operating charges if they represent a substantial amount			
• inventory costs	610	0	0
• expenses related to a subordinated liability	620	0	0
C. Operating income and charges in respect of affiliated enterprises			
• Income	710	9.642.144	6.199.647
• Charges	720	8.798.902	5.191.369

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(in thousands EUR)

XXIII. DETAILS CONCERNING OPERATING RESULTS (CONTINUATION)

		Financial year		*Previous financial year*	
	Codes	*05*	*10*	*15*	*20*
D. Breakdown of operating income by origin		*Belgian establishments*	*Establishments abroad*	*Belgian establishments*	*Establishments abroad*
I. Interests and similar income	010	16.009.598	3.112.465	12.162.349	2.243.264
III. Income from variable-income securities					
• Shares, units and other variable-income securities	110	116.121	34.288	70.250	9.342
• Participating interests in affiliated enterprises	120	312.867	528.835	25.924	1.528.155
• Participating interests in other enterprises linked by participating interests	130	3.782	3.783	7.530	58.029
• Other shares constituting financial fixed assets	140	270	16.574	167	29.694
IV. Commissions received	210	1.133.733	214.064	1.062.479	131.664
VI. Profit from financial operations					
• from exchange and trading in securities and other financial instruments	310	479.898	(202.759)	112.341	62.442
• from realization of investment securities	320	174.440	15.708	159.691	4.835
XIV. Other operating incomes	410	123.389	116.714	114.197	79.195

Analysis of dividends (captions III B and C of income statement) according to the location of the branches concerned

EU countries	849.267
Non-EU countries	0

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(in thousands EUR)

XXIV. STATEMENT OF FORWARD OFF-BALANCE SHEET OPERATIONS IN SECURITIES, FOREIGN CURRENCIES AND OTHER FINANCIAL INSTRUMENTS REPRESENTING LIABILITIES WHICH MAY GIVE RISE TO A CREDIT RISK WITHIN THE MEANING OF HEADING II OF THE OFF-BALANCE SHEET SECTION

(in thousands EUR)

	Codes	amount at the end of financial year end	of which transactions not constituting hedging transactions
		05	10
Types of operations (a)			
1. ON SECURITIES			
forward purchases and sales of securities and negotiable instruments	010	507.807	507.558
2. ON FOREIGN CURRENCIES (b)			
• forward foreign exchange operations	110	237.841.406	229.160.941
• interest-rate and currency swaps	120	19.201.399	18.412.404
• currency futures	130	141.190	141.190
• currency options	140	68.326.038	68.315.834
• forward exchange rate contracts	150	12.319.263	12.309.678
3. ON OTHER FINANCIAL INSTRUMENTS			
1. Forward interest-rate transactions (c)			
• interest-rate swaps	210	1.646.619.073	1.567.593.020
• interest-rate futures	220	84.264.050	84.264.050
• forward interest-rate contracts	230	29.924.878	29.910.878
• interest-rate options	240	1.725.994.021	1.724.708.314
2. Other forward purchases and sales (d)			
• other option contracts	310	86.785.886	82.728.897
• other futures operations	320	17.811.895	17.812.084
• other forward purchases and sales	330	7.117.809	3.816.026

(a) See the valuation rules for the definition of the operations
(b) Amounts to be delivered
(c) Nominal/notional reference amount
(d) Purchase/selling price agreed between the parties

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(in thousands EUR)

XXIV Bis. STATEMENT OF FORWARD OFF-BALANCE SHEET OPERATIONS IN SECURITIES, FOREIGN CURRENCIES AND OTHER FINANCIAL INSTRUMENTS REPRESENTING LIABILITIES WHICH MAY GIVE RISE TO A CREDIT RISK WITHIN THE MEANING OF HEADING II OF THE OFF-BALANCE SHEET SECTION (further)

(in thousands EUR)

Estimated effect on results of exemption from the valuation rule referred to in article 36 BIS, section 2, relating to interest rate

	amount at end of period (a)	*difference between market value and carrying value (b)*
types of interest rate futures		
a) as part of cash management	224.192.311	308
b) as part of asset and liabilities management	25.777.119	265.480
c) operations without reductions of the risk (LOCOM)	Not applicable on 31/12/2007	Not applicable on 31/12/2007

(a) nominal/notional reference amount

(b) + : positive difference between the market value and results already accounted for

- : negative difference between the market value and results already accounted for

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(in thousands EUR)	*Codes*	*Financial year 05*
XXV. EXTRAORDINARY RESULT		
A. • Capital gains obtained in respect of the transfer of fixed assets to affiliated enterprises	010	2.244
• Capital losses suffered in respect of the transfer of fixed assets to affiliated enterprises	020	392
B. Other extraordinary results :		
(heading XVII. E. of the income statement)		
Breakdown of this heading if it represents a substantial amount		
• Reorganisation plan	110	9.644
•	120	0
•	130	0
•	140	0
•	150	0
Other extraordinary charges		
(heading XVIII. E. of the income statement)		
Breakdown of this heading if it represents a substantial amount		
• Reorganisation plan	210	15.465
•	220	0
•	230	0
•	240	0
•	250	0
XXVI. INCOME TAXES		
A. Breakdown of heading XX.A. of the income statement		
1. Taxes on the result of the financial year		
a. Taxes and withholding taxes due or paid	310	88.910
b. Surplus of tax payments or withholding taxes brought to assets	320	(1.201)
c. Estimated additional tax liabilities (recorded under heading IV. of the liabilities)	330	0
2. Taxes on the result of previous financial years		
a. Additional taxes due or paid	410	16.304
b. Additional taxes estimated (recorded under heading IV. of the liabilities) or transferred to provisions (recorded under heading VI. A.2. of the liabilities)	420	0
B. MAIN SOURCES OF DISPARITIES BETWEEN PROFIT BEFORE TAXES as shown in the accounts and the ESTIMATED TAXABLE PROFIT, with special mention of those resulting from the differences in time between the accounting profit and the tax profit. (if the result for the financial year is appreciably influenced by this from the standpoint of taxation)		
• Non-accepted expenses	510	46.048
• Movements of reserves	520	8.040
• Increase/decrease on shares and units	530	(680.721)
• Income finally assessed for tax	540	(730.013)
•	550	0

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(in thousands EUR)	*Codes*	*Financial year* 05	*Previous Financial year* 10
XXVI. INCOME TAXES (CONTINUATION)			
C. INCIDENCE OF THE EXTRAORDINARY RESULTS ON THE AMOUNT OF TAX ON THE RESULT FOR THE FINANCIAL YEAR			
•	010	(272)	(19.342)
•	020	0	0
•	030	0	0
D. SOURCES OF DEFERRED TAX			
1. Deferred taxes representing assets :			
• restructuring plans	110	10.510	56.502
•	120	0	0
•	130	0	0
•	140	0	0
•	150	0	0
2. Deferred taxes representing liabilities :			
• potential fiscal claims relating to revaluations surplusses on buildings of ex-Krediet aan de Nijverheid	210	1.693	2.380
• taxes on realised capital gains spread over time	220	5.094	8.302
XXVII. OTHER TAXES PAYABLE BY THIRD PARTIES			
A. VALUE ADDED TAXES, EQUALIZATION TAXES AND Special taxes charged during the financial year :			
1. to the enterprise (deductible)	310	275.814	143.173
2. by the enterprise	320	52.044	57.480
B. AMOUNTS WITHHELD PAYABLE BY THIRD PARTIES IN RESPECT OF :			
1. Payroll withholding taxes	410	374.303	367.204
2. Withholding tax on investment income	420	310.149	251.370

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(in thousands EUR)

	Codes	Financial year 05
XXVIII. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS NOT COVERED BY THE STATEMENTS INCLUDED IN THIS SECTION OR BY THE HEADINGS OF THE OFF-BALANCE SHEET SECTION		
A. Major commitments for the acquisition of fixed assets	010	0
•	020	0
•	030	0
•	040	0
Major commitments for the transfer of fixed assets	110	0
•	120	0
•	130	0
•	140	0
B. Important legal proceedings and other important commitments	210	0
•	220	0
•	230	0
•	240	0
C. Liabilities relating to supplementary retirement and survivorship system pension in favour of personnel or managerial staff, and measures taken to meet the charges resulting from it		
310 See text annexed		
320		
330		
340		
Pensions the service of which is to be met by the enterprise itself		
• Estimated amount of the commitments resulting for it from benefits already provided	410	0
• Bases and methods of this estimation	420	0
XXIX. FINANCIAL RELATIONS WITH		
A. DIRECTORS AND MANAGERS		
B. PHYSICAL PERSONS OR CORPORATE BODIES WHO OR WHICH DIRECTLY OR INDIRECTLY CONTROL THE INSTITUTION BUT WHO OR WHICH DO NOT CONSTITUTE AFFILIATED ENTERPRISES		
C. THE OTHER ENTERPRISES DIRECTLY OR INDIRECTLY CONTROLLED BY THE ABOVE-MENTIONED PERSONS OR BODIES		
A. 1. Existing receivables on them	510	765
2. Contingent liabilities in their favour	520	0
3. Other significant commitments entered into in their favour	530	0
Main conditions with regard to the headings A1, A2 and A3.		
....		
....		
B. 1. Direct and indirect remunerations and pensions charged against the income statement, provided that this entry does not relate exclusively or mainly to the situation of a single identifiable person :		
• to directors and managers	610	7.315
• to former directors and managers	620	166

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(in thousands EUR)

4. STAFF SURVEY

Number of the social consulting committees governing the company *310*

I. DETAILS OF STAFF EMPLOYED

A. STAFF UNDER CONTRACT

	Codes	1. Full-time financial year	2. Part-time financial year	3. Total (T) or total in full-time equivalents (FTE) financial year	4. Total (T) or total in full-time equivalents (FTE) Previous financial year
1. During the current and previous financial year					
Average number of staff	100	16.258	5.961	20.241,8 (FTE)	19.948,5 (FTE)
Effective hours worked	101	23.099.953	4.071.492	27.171.445 (T)	26.187.227 (T)
Personnel expenses (in thousands EUR)	102	1.331.880	312.822	1.644.702 (T)	1.538.647 (T)
Benefits in addition to wages	103	xxxxx	xxxxx	0 (T)	0 (T)

	Codes	1. Ful-time	2. Part-time	3. Total in full-time equivalents
2. At the end of the financial year				
a. Number of employees listed in the staff register	105	16.267	5.904	20.217,3
b. Breakdown by type of employment contract				
• Contract of unlimited duration	110	15.615	5.892	19.557,7
• Contract of limited duration	111	644	10	650,3
• Contract for a clearly defined project	112	0	0	0,0
• Temporary replacement	113	8	2	9,3
c. Breakdown by sex				
• Men	120	10.004	1.643	10.979,6
• Women	121	6.263	4.261	9.237,7
d. Breakdown by professional occupation				
• Management	130	1.786	67	1.836,8
• Employees	131	14.459	5.835	18.357,2
• Manual workers	132	0	0	0,0
• Other	133	22	2	23,3

B. TEMPORARY STAFF AND PERSONS AVAILABLE TO THE COMPANY

	Codes	1. Hired personnel	2. Personnel put at the disposal
During the financial year			
• Average number employed	150	104,2	0
• Effective hours worked	151	195.150	0
• Cost for the company (in thousands EUR)	152	6.487	0

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(in thousands EUR)

II. STATEMENT OF STAFF CHANGES DURING THE FINANCIAL YEAR

			1.	2.	3.
		Codes	*Full-time*	*Part-time*	*Total in full-time equivalents*
A. NEW EMPLOYMENT CONTRACTS					
a. Number of staff engaged during the financial year		205	2.837	64	2.882,8
b. Breakdown by type of employment contract					
• Contract of undefined duration		210	1.227	62	1.271,5
• Contract of defined duration		211	1.610	2	1.611,3
• Contract for a clearly defined project		212	0	0	0,0
• Interim substitution contract		213	0	0	0,0
c. Breakdown by sex and schooling degree					
• Men :	- primary school	220	0	0	0,0
	- secondary school	221	199	11	209,5
	- higher non-academic degree	222	419	3	420,0
	- academic degree	223	728	2	727,1
• Women :	- primary school	230	2	0	1,8
	- secondary school	231	288	19	303,9
	- higher non-academic degree	232	571	13	579,5
	- academic degree	233	630	16	641,0
B. EMPLOYMENT CONTRACTS TERMINATED					
a. Number of staff for which the staff register shows a date during the financial year on which their employment contract was terminated		305	2.193	620	2.527,1
b. Breakdown by type of employment contract					
• Contract of undefined duration		310	755	615	1.086,3
• Contract of defined duration		311	1.436	5	1.438,8
• Contract for a clearly defined project		312	0	0	0,0
• Interim substitution contract		313	2	0	2,0
c. Breakdown by sex and schooling degree					
• Men :	- primary school	320	10	10	17,4
	- secondary school	321	283	262	463,1
	- higher non-academic degree	322	341	52	353,1
	- academic degree	323	472	16	445,2
• Women :	- primary school	330	14	6	19,5
	- secondary school	331	371	212	545,6
	- higher non-academic degree	332	359	38	353,6
	- academic degree	333	343	23	329,6
d. Breakdown by raison for termination of employment contract					
• Pension		340	155	523	423,3
• Early retirement		341	0	0	0,0
• Dismissal		342	132	22	148,1
• Other reason		343	1.906	75	1.955,7
of which : the number of employees who continue to work or the company as an independent on at least a half-time basis		350	0	0	0,0

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(in thousands EUR)

III. UTILIZATION OF GOVERNMENT EMPLOYMENT MEASURES	Codes	Number of staff involved 1 Number	2 In full-time equivalents	3 Financial benefits
MEASURES PROMOTING EMPLOYMENT				
1. Measures involving financial benefits (1)				
1.1. Advantage plan (to promote hiring of job searchers belonging to risk groups)	414	0	0,0	0
1.2. Conventional half-time prepension	411	0	0,0	0
1.3. Full-time career interruption	412	0	0,0	0
1.4. Reduction of the working hours (part-time career interruption)	413	0	0,0	0
1.5. Maribel	415	0	0,0	0
1.6. Structural reduction of social security charges	416	22.643	19.723,9	46.672
1.7. Professional transition programmes	417	0	0,0	0
1.8. Service jobs	418	0	0,0	0
1.9. Convention work-training	503	0	0,0	0
1.10. Learning contract	504	0	0,0	0
1.11. First job experience contracts	419	0	0,0	0
2. Other measures				
2.1. Traineeships for young people	502	0	0,0	
2.2. Measures concerning successive contracts of employment concluded for a defined period	505	348	345,6	
2.3. Conventional prepension	506	0	0,0	
2.4. Reduction of personal social security contribution for employees with low wages	507	1.445	1.021,8	
Number of staff involved by one or more measures in favour of the employment :				
• total of the financial year	550	22.643	19.723,9	
• total of the previous financial year	560	22.745	19.435,2	

IV. STAFF PARTICIPATING IN TRAINING PROGRAMMES	Codes	Men	Codes	Women
Figures referring to all training programmes at the expense of the company				
1. Number of trainees	5801	7.385	5811	6.865
2. Number of training hours	5802	275.772	5812	282.150
3. Expenses for the enterprise	5803	32.743	5813	33.500

V. ACTIVITIES OF TRAINING, GUIDANCE OR MENTORSHIP GIVEN BY EMPLOYEES (APPLICATION OF LAW OF SEPTEMBER 5, 2001 TO IMPROVE EMPLOYMENT RATE OF EMPLOYEES)

	Codes	Men	Codes	Women
Activities of formation, guidance or mentorship				
1. Number of employees who exercise these activities	5804	0	5814	0
2. Number of hours spent on these activities	5805	0	5815	0
3. Number of employees who followed these activities	5806	0	5816	0

(1) Financial benefits for the employer with regard to the employed job holder or his substitute

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(in thousands EUR)

UNCALLED AMOUNTS ON PARTICIPATING INTEREST AND SHAREHOLDINGS
in implementation of Art. 29 § 1

Heading	Company name	*Uncalled amount*
VII. A	Fortis Private Equity Belgium	32.438
	Fortis Private Asia Fund	9.000
	Sowo Invest	73
	Fintrimo	50
	Total	**41.561**
VII. B	Bem-Flemish constr & invest	519
	ViaZaventem	144
	Landwaarts Sociaal Woonkrediet (Voor Eigen Woon Genk)	80
	Credit Socail du Brabant wallon	16
	Crédit Social et les Petits Propriétaires Réunis Châtelet	4
	Total	**763**
VII. C	La Maison de l'Entreprise Mons	15
	Leenmij arr Roeselare	12
	Uw Eigen Huis der Vlaanderen Zottegem	6
	Le Crédit hypothécaire O. Bricoult Châtelet	4
	Eigen Huis Brugge	3
	Eigen Huis Durmestreek Lokeren	2
	Ons Eigen Huis Neerpelt	1
	Le Crédit des Travailleurs Philippeville	1
	Total	**44**

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XXVIII. RIGHTS AND OBLIGATIONS NOT STATED ON THE BALANCE SHEET AND COVERED BY THE FOREGOING SECTION OR THE OFF-BALANCE SHEET ITEMS

C. Where appropriate, a brief description is given of the supplementary retirement and survival pension for employees or directors, stating the measures taken to cover the resultant costs.

I. **Brief description of the pension systems**

Four pension systems are in operation within Fortis Bank.

A. The first pension system applies for employees who joined the Bank before 1 January 2002 and who are not Fortis Bank directors (ex-ASLK, ex-Generale Bank and Fortis Bank).
This system comprises :

1) A basic defined benefit plan providing the following benefits :
   - retirement benefit payable at the retirement age (60 years), which takes into account the actual statutory pension of the member;
   - benefit payable on death before retirement age and orphan's benefit;
   - disability benefit.
2) A supplementary plan (only for the category ex-ASLK) of the defined contribution type, with compulsory contributions by the member, providing additional retirement and death benefit.

B. The second system applies for employees who joined the Bank on or after 1 January 2002 and who are not Fortis Bank directors (only the category Fortis Bank). This system, with compulsory contributions by the member, is a defined contribution system for the retirement pension and a defined benefit system for the death, orphan's and disability benefit.

C. The third system applies for employees in the category ex-KN. It is a defined contribution system for the retirement benefit and a defined benefit system for the death, orphan's and disability benefit.

D. The fourth system applies for Fortis Bank directors. It is a defined benefit system which provides the following benefits :
- retirement benefit payable at the retirement age (65 years), with the pension capital varying according to job grade;
- benefit payable on death before retirement age and orphan's benefit;
- disability benefit.

II. Brief description of the measures taken by the company to cover the resultant costs

A. The costs of the pension system are covered by :
- a not-for-profit pension fund for accrued entitlements (for the employer's contibutions) as at 31 December 2001 for the categories ex-Generale Bank and Fortis Bank; the pension fund is financed Entirely by the employer;
- a collective insurance with Fortis Insurance Belgium (ex FB-Verzekeringen nv) for the other benefits as at 31 December 2001 for the categories ex-Generale Bank and Fortis Bank;
- a collective insurance with FB-Verzekeringen nv for the other benefits.
  1) For the commitments under I.A.1), the employer pays monthly contributions to the Financing Fund of the collective insurance (calculated as a fixed percentage of salaries), monthly contributions to the Pension Fund and the premiums in respect of the various early retirement schemes.
  2) For the commitments under I.A.2), the contributions are split equally between employees and the employer.

B. The costs of the second system are covered by a collective insurance taken out with Fortis Insurance Belgium (ex FB Verzekeringen nv).
Employees pay a monthly personal contribution depending on their salary.
The employer pays a monthly contribution to the Financing Fund of the collective insurance.

C. The costs of the third system are covered by a collective insurance with Fortis Insurance Belgium (ex Fortis AG nv). The employer pays a monthly collective insurance premium as well as premiums in respect of the various early retirement schemes

D. The costs of the fourth system are covered by a collective insurance taken out with AXA. The employer pays a monthly collective insurance premium into the Financing Fund of the collective insurance.

Summary of valuation rules for the non-consolidated annual accounts

General principles

Fortis Bank's valuation rules comply with the rules laid down in the Royal Decree of 23 September 1992 on the non-consolidated and consolidated annual accounts of credit institutions.
The valuation rules of Fortis Bank are the same as last year.

The following summary gives further details of the valuation rules used for the major components in the balance sheet and income statement.

Assets

Loans and advances to credit institutions and customers
Loans and advances to credit institutions and customers are posted in the balance sheet for the initial amount paid less subsequent repayments and related allowances. All expenses paid to third parties for bringing in transactions with customers are fully recognised in the accounting period in which they incurred.

Any difference between the nominal value of the loans and advances and the amounts originally granted is posted on an accrual basis as interest income or expense in the income statement.
Other receivables are recognised at their nominal value.

Allowances for doubtful loans and for loans with an uncertain future are booked in proportion to a part considered as unrecoverable based on objective sources of information. Once a loan has been classified as doubtful or uncertain, related interests are normally no longer included in the income statement.
The required allowances are recorded for countries listed by the Banking, Finance and Insurance Commission. These are based on Fortis Bank Group rules, corresponding minimally to the rules set out by the Banking, Finance and Insurance Commission. In addition, the bank sets up allowances for other countries with risk exposure.
The valuation rules provide for the possibility to set up an internal security fund up to cover well-defined risks, possibly arising in the future, but which can not yet be individualised.

Bonds and shares
Securities or receivables represented by marketable securities are included in the trading portfolio if they are acquired with the intention to sell them back based on their return over a period which normally does not exceed six months.
Trading securities are valued at market value if traded on a liquid market. In absence of a liquid market, they are valued at the lower of cost (all costs included, provisions received deducted) or market value.

The fixed-income securities in the investment portfolio are recognized on basis of its yield-to-maturity. The difference between the acquisition cost (all costs included, provisions received deducted) and the redemption value is accrued in the income statement, The gains and losses realised on the sale of fixed-income securities are immediately recognised in the income statement. If however they are realised on arbitrage transactions, they may be accrued, in accordance with the provisions of article 35ter §5 of the Royal Decree of 23 September 1992.

Shares in the investment portfolio are valued at the lower of cost (all costs included, provisions received deducted) or market value, with all differences recognised in the income statement.
If the debtor has a risk of non-payment, write-downs are made as for doubtful loans or loans with an uncertain future.

Financial fixed assets

Financial fixed assets are stated at cost. A write-off is recorded where a decrease in value is permanent. Where financial fixed assets are financed with borrowed funds, the exchange differences on the borrowed funds are not recognised in the income statement.
Incremental costs are taken directly to the income statement.

Formation expenses and intangible fixed assets

Start-up costs are activated and depreciated on a straight-line basis over 5 years.
Capital increase costs are charged directly to the result.
The issuing costs of subordinated loans are depreciated on a straight-line basis over the duration of the loan. The issuing costs of perpetual loans are depreciated on a straight-line basis over 5 years, or over the length of the period before the date of the first call, if this date is earlier.
Costs relating to software developed by the bank itself or relating to standard or specific software acquired from third parties are booked directly to the income statement as general expenses. If it is certain that the economic life of specific software purchased from a third party is more than one year, the economic life being mainly determined by the risk of technological changes and commercial developments, this software can be booked to assets and depreciated on a straight-line basis over the estimated useful life, with a maximum of five years.
The other intangible fixed assets are depreciated over maximum 10 years.
The Bank makes no use of the option to capitalise commissions paid to third parties for bringing in transactions with clients with a contractual period exceeding one year.

Tangible fixed assets

Tangible fixed assets are recognised on the assets side of the balance sheet at cost, including ancillary cost and non-recoverable indirect taxes, less depreciation.
Depreciation occurs on a straight-line basis over the estimated economic life.
Revaluation of tangible fixed assets is allowed, provided that the value clearly and durably exceeds their book value.

Other assets

Among other items this account includes deferred tax assets.
Deferred tax assets cannot be recognised. However, the Belgian Banking, Finance and Insurance Commission permits the recognition of deferred tax assets relating to restructuring costs, including in relation to social plans.

Liabilities

Amounts owed to credit institutions and customers

The debts to credit institutions and customers are posted in the balance sheet for the initial amount received, less subsequent repayments. All expenses paid to third parties for bringing in deposits are fully recognised in the accounting period in which they incurred.

Debt securities issued

Debt securities issued with fixed capitalisation are posted for the original amount plus capitalised interests.

Other liabilities

Among other items this account includes all debts to personnel related to salaries and other social security charges incurred during the present accounting period and paid in the next accounting period.

Provisions for risks and charges

Provisions for pensions and similar social obligations are formed in accordance with Belgian legal requirements.
Provisions for deferred tax liabilities can only be recognised as provided for in Belgian accounting legislation and royal decrees.

Fund for general banking risks

Setting up the fund for general banking risks is based on a defined method, approved by the Board of Directors, applied systematically and based on the weighted volume of credit and market risks for the banking business.

Income statement

Interest income and charges

Interest revenues and charges are recognised when earned or due. Once a loan has been classified as doubtful or uncertain, related interests are normally reserved and no longer included in the income statement. The actuarial depreciation of the difference between the acquisition cost and the redemption price of fixed-income securities from the investment portfolio is also included in the interest revenues.

Income from variable-income securities

Revenues on shares and participations are recognised as from the moment the dividend distribution is communicated to the bank.

Derivatives

The derivatives results are recorded differently depending on the type of transaction.

a) Hedging Transactions

Transactions that protect against the risk of fluctuation in exchange rates, interest rates or prices. Gains and losses are recorded in the income statement symmetrically to the results of the hedged components in order to, entirely or partially, neutralise their impact.

To be considered as a hedge, transactions must comply with the following conditions :

- The hedged component or the hedged homogeneous set should expose the bank to a fluctuation risk of exchange rates, interest rates or prices.
- The hedge transactions must be specifically indicated from inception, as well as the hedged components.
- Sufficient correlation is required between the value fluctuations of the hedged component and the hedging transaction (or the underlying instrument).

As soon as a transaction does not meet the conditions to be considered as a hedge, then it should be recorded at its fair value.

b) Trading Transactions

All transactions made in connection with the current trading activities that do not meet the requirements to be classified as hedging, are valued at market prices, with both gains and losses recognised in the income statement. If the market is not liquid, only the losses are posted to the income statement.

c) Some forward interest rate transactions are valued in accordance with other valuation methods, based on derogation from the Banking, Finance and Insurance Commission, in conformity with article 18 of the Royal Decree of 23 September 1992 :

- Transactions concluded within the framework of the treasury management, with an initial maturity of a maximum of 1 year.
- Transactions concluded within the framework of balance sheet and off-balance sheet transactions, conducted with the objective of reducing the interest rate risk and documented as such.
- Transactions concluded within the framework of strategic ALM-transactions in EUR or a currency belonging to the European Monetary Union.

These 3 categories are valued by recording the related result on an accrual basis.
Transactions concluded within the framework of a global management, without the objective of reducing the interest rate risk ; these transactions are valued on an accrual basis, with the condition that the potential losses resulting from the valuation at market value are recorded in the income statement.

Foreign currencies

When valuing foreign currencies, a distinction is made between the monetary and non-monetary items. Monetary items are assets and liabilities, including accruals and deferrals, rights and commitments that represent a specific amount of money in a foreign currency, as well as shares and other non-fixed income securities in the trading portfolio. Monetary items are converted at the average rate (average of bid and ask rate on the spot exchange market) at the closing date. Items settled at specific currency rates must be valued at those specific average rates. The resulting exchange differences are posted in the income statement (with the exception of exchange gains on foreign currencies for which no liquid market exists).

Tangible, intangible and financial fixed assets are considered to be non-monetary items and are recorded at cost based on the exchange rate at the date of acquisition. When non-monetary items, exposed to a foreign exchange risk, are financed on a permanent basis with borrowed funds in the same currency, the translation differences on the borrowed funds are not recognised in the income statement. Profit and loss components in foreign currencies are converted into euro in the income statement, at the spot exchange rate at the time of recognition as income or expense

Report of the accredited statutory auditors

Fortis Bank S.A./N.V.

Joint Statutory Auditors’ report to the General Shareholders’ Meeting on the annual accounts as of and for the year ended 31 December 2007

19 March 2008

JOINT STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS’ MEETING ON THE ANNUAL ACCOUNTS OF FORTIS BANK NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2007

As required by law and the company’s articles of association, we report to you in the context of our appointment as the company’s statutory auditors. This report includes our opinion on the annual accounts and the required additional disclosures.

Unqualified opinion on the annual accounts

We have audited the annual accounts of Fortis Bank NV as of and for the year ended 31 December 2007, prepared in accordance with the financial reporting framework applicable in Belgium, and which show a balance-sheet total of EUR (000) 537.690.582 and a loss for the year of EUR (000) 1.605.822.

The company's board of directors is responsible for the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the annual accounts contain material misstatements, whether due to fraud or error. In making this risk assessment, we have considered the company’s internal control relating to the preparation and fair presentation of the annual accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the annual accounts taken as a whole. Finally, we have obtained from the board of directors and company officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the annual accounts give a true and fair view of the company’s net worth and financial position as of 31 December 2007 and of its results for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Additional remarks

The company's board of directors is responsible for the preparation and content of the management report, and for ensuring that the company complies with the Companies' Code and the company's articles of association.

Our responsibility is to include in our report the following additional remarks, which do not have any effect on our opinion on the annual accounts:

- The management report deals with the information required by the law and is consistent with the annual accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the company, the state of its affairs, its foreseeable development or the significant influence of certain events on its future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

- We have no knowledge / are unaware of any transactions undertaken or decisions taken in breach of the company's statutes or the Companies' Code such as we would be obliged to report to you. The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.

Brussels, 19 March 2008

PricewaterhouseCoopers Bedrijfsrevisoren BCVBA	Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren BCVBA
The statutory auditor Represented by	The statutory auditor Represented by
L. Discry Partner	O. Macq Partner

Other locally required information

1 Shareholder base

On the 1st of January 2007, Fortis Brussels, a company with limited liability, having its registered seat at Rue Royale 20, 1000 Brussels, held 160.088.979 of the 160.404.065 shares that were issued by Fortis Bank. This represented approximately 99,80% of the issued capital. The origine of this participation has been described in former annual reports.

During an extraordinary general shareholders meeting held on 14 December 2007, the shareholders of Fortis Bank have decided, , to increase the capital with an amount of EUR 1.369.449.428 by issuing 70.229.352 ordinary registered shares. This capital increase has been fully paid up by Fortis Brussels, by contribution in kind of two Non-Cumulative Preference Shares B in Fortis Bank Nederland (Holding) N.V., a Dutch company with limited liability. These two Non-Cumulative Preference Shares B were valued at EUR 14.600.000.000. The difference between the value of these shares and the capital increase was booked on the Share Premiums account.

Declaration article 608 Companies Code.

On 18 December 2007, the Board of Directors of Fortis Bank has decided, within the limits of the authorised capital, to increase the capital with an amount of EUR 219.263.572,40 by issuing 11.302.246 ordinary registered shares. On 19 December 2007, this capital increase has been fully paid up by the Fortis Brussels, by contribution in cash of an amount of EUR 2.349.623.920,94. The difference between the contribution in cash and the amount of the capital increase was booked on the Share Premiums account.

This capital increase was linked to the issue by the company of Convertible And Subordinated Hybrid Equity-Linked Securities (“CASHES”) for an amount of EUR 3.000.000.000.

The funds contributed as such were used by the company for the purchase of 125.313.283 Fortis Shares. At the same time the abovementioned debt instrument CASHES was issued by the company (with Fortis SA/NV and Fortis N.V. as Co-obligors). The acquired Fortis Shares are pledged on behalf of and are the sole recourse for the holders of the CASHES with regard to the principal amount of this debt instrument. At the time they were issued by Fortis SA/NV and Fortis N.V., these Fortis Shares were subscribed by an investment bank and subsequently sold to the company. Fortis SA/NV and Fortis N.V. have contributed the proceeds of this capital increase to Fortis Brussels which in turn has capitalized Fortis Bank for an amount of EUR 2.349.623.920,94, which was used by Fortis Bank for the acquisition of the 125.313.283 Fortis Shares of the investment bank.

The proceeds of the CASHES were used to refinance part of the short-term funding taken up by Fortis Bank in connection with the ABN AMRO acquisition as well as to strengthen the solvency of both Fortis Bank and Fortis Group. Pursuant to the approval of the Banking, Finance and Insurance Commission, the impact of the CASHES allowed an amount equal to the proceeds thereof to qualifiy in its entirety at the level of Fortis Bank (solo) as (i) core equity for an amount equal to the contribution (EUR 2.349.623.920,94) and (ii) as non-innovative TIER 1 equity within the 33% limit for the difference between the amount of the CASHES (EUR 3.000.000.000) and the amount of the contribution.

Due to the structuring of the debt instrument CASHES, the cancellation of the preference right of the existing shareholders of Fortis Bank was necessary in order to enable the timely execution of the first steps of putting in place the issue of the CASHES (being the different capital increases).

From the above, it appears that Fortis Brussels possesses currently 241.620.577 of the 241.935.663 Fortis Bank shares. This represents approximately 99,87% of the issued capital.

2 Monthly high and low for Fortis Bank shares on the weekly auctions in 2007

The monthly high and low for Fortis Bank shares on the weekly auctions of Euronext Brussels in 2007 were as follows (in EUR) :

Month	Low	High
January	152.00	154.00
February	154.00	154.00
March	150.00	156.00
April	151.90	158.20
May	145.00	151.10
June	149.90	151.30
July	150.10	150.10
August	145.00	150.10
September	146.00	150.00
October	144.00	145.90
November	144.30	145.90
December	145.10	145.10

3 External posts held by directors and executives that are subject to a legal disclosure requirement

Pursuant to Article 27 of the Law of 22 March 1993 on the status and supervision of credit institutions and the attendant ruling by the Belgian Banking, Finance and Insurance Commission relating to external posts held by Executives of credit institutions and investment companies, the Bank's Board of Directors has adopted "Internal regulations for Directors and Effective Leaders of Fortis Bank SA/NV holding external posts".

Inter alia, these regulations stipulate that external posts held by the Bank's Effective Leaders and Directors in companies other than those falling within the scope of Article 27, § 3, para 3, of the Law of 22 March 1993 shall be disclosed in the annual management report.

The term " Effective Leaders" refers to members of the Management Committee and persons in positions at a level immediately below the said Committee, including Managers of foreign branches.

As regards "external posts" – ie, principally posts as Director of a company – that are subject to disclosure, this involves posts held in companies other than family property companies, "management companies", undertakings for collective investment or companies with which the bank has close links as part of the Group.

Surname, forename *Post* **Company** **(Headoffice)**	**Business Activity** **(Post)**	**Listing**	**Bank's Stake if ≥ 5%**
Filip DIERCKX (Member of the Management Committee)			
DIP N.V. (Antwerp)	Management services (Director)	-	-
Informatieverwerkende Diensten van het VEV N.V. (Antwerp)	Administrative services (Director)	-	-
SD Diensten N.V. (Antwerp)	Training & Management services (Director)	-	-
SD Software Solutions N.V. (Antwerp)	IT services (Director)	-	-
Jozef DE MEY *(Director)*			
Credimo Holding N.V. (Asse)	Portfolio company Director)	-	-
J. Zinner S.A. (Brussels)	Public relations (Director)	-	-
Joop FEILZER (Director)			
CTP Property N.V. (Amsterdam –NL-)	Real estate (Vice-chairman of the Supervisory Board)	-	-
Henderson Eurotrust Plc. (London -GB-)	Investment company (Director)	London Stock Exchange	-
Stichting Administratiekantoor Cumulatief Preferente Aandelen Pan Holdings B.V. (Nijkerk -NL-)	Administration of shares (Member of the Board of Directors)	-	-
Jean MEYER *(Director)*			
Arbed S.A. (Luxembourg -L-)	Iron and steel (Director)	-	-
Bourse de Luxembourg S.A. (Luxembourg -L-)	Stock exchange (Director)	-	12,39% (through FBL)
Cargolux Airlines International S.A. (Luxembourg -L-)	Airfreight (Director)	-	-
Clearstream International S.A. (Luxembourg -L-)	Clearing house (Director)	-	-
International Shipowners Reinsurance Company S.A. (Luxembourg -L-)	Reinsurance (Director)	-	-
Luxair S.A. (Luxembourg -L-)	Air transport (Director)	-	12,15% (through FBL)

Surname, forename *Post* **Company** **(Headoffice)**	**Business Activity** **(Post)**	**Listing**	**Bank's Stake if ≥ 5%**
Jean STEPHENNE *(Director)*			
Aseptic Technologies S.A. (Rixensart)	Pharmaceutical industry (Director)	-	-
Besix S.A. (Brussels)	Construction (Director)	-	-
GlaxoSmithKline Biologicals S.A. (Rixensart)	Pharmaceutical industry (Chairman of the Board of Directors)	-	-
GlaxoSmithKline Biologicals Manufacturing S.A. (Rixensart)	Pharmaceutical industry (Director)		-
Groupe Bruxelles Lambert S.A. (Brussels)	Investment company (Director)	Euronext Brussels	-
Henogen S.A. (Charleroi)	Pharmaceutical industry (Director)	-	-
Ion Beam Applications S.A. (Louvain-la-Neuve)	Technology (Director)	Euronext Brussels	-
Nanocyl S.A. (Namur)	Chemicals (Director)	-	-
Vesalius Biocapital I S.A., SICAR (Luxembourg –L-)	Risk capital (Chairman of the Board of Directors)	-	-
Robert van OORDT *(Director)*			
Draka Holding N.V. (Amsterdam -NL-)	Cable Telecommunications (Member of the Supervisory Board)	Euronext Amsterdam	-
Schering-Plough Corp. (Kenilworth -USA-)	Pharmaceutical industry (Director)	NYSE, Deutsche Börse	-
Unibail-Rodamco S.A. (Paris -F-)	Real estate investment (Chairman of the Supervisory Board)	Euronext Amsterdam & Paris	-
Luc VANSTEENKISTE *(Director)*			
- Compagnie Mobilière et Foncière du Bois Sauvage S.A. (Brussels)	Investment company (Director)	Euronext Brussels	-
- Delhaize Group S.A (Brussels)	Chain store (Director)	Euronext Brussels, NYSE	-
- Recticel S.A. (Brussels)	Chemicals (Managing Director) (1)	Euronext Brussels	-
Rec-Hold S.A. (Brussels)	Holding company (Director) (1)	-	-
Sioen N.V. (Ardooie)	Textiles (Director) (1)	Euronext Brussels	-
Spector Photo Group N.V. (Wetteren)	Photo-finishing (Chairman of the Board of Directors) (1)	Euronext Brussels	-
Telindus Group S.A. (Brussels)	Telecommunications (Chairman of the Board of Directors) (2)	-	-
Ter Beke N.V. (Waarschoot)	Food (Director) (1)	Euronext Brussels	-
	(1) Through Vean S.A (2) Through LMCL S.C.A.		

Surname, forename *Post* **Company** **(Headoffice)**	**Business Activity** **(Post)**	**Listing**	**Bank's Stake if ≥ 5%**
Peter FOO *(General Manager Singapore Branch)*			
Cityspring Infrastructure Management Pte Ltd (Singapore)	Infrastructure (Director)	Singapore	-
Robert SCHARFE *(General Manager Global Markets)*			
Bourse de Luxembourg S.A. (Luxembourg -L-)	Stock exchange (First Vice-Chairman of the Board of Directors)	-	12.39% (through FBL)
Edit SZIRAKI *(General Manager Budapest Branch)*			
Celestica Likvidtas Menedzsment Magyarorszag Kft. (Budapest -H-)	Treasury management services (Director)	-	-
Thomas WRANGDAHL *(General Manager Stockholm Branch)*			
Vind Equity Funds AB (Lund –S-)	Management company (Director)	-	-
Vind Equity Funds AB (Lund –S-)	Management company (Director)	-	-
Vind MAP AB Lund –S-)	Management company (Director)	-	-
Vind Private Equity AB (Lund –S-)	Management company (Director)	-	-

Glossary and abbreviations

Amortised cost
The amount at which a financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation/accretion of any premium/discount, and minus any write-down for impairment.

Asset backed security
A bond or a note backed by loan paper (not being mortgages) or accounts receivable.

Associate
A company in which Fortis has significant influence but which it doesn't control.

Basis point (bp)
One hundredth of a percentage point (0.01%).

Cash-flow hedge
A hedge to mitigate the exposure to variability in cash flows of a recognised asset or liability, or forecasted transaction, that is attributable to changes in variable rates or prices.

Clean fair value
The fair value excluding the unrealised portion of the interest accruals.

Clearing
Administrative settlement of securities, futures and options transactions through a clearing organisation and the financial institutions associated with it (clearing members).

Core capital
Total available capital at group level (based on the banking definition of Tier 1 capital).

Credit spread
The yield differential between government bonds and corporate bonds or credits.

Custody
An agreement, usually between an investor and a bank (or possibly an agent or a trust company), whereby the investor deposits for safekeeping securities, gold or other valuables with the bank, which in turn takes the valuables into safekeeping for a fee.

Derivative
A financial instrument such as a swap, a forward, a future contract and an option (both written and purchased). This financial instrument has a value that changes in response to changes in various underlying variables. It requires little or no net initial investment, and is settled at a future date.

Discounted cash flow method
An approach to valuation, whereby projected future cash flows are discounted at an interest rate that reflects the time value of money and a risk premium that reflects the extra return investors demand for the risk that the cash flow might not materialise after all.

Embedded derivative
A derivative instrument that is embedded in another contract - the host contract. The host contract might be a debt or equity instrument, a lease, an insurance contract or a sale or purchase contract.

Employee benefits
All forms of considerations given by an entity in exchange for service rendered by employees, in addition to their pay or salary.

Factoring
A form of corporate financing in which a company transfers outstanding debts to a factoring company that, for a fee, assumes responsibility for the debtor records, risk coverage and financing.

Fair value
The amount for which an asset (liability) can be bought (incurred) or sold (settled), between knowledgeable, willing parties in an arm's length transaction.

Fair value hedge
A hedge of an exposure to changes in the fair value of a recognised asset or liability (or a portion thereof) or a firm commitment. The exposure is attributable to a particular risk and will affect reported net income.

Finance lease
A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Goodwill
This represents the excess of the fair value of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination over Fortis' interest in the fair value of assets acquired and liabilities and contingent liabilities assumed.

Hedge accounting
Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item.

IFRS
International Financial Reporting Standards, used as a standard for all listed companies within the European Union as of 1 January 2005 to ensure transparent and comparable accounting and disclosure.

Impairment
A decline in value whereby the carrying amount of the asset exceeds the recoverable amount. In such a case, the carrying amount will be reduced to its recoverable amount through the income statement.

Intangible asset
An identifiable non-monetary asset which is recognised at cost if and only if it will generate future economic benefits and if the cost of the asset can be measured reliably.

Investment property
Property held by Fortis to earn rental income or for capital appreciation.

ISO Currency code list

AUD	Australia, Dollars
CAD	Canada, Dollars
CHF	Switzerland, Francs
CNY	China, Yuan Renminbi
DKK	Denmark, Kroner
GBP	Britain (United Kingdom), Pounds
JPY	Japan, Yen
MYR	Malaysia, Ringgits
SEK	Sweden, Kronor
THB	Thailand, Baht
TRY	Turkey, New Lira
TWD	Taiwan, New Dollars
USD	United States of America, Dollars
ZAR	South Africa, Rand

Joint venture
A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Macro hedge
A hedge used to eliminate the risk of a portfolio of assets.

Market capitalisation
Value attributed to the company by the stock market. Market capitalisation corresponds to the number of shares outstanding multiplied by the share price at a given time.

Net-investment hedge
A hedge used to reduce the financial risks of a reporting entity's share in the net assets of a foreign entity by entering into transactions that give an offsetting risk profile.

Notional amount
Amount of currency units, number of shares, a number of units of weight or volume or other units specified in a derivative contract.

Operating lease
A contract that allows the use of an asset against periodic payments, but does not convey rights similar to legal ownership of the asset and where the financial risks related to the asset are with the issuer of the lease contract.

Option
A privilege sold by one party to another that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security at an agreed-upon price during a certain period of time or on a specific date.

Private equity
Equity securities of companies that are not listed on a public exchange. Investors looking to sell their stake in a private company have to find a buyer in the absence of a marketplace.

Provision
Provisions are liabilities involving uncertainties in the amount or timing of payments. Provisions are recognised if there is a present obligation to transfer economic benefits, such as cash flows, as a result of past events and a reliable estimate can be made at the balance sheet date.

Qualifying capital
The liability components that qualify as Tier 1 capital (equity) under banking prudence regulations.

Reverse repurchase agreement
The purchase of securities with an agreement to resell them at a higher price at a specific future date.

Securities lending transaction
A loan of a security from one counterparty to another, who must eventually return the same security as repayment. The loan is often collateralized. Securities lending allows an entity in possession of a particular security to earn enhanced returns.

Subordinated bond (loan)
A loan (or security) that ranks below other loans (or securities) with regard to claims on assets or earnings.

Subsidiary
Any company, of which Fortis, either directly or indirectly, has the power to govern the financial and operating policies so as to obtain the benefits from its activities ('control').

Suretyship
A bond issued by an entity on behalf of a second party, guaranteeing that the second party will fulfil an obligation or series of obligations to a third party. In the event that the obligations are not met, the third party will recover its losses via the bond.

Tier 1 ratio
Core capital of a bank expressed as a percentage of the risk-weighted balance sheet total.

Trade date
The date when Fortis becomes a party to the contractual provisions of a financial asset.

VaR
Abbreviation of value at risk. A technique which uses the statistical analysis of historical market trends and volatilities to estimate the likelihood that a given portfolio's losses will exceed a certain amount.

Venture capital
In general, it refers to financing provided by investors to startup firms and small businesses with perceived, long-term growth potential.

Abbreviations

ALM	Asset and liability management
CGU	Cash generating unit
Euribor	Euro inter bank offered rate
IBNR	Incurred but not reported
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
OTC	Over the counter
SPE	Special purpose entity