

BASE PROSPECTUS



Solid partners, flexible solutions

FORTIS FINANCE N.V.

(INCORPORATED UNDER THE LAWS OF THE NETHERLANDS, HAVING ITS REGISTERED OFFICE AT ARCHIMEDESLAAN 6, 3584 BA UTRECHT, THE NETHERLANDS AND REGISTERED WITH THE TRADE REGISTER OF THE CHAMBER OF COMMERCE AND INDUSTRY AT UTRECHT, WITH FILE NUMBER 30055940)

Jointly and Severally Guaranteed by

FORTIS SA/NV

(INCORPORATED AS A PUBLIC COMPANY WITH LIMITED LIABILITY ("SOCIÉTÉ ANONYME/NAAMLOZE VENNOOTSCHAP") UNDER THE LAWS OF BELGIUM, HAVING ITS REGISTERED OFFICE AT RUE ROYALE/KONINGSSTRAAT 20, 1000 BRUSSELS, BELGIUM AND REGISTERED IN THE REGISTER OF LEGAL ENTITIES OF BRUSSELS ("REGISTRE DES PERSONNES MORALES/ RECHTSPERSONENREGISTER"), WITH ENTERPRISE NUMBER 0451 406 524)

FORTIS N.V.

(INCORPORATED AS A PUBLIC LIMITED COMPANY ("NAAMLOZE VENNOOTSCHAP") UNDER THE LAWS OF THE NETHERLANDS, HAVING ITS REGISTERED OFFICE AT ARCHIMEDESLAAN 6, 3584 BA UTRECHT, THE NETHERLANDS AND REGISTERED WITH THE TRADE REGISTER OF THE CHAMBER OF COMMERCE AND INDUSTRY AT UTRECHT, WITH FILE NUMBER 30072145)

EUR 15,000,000,000

EURO MEDIUM-TERM NOTE PROGRAMME

Under this EUR15,000,000,000 Euro Medium Term Note Programme (the "Programme"), Fortis Finance N.V. (the "Issuer") may from time to time issue notes (the "Notes") denominated in any currency agreed with the relevant Dealer (as defined below). Notes may be issued as unsubordinated obligations, dated subordinated obligations or undated subordinated obligations of the Issuer.

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed EUR 15,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuous basis to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). References in this Base Prospectus to the "relevant Dealer" shall, in relation to any issue of Notes, be to the Dealer or Dealers agreeing to purchase such Notes.

This Base Prospectus has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "CSSF"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "Prospectus Directive") and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg loi relative aux prospectus pour valeurs mobilières of 10 July 2005 and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Application has been made for the Notes issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange under the Prospectus Directive. Application will be made to Euronext Amsterdam N.V. ("Euronext Amsterdam") for Notes issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus to be admitted to listing and trading on Euronext Amsterdam. The CSSF will be requested to provide the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the "AFM") (in its capacity as the competent authority for the purposes of the Prospectus Directive) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. Details of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined herein) of Notes will be set forth in a set of final terms (the "Final Terms") which, with respect to Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange, and in the case of Notes admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system, to such listing authority, stock exchange and/or quotation system as the case may be. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. Under the Luxembourg Law on Prospectuses for Securities, which implements the Prospectus Directive, prospectuses relating to an offering to the public or to the admission to trading on a regulated market of money market instruments, with a maturity at issue of less than 12 months that also comply within the definition of securities are not subject to the approval provisions of such law and do not have to be approved by the CSSF.

The Notes have not been and will not be registered under the United States Securities Act 1933, as amended, (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "Subscription and Sale" below).

The Notes of each Tranche will be in bearer form and (unless otherwise specified in the applicable Final Terms) will initially be represented by a temporary global Note which will be deposited on the issue date thereof with a common depositary on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and/or any other agreed clearing system and which will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon prior notice or at any time, or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined on page 54) all as further described in "Provisions Relating to the Notes whilst in Global Form" and "Form of the Final Terms" below.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary base prospectus will be prepared.

Arranger

FORTIS BANK
Dealers

ABN AMRO

BARCLAYS CAPITAL

CALYON CORPORATE AND INVESTMENT BANK

FORTIS BANK

HSBC

LEHMAN BROTHERS

THE ROYAL BANK OF SCOTLAND

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

BNP PARIBAS

CITIGROUP

GOLDMAN SACHS INTERNATIONAL

JPMORGAN

SG CORPORATE & INVESTMENT BANKING

UBS INVESTMENT BANK

The date of this Base Prospectus is 18 November 2005 and this Base Prospectus replaces the offering circular dated 3 September 2004.

This Base Prospectus is valid for a period of 12 months only from the date of publication.

INTRODUCTION

Responsibility Statement

Each of the Issuer and Fortis SA/NV, a “*société anonyme/naamloze vennootschap*” under Belgian law, and Fortis N.V. (the “*Guarantors*”) accepts responsibility for the information contained in this Base Prospectus. The Issuer and the Guarantors declare that, having taken all reasonable care to ensure that such is the case, the information contained herein is to the best of their knowledge in accordance with the facts and contains no omission likely to affect its import.

Notice

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

Each of the Issuer and the Guarantors has confirmed to the Dealers that this Base Prospectus is true, accurate and complete in all material respects and is not misleading; that the opinions and intentions expressed therein are honestly held and based on reasonable assumptions; that there are no other facts in relation to the information contained or incorporated by reference in this Base Prospectus the omission of which would, in the context of the Programme or the issue of the Notes, make any statement therein or opinions or intentions expressed therein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. Each of the Issuer and the Guarantors has further confirmed to the Dealers that this Base Prospectus (together with the relevant Final Terms) contains all such information as may be required by all applicable laws, rules and regulations.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any supplement hereto or any information supplied by the Issuer or the Guarantors or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantors or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer or a Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantors and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) and will be in bearer form and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

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

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 15,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euros at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealership Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under “*Subscription and Sale*”.

In connection with the issue and distribution of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or any other regulated

market as defined in Directive 93/22/EEC, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

Until Directive 2003/6/EC is implemented or if Notes are exclusively traded or to be traded on a non-regulated market in The Netherlands, such stabilising, when conducted by a Dutch stabilising manager anywhere in the world or by a non-Dutch stabilising manager in The Netherlands will be conducted in accordance with the rules of the Further Conduct of Business Regulation to the Dutch Securities Market Supervision Act (*Nadere Regeling gedragstoezicht effectenverkeer 2002*) and will in any event be discontinued within 30 days after the Issue Date. Stabilisation transactions conducted on the stock market of Euronext Amsterdam must be conducted by a member of Euronext Amsterdam.

In this Base Prospectus, unless otherwise specified, references to a “*Member State*” are references to a Member State of the European Economic Area, and references to “*EUR*” or “*euro*” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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SUMMARY

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. No civil liability attaches to the Issuer or the Guarantors in any Member State which has implemented the Prospectus Directive solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Essential characteristics and risks associated with the Issuer and the Guarantors

Fortis Finance N.V. (the “**Issuer**”) is a wholly owned indirect subsidiary of Fortis SA/NV and Fortis N.V., and was incorporated under the laws of The Netherlands on 28 June 1977.

The Issuer operates as the window to the financial markets for Fortis entities only, and utilises the capital markets to raise funding, including the European commercial paper markets and the Euro medium term note market.

At 31 December 2004, the Issuer had EUR 488 million (based on Dutch GAAP) outstanding under a EUR 4 billion Euro Commercial Paper Program and the amount outstanding under this Programme was EUR 8,919 million (based on Dutch GAAP). In addition, the Issuer has a standby multi currency credit facility in aggregate for EUR 1 billion. At year-end 2004 no amounts were outstanding under this credit line; the credit line matures on 26 May 2009.

During 2004, the Euro Commercial Paper Program was reduced from EUR 8 billion to EUR 4 billion, while a previously available US\$ 1 billion US Commercial Paper Program was withdrawn in March 2004 concurrently with the completion of the Assurant, Inc. IPO. On the same date the credit line was brought down from EUR 2 billion to EUR 1 billion.

The Issuer has no employees of its own. Its activities are performed by employees of group companies of Fortis.

Fortis SA/NV and Fortis N.V. (the “**Guarantors**”) are holding companies, incorporated for an unlimited duration in Belgium and The Netherlands, respectively. The Guarantors are the parent companies of the Fortis group (“**Fortis**”), an international financial services group active in the fields of banking and insurance. Fortis offers its private, business and institutional customers a comprehensive package of products and services through its own distribution channels, in cooperation with intermediaries and through other distribution partners. Its multi-channel distribution strategy gives Fortis the flexibility to meet its customers’ needs for optimum availability and user-friendliness.

Fortis occupies a leading position in all market segments in the Benelux countries. It offers internationally operating companies throughout Europe an integrated network and provides wealthy individuals and businesspeople with advanced services based on a unique set of competences. Fortis’ expertise in niche markets such as shipping, commodity, export and project finance and fund administration has made the company a regional or world leader in these areas. Fortis also successfully combines its banking and insurance expertise in growth markets in Europe and Asia and leads the markets in Spain and Portugal.

With a market capitalisation of EUR 26.5 billion and total assets of EUR 571 billion (based on Belgian GAAP/FAP), as at 31 December 2004, Fortis ranks among the twenty largest financial institutions in Europe. Its sound solvency position, broad risk spread and ambitious, professional workforce of 51,000 enable Fortis to combine global strength with local flexibility to provide optimum support to its customers.

Fortis is listed on the exchanges of Amsterdam, Brussels and Luxembourg and has a sponsored over-the-counter ADR programme in the United States.

Fortis intends to rank among the top financial institutions in Europe, with the enlarged European Union as its home market and with selective expansion in Asia and North America. Fortis therefore aims to become a fully-integrated financial service provider, building on its two profitable core competencies, banking and

insurance, and gaining an excellent strategic position with satisfactory critical mass in each business. This will be achieved by means of a combination of organic growth, acquisitions and strategic partnerships.

Fortis N.V. is incorporated as a public limited liability company (“*naamloze vennootschap*”) under Dutch law, with its corporate seat in Utrecht, The Netherlands.

Fortis N.V. is one of the two Fortis listed companies (the other being Fortis SA/NV). The corporate object of Fortis N.V. is mainly to acquire interests in enterprises and to manage and finance the same. Fortis N.V. holds 50 per cent. of the shares and voting rights in Fortis through its 50 per cent. shareholding in Fortis Brussels (which controls the vast majority of Fortis’ banking interests) and in Fortis Utrecht N.V. (which controls the vast majority of Fortis’ insurance interests).

The authorised share capital of Fortis N.V. amounts to EUR 1,528,800,000 and is divided into 1,820,000,000 ordinary shares and 1,820,000,000 preference shares each with a nominal value of EUR 0.42 per share. The preference shares will only be in registered form. On 31 December 2004, 1,301,104,005 ordinary shares (twinned with an equal number of Fortis SA/NV shares) were issued and outstanding. All issued and outstanding ordinary shares are fully paid up. No preference shares are currently outstanding.

The Board of Directors of Fortis N.V. consists of the same persons as the Fortis Board of Directors.

Fortis SA/NV is a public company with limited liability incorporated in the form of a “*société anonyme / naamloze vennootschap*” under Belgian law, with its registered office in Brussels.

Fortis SA/NV is one of the two Fortis listed companies (the other being Fortis N.V.). The corporate object of Fortis SA/NV is mainly to acquire interests in enterprises and to manage and finance the same.

Fortis SA/NV holds 50 per cent. of the shares and voting rights in Fortis through its 50 per cent. shareholding in Fortis Brussels (which controls the vast majority of Fortis’ banking interests) and in Fortis Utrecht N.V. (which controls the vast majority of Fortis’ insurance interests). On 31 December 2004, the share capital of Fortis SA/NV was represented by 1,301,104,005 issued and outstanding ordinary shares, without indication of nominal value (twinned with an equal number of Fortis N.V. shares). Shares are in bearer or registered form.

On 31 December 2004, the total available amount of authorised capital stood at EUR 1,689,076,473.34, representing a total of 394,275,554 unissued shares.

The Board of Directors of Fortis SA/NV consists of the same persons as the Fortis Board of Directors.

To ensure that its services are organised as effectively as possible, Fortis’ operations have been divided into six businesses – three banking and three insurance businesses. Each business applies a powerful customer focus to develop specific products and services for its target group. The six businesses are Retail Banking, Commercial & Private Banking, Merchant Banking, Insurance Belgium, Insurance Netherlands and Insurance International.

Essential characteristics and risks associated with the Notes

The Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in any currency. The aggregate principal amount of Notes outstanding will not at any time exceed EUR 15,000,000,000 (or its equivalent in other currencies), subject to any duly authorised increase.

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

The Notes may be issued as unsubordinated obligations, dated subordinated obligations or undated subordinated obligations of the Issuer. The Guarantors have, for the benefit of the Holders of Notes from time to time, executed and delivered a deed of guarantee (as amended, supplemented or replaced) under which they have jointly and severally guaranteed the due and punctual payment of all amounts due by the Issuer under the Notes and the Deed of Covenant as and when the same shall become due and payable. The Notes will have the benefit of a negative pledge and the events of default set out in the “Terms and Conditions of the Notes”.

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

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

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

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

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

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

There are certain factors that may affect Fortis' ability to fulfil its obligations under the Notes and certain other risks related to Notes issued under the Programme. These factors and risks are set out below in the section entitled "Risk Factors" and include the following risk factors:

- (a) As part of the financial services industry, Fortis faces substantial competitive pressures which could adversely affect Fortis' results of operations.
- (b) Market conditions can adversely affect Fortis' results.
- (c) Securities market volatility or downturns can adversely affect Fortis' banking, asset management and insurance activities.
- (d) Volatility in interest rates may adversely affect Fortis' insurance, banking and asset management businesses.
- (e) Asset illiquidity can adversely affect Fortis' business.
- (f) While Fortis manages its operational risks, these risks remain an inherent part of all of Fortis' businesses.
- (g) Fortis' insurance business is subject to risks concerning the adequacy of its technical provisions to cover future losses and benefits.
- (h) Fortis has significant counterparty risk exposure.
- (i) Catastrophic events, terrorist attacks and other acts of war could have a negative impact on Fortis' business and results.
- (j) Fortis' results of operations can be adversely affected by significant adverse regulatory developments including changes in tax law.
- (k) Fortis' financial statements, when prepared in accordance with International Financial Reporting Standards (including International Accounting Standards and Interpretations) issued by the International Accounting Standards Board as at 31 December 2004, and as endorsed by the European Commission for financial reporting ("IFRS"), will impact Fortis' financial results as they differ in significant respects from GAAP in accordance with Belgian law.
- (l) The ability of the parent companies to make the payments guaranteed by each of them under the indenture depends primarily on the earnings of their subsidiaries and their ability to distribute such earnings to the parent companies; these subsidiaries are highly regulated and such regulations could impose restrictions on such distributions.

RISK FACTORS

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

Risk Relating To The Notes

There is no active trading market for the Notes.

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

The Notes may be redeemed prior to maturity.

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

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

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantors.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer and the Guarantors will discharge their payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer and the Guarantors have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

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

the Guarantors in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

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

An investment in Notes the terms of which provide that the principal, premium, if any, and/or interest payable and/or securities deliverable, is linked to one or more currencies or composite currencies (including exchange rates and swap indices between currencies or composite currencies), commodities, securities, basket of securities or securities indices, interest rates or other indices (together, the “**indices**”), either directly or inversely (the “**indexed Notes**”), entails significant risks that are not associated with investments in a conventional fixed rate or floating rate debt security.

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

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

Any optional redemption feature of any Notes might affect their market value. Since the Issuer may be expected to redeem Notes when prevailing interest rates are relatively low, prospective investors generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate that is as high as the current interest rate on the Notes.

An investment in equity-linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly.

In the case of credit-linked Notes (whether cash or physically settled), holders may receive in lieu of any payment of principal, certain securities of the reference entities which may have a market value substantially less than that of the initial investment of such holder. Prospective investors should note that they may be required to take delivery of these securities and should ensure that they have the capacity to receive such obligations on purchasing the Notes.

The secondary market, if any, for indexed Notes will be affected by a number of factors independent of the Issuer’s and the Guarantors’ creditworthiness, including the complexity and volatility of the index or indices, the creditworthiness of the specified entity or entities, the fluctuation of exchange rates, the method of calculating the principal, premium, if any, and/or interest in respect of indexed Notes, the time remaining to the maturity of such Notes, the outstanding amount of such Notes, any redemption features of such Notes, the amount of other debt securities linked to such index or indices and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of indexed Notes.

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

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

Taxation

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

The Notes may be subordinated to most of the Issuer's and the Guarantors' liabilities.

If in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are subordinated obligations of the Issuer and the Guarantors, in the event of bankruptcy, moratorium of payments (“*surseance van betaling*”), insolvency, dissolution or liquidation of the Issuer or the Guarantors, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the relevant subordinated Notes. If this occurs, the Issuer and the Guarantors may not have enough assets remaining after these payments to pay amounts due under the relevant Notes.

Credit Rating

The Issuer does not have a credit rating. The credit rating of the Guarantors are set out on page 68 of this Base Prospectus. The credit rating of a Tranche of Notes (if any) will be provided in the relevant Final Terms. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings described herein. A security rating is not a recommendation to buy, sell or hold securities, and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Risks Relating To The Issuer And The Guarantors

Any investment in the Notes issued by Fortis Finance N.V. and guaranteed by the Guarantors involves risks, including those described in this section. Prospective investors should carefully consider the following investment considerations and the other information in this Base Prospectus before deciding whether an investment in the Notes of Fortis Finance N.V. is suitable. If any of the following risks actually occurs, the trading price of the Notes of Fortis Finance N.V. could decline and an investor could lose all or part of its investment. Additional risks not currently known to Fortis Finance N.V. or the Guarantors or that Fortis Finance N.V. and the Guarantors now deem immaterial may also harm Fortis Finance N.V. or the Guarantors and affect an investor's investment.

Investment considerations relating to the business of Fortis

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Liquidity risk is inherent in much of Fortis' business. Each asset purchased and liability sold has liquidity characteristics that are unique. Some liabilities are surrenderable while some assets have low liquidity such as privately placed loans, mortgages loans, real estate and limited partnership interests.

Additionally, protracted market declines can reduce the liquidity of markets that are typically liquid. If, in the course of its insurance or other activities, Fortis requires significant amounts of cash on short notice in excess of anticipated cash requirements, Fortis may have difficulty selling these investments at attractive prices, in a timely manner, or both.

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

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

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

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

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

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

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

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

(h) Fortis has significant counterparty risk exposure.

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

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

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

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

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

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

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

(k) Fortis' financial statements, when prepared in accordance with International Financial Reporting Standards (including International Accounting Standards and Interpretations) issued by the International Accounting Standards Board as at 31 December 2004, and as endorsed by the European Commission for financial reporting ("IFRS"), will impact Fortis' financial results as they differ in significant respects from GAAP in accordance with Belgian law.

Fortis' financial statements are prepared on the basis of IFRS as of 2005 (previously known as "*International Accounting Standards*" or "*IAS*"). Because IFRS emphasises the measure of the fair value of certain assets and liabilities, applying these standards to our financial statements may have a considerable impact on a number of important areas, including, among others, goodwill and intangible assets and financial instruments (including derivatives), accounting for share-based payments, long-term assets, insurance technical reserves, and business combinations. Because Fortis' financial statements prepared in accordance with IFRS will differ from its financial statements prepared on the basis of GAAP in accordance with Belgian law, the methods used by the financial community to assess Fortis' financial performance and value its publicly-traded securities could be affected and Fortis' financial statements may be materially different from the financial statements included herein. The impact of IFRS is further discussed below at pages 66 and 76.

(l) The ability of the parent companies to make the payments guaranteed by each of them under the deed of guarantee depends primarily on the earnings of their subsidiaries and their ability to distribute such earnings to the parent companies; these subsidiaries are highly regulated and such regulations could impose restrictions on such distributions.

The parent companies' assets consist solely of their investments in the operating subsidiaries of Fortis, including Fortis Insurance N.V. Accordingly, the cash flow and the consequent ability to service obligations of the parent companies, including those obligations that may arise under the guarantees, are primarily dependent upon the earnings of Fortis subsidiaries, and the distribution of those earnings to the parent companies.

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

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

INFORMATION INCORPORATED BY REFERENCE

The following shall be deemed incorporated in, and form part of, this Base Prospectus.

- 1 audited annual financial statements of Fortis Finance N.V. for the financial year ended 31 December 2004, including:
 - (a) notes set out on pages 6-11 of the Annual Report 2004; and
 - (b) auditors' report to the annual financial statements for the financial year ended 31 December 2004 set out on page 12 of the Annual Report 2004.
- 2 audited annual financial statements of Fortis Finance N.V. for the financial year ended 31 December 2003, including:
 - (a) balance sheet set out on page 4 of the Annual Report 2003;
 - (b) profit and loss account set out on page 5 of the Annual Report 2003;
 - (c) notes set out on pages 6-10 of the Annual Report 2003; and
 - (d) auditors' report to the annual financial statements for the financial year ended 31 December 2003 set out on page 11 of the Annual Report 2003.
- 3 audited annual financial statements of Fortis SA/NV for the financial year ended 31 December 2004, including:
 - (a) balance sheet set out on pages 156-157 of the Annual Accounts 2004;
 - (b) profit and loss account set out on pages 158-159 of the Annual Accounts 2004;
 - (c) notes set out on pages 160-168 of the Annual Accounts 2004;
 - (d) consolidated cash flow statement of the group set out on pages 12-13 of the Annual Accounts 2004; and
 - (e) auditors' report to the annual financial statements for the financial year ended 31 December 2004 set out on pages 169-170 of the Annual Accounts 2004.
- 4 audited annual financial statements of Fortis SA/NV for the financial year ended 31 December 2003, including:
 - (a) balance sheet set out on pages 150-151 of the Annual Accounts 2003;
 - (b) profit and loss account set out on pages 152-153 of the Annual Accounts 2003;
 - (c) notes set out on page 154-163 of the Annual Accounts 2003; and
 - (d) consolidated cash flow statement of the group set out on pages 12-13 of the Annual Accounts 2003; and
 - (e) auditors' report to the annual financial statements for the financial year ended 31 December 2003 set out on pages 164-165 of the Annual Accounts 2003.
- 5 audited annual financial statements of Fortis N.V. for the financial year ended 31 December 2004, including:
 - (a) balance sheet set out on page 172 of the Annual Accounts 2004;
 - (b) profit and loss account set out on page 173 of the Annual Accounts 2004;
 - (c) notes set out on page 174-179 of the Annual Accounts 2004;
 - (d) consolidated cash flow statement of the group set out on pages 12-13 of the Annual Accounts 2004; and
 - (e) auditors' report to the annual financial statements for the financial year ended 31 December 2004 set out on page 180 of the Annual Accounts 2004.

- 6 audited annual financial statements of Fortis N.V. for the financial year ended 31 December 2003, including:
 - (a) balance sheet set out on page 168 of the Annual Accounts 2003;
 - (b) profit and loss account set out on page 169 of the Annual Accounts 2003;
 - (c) notes set out on pages 170-175 of the Annual Accounts 2003;
 - (d) consolidated cash flow statement of the group set out on pages 12-13 of the Annual Accounts 2003; and
 - (e) auditors' report to the annual financial statements for the financial year ended 31 December 2003 set out on page 176 of the Annual Accounts 2003.
- 7 unaudited consolidated quarterly report of Fortis Group (Fortis SA/NV and Fortis N.V.) for the period ended 30 June 2005.
- 8 the articles of association of the Issuer and the Guarantors as at the date hereof, included for informational purposes.

Apart from the information itemised in the table above, information contained in the documents which have been incorporated by reference have been included for informational purposes only. Each of the Issuer and the Guarantors has undertaken, in connection with the admission to listing on the official list and to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, and/or the admission of the Notes to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, that if at any time there shall occur any significant new factor which is not reflected in this Base Prospectus or any supplements thereto and/or there shall be any material mistake or inaccuracy relating to the information included in this Base Prospectus or any supplements thereto, in each case, which is capable of affecting the assessment of the Notes, the Issuer will prepare or procure the preparation of an appropriate amendment or supplement to this Base Prospectus or, as the case may be, a new Base Prospectus, for use in connection with any subsequent issue by the Issuer of Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system. If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus inaccurate or misleading, a new Base Prospectus or supplement will be prepared.

The Issuer and the Guarantors will, at their respective registered offices and at the specified offices of the Paying Agents, provide, free of charge, upon the oral or written request therefor, a copy of this Base Prospectus (or any document forming part thereof). Written or oral requests for such documents should be directed to the registered office of the Issuer and/or the Guarantors, the specified office of any Paying Agent or, in the case of Notes admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, the specified office of the Listing Agent in Luxembourg. In addition, this Base Prospectus, the documents incorporated by reference as stated above and the Final Terms of any Tranche admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be available in electronic form on the website of the Luxembourg Stock Exchange.

GENERAL DESCRIPTION OF THE PROGRAMME

The following is a brief summary only and should be read in conjunction with the rest of this document and, in relation to any Notes, in conjunction with the relevant Final Terms and, to the extent applicable, the Terms and Conditions of the Notes set out herein.

Issuer:	Fortis Finance N.V.
Guarantors:	Fortis SA/NV and Fortis N.V.
Arranger:	Fortis Bank.
Dealers:	ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, BNP Paribas, CALYON, Citigroup Global Markets Limited, Fortis Bank nv-sa, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Société Générale, The Royal Bank of Scotland plc and UBS Limited and any other dealer appointed from time to time by the Issuer or the Guarantors either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Notes.
Fiscal Agent and Principal Paying Agent:	Banque Générale du Luxembourg S.A.
Alternative Principal Paying Agents:	Fortis Bank nv-sa
Paying Agents:	Fortis Bank nv-sa, JPMorgan Chase Bank, J.P. Morgan Bank Luxembourg, Banque Générale du Luxembourg, S.A. and Fortis Bank (Nederland) N.V.
Final Terms or Drawdown Prospectus:	<p>Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a drawdown prospectus (each a “Drawdown Prospectus”) prepared in connection with a particular Tranche of Notes.</p> <p>For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.</p> <p>The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus.</p>
Luxembourg Listing Agent:	Banque Générale du Luxembourg, S.A.
Amsterdam Listing Agent:	Fortis Bank (Nederland) N.V.
Programme Amount:	EUR 15,000,000,000 (and, for this purpose, any Notes denominated in another currency shall be translated into euros at the date of the agreement to issue such Notes using the spot rate of exchange for the purchase of such currency against payment of euros being quoted by the Fiscal Agent on the date on which the relevant agreement in respect of the relevant Tranche (as defined below) was made (or such other rate as the Issuer and the relevant Dealer may agree) outstanding at any time. The maximum aggregate principal amount of Notes permitted to be outstanding at any one time under the Programme is EUR 15,000,000,000 (or its equivalent in other currencies). The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time,

subject to compliance with the relevant provisions of the Dealership Agreement as defined under “*Subscription and Sale*”.

Issuance in Series:

Notes will be issued in series (each, a “*Series*”). Each Series may comprise one or more tranches (“*Tranches*” and each, a “*Tranche*”) issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Form of Notes:

Notes will be issued in bearer form only.

In respect of each Tranche of Notes, the Issuer will deliver a temporary global note (a “*Temporary Global Note*”) or (if so specified in the relevant Final Terms in respect of Notes to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “*TEFRA C Rules*”) applies (as so specified in such Final Terms)) a permanent global note (a “*Permanent Global Note*”). Such global Note will be deposited on or before the relevant issue date therefor with a depositary or a common depositary for Euroclear Bank S.A./N.V., as operator of Euroclear and/ or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Notes in definitive form (“*Definitive Notes*”). Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. (See further under “*Provisions Relating to the Notes whilst in Global Form*” below). Definitive Notes will, if interest-bearing, either have interest coupons (“*Coupons*”) attached and, if appropriate, a talon (“*Talon*”) for further Coupons and will, if the principal thereof is repayable by instalments, have payment receipts (“*Receipts*”) attached.

Currencies:

Notes may be denominated in any currency or currencies, including Australian Dollars, Canadian Dollars, Danish Kroner, euro, Hong Kong Dollars, Japanese Yen, New Zealand Dollars, Norwegian Kroner, Sterling, Swedish Kroner, Swiss Francs and United States Dollars, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status:

Notes may be issued on an unsubordinated, dated subordinated and undated subordinated basis, as specified in the relevant Final Terms.

Issue Price:

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms.

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities:

Any maturity or with no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Where Notes have a maturity of less than one year from the date of issue and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in

other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “*FSMA*”) by the Issuer.

Redemption:

Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the relevant Final Terms.

Early Redemption:

Early redemption will be permitted for taxation reasons as mentioned in “*Terms and Conditions of the Notes – Redemption and Purchase – Early Redemption for Taxation Reasons*”, but will otherwise be permitted only to the extent specified in the relevant Final Terms.

Interest:

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series.

Denominations:

Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Taxation:

As more fully set out in “*Terms and Conditions – Taxation*”, payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Notes or Coupons receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.

Cross Default:

The Unsubordinated Notes will contain a cross default in respect of indebtedness for borrowed money of the Issuer and the Guarantor as more fully set out in “*Terms and Conditions of the Notes – Events of Default*”.

Governing Law:

The Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.

Negative Pledge:

A negative pledge will be contained in the Notes in respect of any Unsubordinated Note or Coupon which remains outstanding as more fully set out in “*Terms and Conditions of the Notes – Negative Pledge*”.

Admission to Trading:

Each Series may be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system and specified in the relevant Final Terms. Notes issued under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms “regulated market” and “offer to the public” are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency) or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity belonging to the Issuer’s group. Subject thereto, Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

Terms and Conditions:

Final Terms will be prepared in respect of each Tranche of Notes a copy of which will, in the case of Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange be delivered to the Luxembourg Stock Exchange and in the case of Notes to be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, be delivered to such listing

authority, stock exchange and/or quotation system. The terms and conditions applicable to each Tranche will be those set out herein under “*Terms and Conditions of the Notes*” as supplemented, modified or replaced by the relevant Final Terms.

Enforcement of Notes in Global Form:

In the case of Notes in global form, individual investors’ rights will be governed by a Deed of Covenant dated 18 November 2005, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

Clearing Systems:

Euroclear, Clearstream, Luxembourg and/or, in relation to any Notes, any other clearing system as may be specified in the relevant Final Terms.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, The Netherlands, Belgium and Japan see under “*Subscription and Sale*”.

Risk Factors:

There are certain factors that may affect the Issuer’s and/or the Guarantors’ ability to fulfil their obligations under Notes issued under the Programme. These are set out under “*Risk Factors*” above and include the fact that the Issuer’s or the Guarantors’ results can be adversely affected by (i) general economic conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme – see “*Risk Factors*” in this Base Prospectus.

FORM OF FINAL TERMS

Final Terms dated []

Fortis Finance N.V.

(incorporated under the laws of The Netherlands, having its registered office at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands and registered with the Trade Register of the Chamber of Commerce and Industry at Utrecht, with file number 30055940)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] Guaranteed by

Fortis SA/NV

(incorporated as a public company with limited liability (“société anonyme/naamloze vennootschap”) under the laws of Belgium, having its registered office at Rue Royale/Koningsstraat 20, 1000 Brussels, Belgium

and registered in the register of legal entities of Brussels (“registre des personnes morales/rechtspersonenregister”), with Enterprise number 0451 406 524)

and

Fortis N.V.

(incorporated as a public limited company (“naamloze vennootschap”) under the laws of The Netherlands, having its registered office at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands and registered with the Trade Register of the Chamber of Commerce and Industry at Utrecht, with file number 30072145)

**under the EUR 15,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[START OF OPTIONS]

Option 1 *(The following paragraphs should only be inserted for issues to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area):*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 November 2005 [and the supplemental Base Prospectus dated [●]] which [together] constitutes] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “*Prospectus Directive*”). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented] (together, the “*Base Prospectus*”).

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of this Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Base Prospectus*] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange] and copies may be obtained from the Issuer at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands and the Paying Agents, Banque Générale du Luxembourg S.A. at 50 Avenue John F Kennedy, L-2951 Luxembourg, JPMorgan Chase Bank at Trinity Tower, 9 Thomas More Street, London E1W 1YT, England, J.P. Morgan Bank Luxembourg S.A. at 6 route de Trèves, L-2633 Senningerberg (Municipality of Niederanven), Luxembourg, Fortis Bank nv-sa at Montagne du Pare 3, 1000 Brussels, Belgium and Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “*Conditions*”) set forth in the Base Prospectus dated [original date] [and the supplemental Base Prospectus dated [●]]. This document contains the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “*Prospectus Directive*”) and must be read in conjunction with

the Base Prospectus dated [current date] [and the supplemental Base Prospectus dated [●]] (together, the “Base Prospectus”) which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplemental Base Prospectus dated [●]] and are attached hereto.

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of this Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Base Prospectus*] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange] and copies may be obtained from the Issuer at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands and the Paying Agents, Banque Générale du Luxembourg S.A. at 50 Avenue John F Kennedy, L-2951 Luxembourg, JPMorgan Chase Bank at Trinity Tower, 9 Thomas More Street, London E1W 1YT, England, J.P. Morgan Bank Luxembourg S.A. at 6 route de Trèves, L-2633 Senningerberg (Municipality of Niederanven), Luxembourg, Fortis Bank nv-sa at Montagne du Pare 3, 1000 Brussels, Belgium and Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands.]

Option 2 (*The following paragraphs should only be inserted for issues of Notes which are not to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area*):

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 November 2005. These Final Terms of the Notes and must be read in conjunction with such Base Prospectus.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Base Prospectus dated [original date]. These Final Terms of the Notes and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Base Prospectus dated [●]], save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto.]

[END OF OPTIONS]

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

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[Unless stated otherwise, include all the items listed in Part A – Contractual Terms of these Final Terms in connection with all Notes. References in the drafting notes to retail issues are to issues of Notes with a denomination of less than EUR 50,000 to be admitted to trading on a regulated market and/or offered to the public and references to wholesale issues are to issues of Notes with a denomination of at least EUR 50,000 to be admitted to trading on a regulated market]

- | | |
|--|--|
| 1. (i) Issuer: | Fortis Finance N.V. |
| (ii) Guarantors: | Fortis SA/NV and Fortis N.V. |
| 2. [(i)] Series Number: | [] |
| [(ii)] Tranche Number: | [] |
| (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] | [] |
| 3. Specified Currency or Currencies: | [] |
| 4. Aggregate Nominal Amount [of Notes admitted to trading]: | <i>[only include the words in the left hand column that are in square brackets for wholesale issues]</i> |
| [(i)] Series: | [] |
| [(ii)] Tranche: | [] |

* Only include details of a supplemental Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. Specified Denominations: [] [Notes issued under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms “regulated market” and “offer to the public” are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency)]
7. [(i)] Issue Date: []
 [(ii)] Interest Commencement Date: []
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year].
 [If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]
9. Interest Basis: [] per cent. Fixed Rate]
 [[specify reference rate] +/- per cent. Floating Rate]
 [Zero Coupon]
 [Variable Coupon Amount]
 [Other (specify)]
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
 [Index Linked Redemption]
 [Dual Currency]
 [Partly Paid]
 [Instalment]
 [Other (specify)]
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]

13. [(i)] Status of the Notes: [Senior/[Dated/Perpetual]/Subordinated]
 [(ii)] Status of the Guarantee: [Senior/[Dated/Perpetual]/Subordinated]]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Fixed Interest Date(s): [] in each year
- (iii) Fixed Coupon Amount[(s)]: [] per [] in Nominal Amount
- (iv) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)/other]/
[If neither of these options applies, give details]
- (v) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (iii) Additional Business Centre(s): [] *[Note that this item relates to the definition of "Business Day" (Condition 5(b)(i)). Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)(i)) and in Condition 7(a)(i).]*
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent]): []
- (vi) Screen Rate Determination:
- Reference Rate: *[For example, LIBOR or EURIBOR]*
 - Interest Determination Date(s): []
 - Relevant Screen Page: *[For example, Moneyline Telerate page 3750/248]*
 - Relevant Time: *[For example, 11.00 a.m. London time/Brussels time]*

* Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee: Date Issuer's managing board and Guarantors' board approval for issuance of Notes and Guarantee obtained: [] and [], respectively.

(vii) ISDA Determination:	
– Floating Rate Option:	[]
– Designated Maturity:	[]
– Reset Date:	[]
(viii) Margin(s):	[+/-][] per cent. per annum
(ix) Minimum Rate of Interest:	[] per cent. per annum
(x) Maximum Rate of Interest:	[] per cent. per annum
(xi) Day Count Fraction:	[]
(xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[]
16. Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) [Amortisation/Accrual] Yield:	[] per cent. per annum
(ii) Reference Price:	[]
(iii) Any other formula/basis of determining amount payable:	[]
17. Index-linked Interest Note/Other Variable-linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Index/Formula/other variable:	<i>[give or annex details]</i>
(ii) Calculation Agent responsible for calculating the interest due:	[]
(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable:	[]
(iv) Determination Date(s):	[]
(v) Provisions for determining coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted	[] <i>(need to include a description of market disruption or settlement disruption events and adjustment provisions)</i>
(vi) Specified Period(s)/Specified Interest Payment Dates:	[]
(vii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
(viii) Additional Business Centre(s):	[] <i>[Note that this item relates to the definition of “Business Day” (Condition 5(b)(i)). Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)(i)) and in Condition 7(a)(i).]</i>
(ix) Minimum Rate of Interest:	[] per cent. per annum
(x) Maximum Rate of Interest:	[] per cent. per annum
(xi) Day Count Fraction:	[]

18. Dual Currency Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

19. Call Option

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s) (Call): []
- (ii) Optional Redemption Amount(s) (Call) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] specified denomination
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: []
 - (b) Maximum Redemption Amount: []
- (iv) Notice Period (Call) (if other than as set out in the Conditions): [] *[If setting notice periods which are different to those in the terms and conditions, please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*

20. Put Option

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s) (Put): []
- (ii) Optional Redemption Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] specified denomination
- (iii) Notice Period (Put) (if other than as set out in the Conditions): [] *[If setting notice periods which are different to those in the terms and conditions, please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*

21. **Final Redemption Amount of each Note**

[[] per Note of [] specified denomination/other/see Appendix]

In cases where the Final Redemption Amount is linked to an index or other variable-linked:

- (i) Index/formula/variable:
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount [give or annex details]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []
- [(iv) Determination Date(s):] []
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:
- (vi) Payment Date: []
- (vii) Minimum Final Redemption Amount: []
- (viii) Maximum Final Redemption Amount: []

22. **Early Redemption Amount**

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

[Not Applicable (if both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:

Bearer Notes:

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

24. Additional Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details. Note that this item relates to the definition of "Relevant Financial Centre Day" (Condition 9(h)(i)), which relates to the date and place of payment and not interest period end dates, to which items 14(ii), 15(iii) and 17(viii) relate]

25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
26. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
27. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
28. Consolidation provisions: [Not Applicable/The provisions annexed to these Final Terms apply]
29. Credit-linked Notes: [Not Applicable/The Terms and Conditions of the Notes shall be supplemented and modified by the provisions defined in Appendix A to these Final Terms. In the event of any inconsistency between the Conditions and the provisions of Appendix A, the provisions of Appendix A shall prevail and the Conditions shall be deemed amended accordingly.]
30. Other terms or special conditions: [Not Applicable/*give details*]
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

[In the left-hand column under “Distribution”, the words in square brackets should be included in retail issues only]

31. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/*give names [and for retail issues only – and] addresses and underwriting commitments*] *(include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)*
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- [(iii) Date of Subscription Agreement: []]
- [(iv)] Total commission and concession: [] per cent. of the Aggregate Nominal Amount.
32. If non-syndicated, name [and address] of Dealer: [Not Applicable/*give name and address*]
33. Additional selling restrictions: [Not Applicable/*give details*]
34. Applicable TEFRA exemption for the Notes whilst in Global Form: [C Rules/D Rules/*not applicable*]

ADMISSION TO LISTINGS TRADING AND/OR QUOTATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 15,000,000,000 Euro Medium-Term Note Programme of Fortis Finance N.V. as Issuer and Fortis SA/NV and Fortis N.V. as Guarantors.

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in these Final Terms.

[[●] has been extracted from [●]. Each of the Issuer and the Guarantors confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading. *(Not required where Notes will not be admitted to trading on a regulated market and/or offered to the public in the European Economic Area.)**

Signed on behalf of Fortis Finance N.V.:

By:
Duly authorised

By:
Duly authorised

Title:

Title:
(Managing director)

Signed on behalf of Fortis SA/NV:

By:
Duly authorised

Title:

Signed on behalf of Fortis N.V.:

By:
Duly authorised

Title:

* Include where any information sourced from a third party has been reproduced, and provide necessary details.

PART B – OTHER INFORMATION

[For Notes which are not to be admitted to trading on an EU regulated market and/or offered to the public in the European Economic Area only parts 1(i), 1(ii), 5(ii) and the paragraph under “Operational Information” should be included in “Part B – Other Information”]

1. Listing

- (i) Listing: [Regulated market of the Luxembourg Stock Exchange/other (specify)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted [to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange for the purposes of the Prospectus Directive/to trading on []] with effect from [].]/[Not Applicable.]
[For retail issues only (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)]
- (iii) The aggregate principal amount of Notes issued has been translated in euro at the rate of [] (for Notes denominated in euro)
- [(iv) Estimate of total expenses related to admission to trading: [] *[For a wholesale issue only]*

2. Ratings

- Ratings: The Notes to be issued [have been/will be] rated:
[S & P: []]
[Moody's: []]
[[Other]: []]
[For retail issues only, need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. [Notification

The Luxembourg *Commission de Surveillance du Secteur Financier* [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. [Interests of Natural and Legal Persons involved in the [Issue/Offer]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

- [(i) Reasons for the offer []

[(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii)] Estimated net proceeds:

[].

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]

[(iii)] Estimated total expenses:

[].

[Include breakdown of expenses.]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]

6. [Fixed Rate Notes only – Yield

Indication of yield:

[].

Calculated as *[include details of method of calculation in summary form]* on the Issue Date. *(Insert for retail issue only)*

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. [Floating Rate Notes only – Historic Interest Rates [Include item 7 for retail issue only]

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Telerate].]

8. [Index-linked or other variable-linked Notes only – Performance of Index/Formula/Other Variable, [required for retail issues only – Explanation of Effect on Value of Investment and Associated Risks] and Other Information concerning the Underlying (to be included for derivative securities to which Annex XII to the Prospectus Directive Regulations applies)

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.] (text in square brackets not required for wholesale issues) [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]

9. [Dual Currency Notes only – Performance of Rate[s] of Exchange and Explanation of Effect on Value of Investment

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

10. Operational Information

ISIN Code:

[]

Common Code:

[]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s):

[Not Applicable/give *name(s)* and *number(s)*]

Delivery:

Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

[]

Calculation Agent:

[]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which, as supplemented, modified or replaced in relation to any Notes by the relevant Final Terms, will be applicable to each Series of Notes. The Final Terms in relation to any Tranche of Notes will include the definitions of certain terms used in the following Terms and Conditions:

The Notes are issued pursuant to and in accordance with the amended and restated fiscal agency agreement dated 18 November 2005 (the “*Fiscal Agency Agreement*” as amended, supplemented or replaced) and made between Fortis Finance N.V. (the “*Issuer*”), Fortis SA/NV a “*société anonyme/naamloze vennootschap*” under Belgian law and Fortis N.V. (the “*Guarantors*”), Banque Générale du Luxembourg S.A. in its capacity as fiscal agent (the “*Fiscal Agent*”, which expression shall include any successor to Banque Générale du Luxembourg S.A. in its capacity as such) and principal paying agent (the “*Principal Paying Agent*”), Fortis Bank nv-sa as alternative principal paying agent (the “*Alternative Principal Paying Agent*”) and Banque Générale du Luxembourg S.A., JPMorgan Chase Bank, J.P.Morgan Bank Luxembourg S.A., Fortis Bank nv-sa and Fortis Bank (Nederland) N.V., as paying agents (together with the Principal Paying Agent and any Alternative Principal Paying Agent, the “*Paying Agents*”, which expression shall include any successor or additional paying agents appointed in accordance with the Fiscal Agency Agreement). For the purposes of making determinations or calculations of rates of interest, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series of Notes (as defined below), the Issuer may appoint a calculation agent (the “*Calculation Agent*”) for the purposes of such Notes, in accordance with the provisions of the Fiscal Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms. The Notes have the benefit of a deed of covenant dated 18 November 2005 (the “*Deed of Covenant*” as amended, supplemented or replaced) executed by the Issuer in relation to the Notes. The Guarantors have, for the benefit of the Holders of Notes from time to time, executed and delivered a deed of guarantee dated 18 November 2005 (the “*Deed of Guarantee*” as amended, supplemented or replaced) under which they have jointly and severally guaranteed the due and punctual payment of all amounts due by the Issuer under the Notes and the Deed of Covenant as and when the same shall become due and payable. Copies of the Fiscal Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection during normal business hours at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Fiscal Agency Agreement, the Deed of Covenant and the Deed of Guarantee insofar as they relate to the relevant Notes.

The Notes are issued in series (each, a “*Series*”), and each Series may comprise one or more tranches (“*Tranches*” and each, a “*Tranche*”) of Notes. Each Tranche will be the subject of a set of final terms (“*Final Terms*”), a copy of which will be available for inspection during normal business hours at the specified office of the Fiscal Agent and obtainable from the Paying Agents. In the case of a Tranche of Notes in relation to which application has not been made for the admission to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, a Accountholder (as defined in the Deed of Covenant) in respect of, such Notes.

References in these Terms and Conditions to Notes are to Notes of the relevant Series and any references to Coupons (as defined in Condition 1(a)) and Receipts (as defined in Condition 1(a)) are to Coupons and Receipts relating to Notes of the relevant Series.

References in these Terms and Conditions to the Final Terms are to the Final Terms prepared in relation to the Notes of the relevant Tranche or Series.

In respect of any Notes, references herein to these Terms and Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Final Terms.

1. Form and Denomination

(a) *Form:* Notes are issued in bearer form and are serially numbered.

Interest-bearing Notes have attached thereto at the time of their initial delivery coupons (“*Coupons*”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, if so specified in the Final Terms, such Notes have attached thereto at the time of their initial delivery a talon (“*Talon*”) for further coupons and the expression “*Coupons*” shall, where the context so requires, include Talons.

Notes, the principal amount of which is repayable by instalments (“*Instalment Notes*”), have attached thereto at the time of their initial delivery payment receipts (“*Receipts*”) in respect of the instalments of principal.

(b) *Denomination:*

Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Notes of one denomination may not be exchanged for Notes of any other denomination.

(c) *Currency of Notes:*

The Notes are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

(d) *Partly Paid Notes:*

Notes may be issued on a partly paid basis (“*Partly Paid Notes*”) if so specified in the Final Terms. The subscription moneys therefore shall be paid in such number of instalments (“*Partly Paid Instalments*”) in such amounts, on such dates and in such manner as may be specified in the Final Terms. The first such instalment shall be due and payable on the date of issue of the Notes. For the purposes of these Terms and Conditions, in respect of any Partly Paid Note, “*Paid Up Amount*” means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with the Terms and Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 14 stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Notes with effect from such date (“*Forfeiture Date*”) as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Notes subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Rate of Interest (in the case of non-interest bearing Notes, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Notes for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 5(b)).

Unless an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Notes in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Notes and shall be discharged from any obligation to repay such amount or to pay interest thereon.

2. Title and Transfer

(a) Title to Notes, Receipts and Coupons passes by delivery. References herein to the “*Holders*” of Notes or of Receipts or Coupons are to the bearers of such Notes or such Receipts or Coupons.

(b) The Holder of any Note or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing on the relevant Note, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

3. Status and Guarantee

(1) Status – Unsubordinated Notes

(a) This Condition 3(1) is applicable in relation to Notes specified in the Final Terms as being unsubordinated or not specified as being subordinated (“*Unsubordinated Notes*”).

(b) The Unsubordinated Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for certain mandatory exceptions provided by law).

(2) Status – Dated Subordinated Notes

(a) This Condition 3(2) is applicable only in relation to Notes specified in the Final Terms as being dated subordinated notes (“*Dated Subordinated Notes*”).

(b) The Dated Subordinated Notes constitute unconditional and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least equally with all other present and future Subordinated Indebtedness of the Issuer. References in these conditions to “*Subordinated Indebtedness*” shall, unless otherwise specified, include both Dated Subordinated Indebtedness and Undated Subordinated Indebtedness (both as defined in Condition 3(3)).

(c) The claims of the Holders of Notes against the Issuer in respect of Dated Subordinated Notes are, in the event of bankruptcy, moratorium of payments (“*surséance van betalen*”), insolvency, dissolution or liquidation of the Issuer subordinated to all other current and future unsubordinated and unprivileged claims on the Issuer.

By virtue of such subordination, payments to Holders of Notes will, in the event of the bankruptcy, moratorium of payments (“*surséance van betalen*”), insolvency, dissolution or liquidation of the Issuer only be made after, and any set-off by any Holders of Notes shall be excluded until, all preferred and nonpreferred unsubordinated obligations admissible in any such insolvency, dissolution, liquidation, bankruptcy or moratorium of payments (“*surséance van betalen*”) of the Issuer have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

In the event of bankruptcy, moratorium of payments (“*surséance van betalen*”), insolvency, winding-up or liquidation of the Issuer the competent regulatory authority is authorised to make public these terms and conditions, the Notes and the agreements relating to the Notes.

(d) The Issuer undertakes that, while any Dated Subordinated Note is outstanding, it will not create or permit to be outstanding any Subordinated Indebtedness which is not by its terms expressed to rank *pari passu* with, or junior to, the Dated Subordinated Notes.

(3) Status – Undated Subordinated Notes

(a) This Condition 3(3) is applicable in relation to Notes specified in the Final Terms as being undated subordinated notes (“*Undated Subordinated Notes*”).

(b) The Undated Subordinated Notes constitute unconditional and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and junior to (i) all other current and future unsubordinated and unprivileged claims on the Issuer and (ii) all present and future Dated Subordinated Indebtedness of the Issuer. For the purposes of these Conditions, (i) “*Dated Subordinated Indebtedness*” means any indebtedness of an entity with a fixed maturity date, the right to repayment of which is, or is expressed to be, or is required by any present or future agreement of such entity to be, subordinated only to all other current and future unsubordinated and unprivileged claims on such entity in the event of the bankruptcy, insolvency, moratorium of payments (“*surséance van betalen*”), winding-up, dissolution or liquidation of such entity (meaning, in relation to an entity incorporated under the laws of Belgium, any event creating a “*concorso de créanciers*”, of all creditors of such entity on the entire assets of such entity, including bankruptcy (“*faillite*”), moratorium (“*concordat judiciaire*”) and judicial and voluntary liquidation (“*liquidation judiciaire ou volontaire*”) (other than a voluntary dissolution and/or liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of such entity)) and (ii) “*Undated Subordinated Indebtedness*” means any indebtedness of an entity without a fixed maturity date, the right to repayment of which is, or is expressed to be, or is required by any present or future agreement of such entity to

be, subordinated only to (i) all other current and future unsubordinated and unprivileged claims on such entity and (ii) to all present and future Dated Subordinated Indebtedness and claims subordinated in the same manner as Dated Subordinated Indebtedness in the event of the bankruptcy, insolvency, moratorium of payments (“*surséance van betaling*”), winding-up or liquidation of such entity (meaning, in relation to an entity incorporated under the laws of Belgium, any event creating a “*conours de créanciers*”, of all creditors of such entity on the entire assets of such entity, including bankruptcy (“*faillite*”), moratorium (“*concordat judiciaire*”) and judicial and voluntary liquidation (“*liquidation judiciaire ou volontaire*”) (other than a voluntary dissolution and/or liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of such entity)).

(c) The claims of the Holders of Notes against the Issuer in respect of Undated Subordinated Notes are, in the event of bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, dissolution or liquidation of the Issuer, *pari passu* with (other) Undated Subordinated Indebtedness subordinated only to all other current and future unsubordinated and unprivileged claims on the Issuer and to Dated Subordinated Indebtedness and claims subordinated in the same manner as Dated Subordinated Indebtedness.

By virtue of such subordination, payments to Holders of Notes will, in the event of the bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, dissolution or liquidation of the Issuer only be made after, and any set-off by any Holders of Notes shall be excluded until, all preferred and non-preferred obligations (including, for the avoidance of doubt, all Dated Subordinated Indebtedness) admissible in any such insolvency, dissolution, liquidation, bankruptcy or moratorium of payments (“*surséance van betaling*”) of the Issuer have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

In the event of bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, winding-up or liquidation of the Issuer the competent regulatory authority is authorised to make public these terms and conditions, the Notes and the agreements relating to the Notes.

(d) The Issuer undertakes that, while any Undated Subordinated Note is outstanding, it will not create or permit to be outstanding any Undated Subordinated Indebtedness of the Issuer which is not by its terms expressed to rank *pari passu* with, or junior to, the Undated Subordinated Notes.

(4) Guarantee

(a) Senior Guarantee

The Guarantors have in the Deed of Guarantee unconditionally and irrevocably jointly and severally guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Unsubordinated Notes. This guarantee (the “*Senior Guarantee*”) constitutes direct, unconditional, unsubordinated and (without prejudice to Condition 4) unsecured obligations of the Guarantors which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantors, save for such obligations as may be preferred by provisions of mandatory law.

(b) Subordinated Guarantee

The Guarantors have in the Deed of Guarantee unconditionally and irrevocably jointly and severally guaranteed on a subordinated basis the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Dated Subordinated Notes as well as the Undated Subordinated Notes (the “*Subordinated Guarantee*”). In the event of insolvency, dissolution or liquidation of a Guarantor (meaning, in relation to Fortis N.V. bankruptcy, moratorium of payments (“*surséance van betaling*”), dissolution or liquidation and in relation to Fortis SA/NV any event creating a “*conours de créanciers*” of all creditors of Fortis SA/NV on the entire assets of such entity, including bankruptcy (“*faillite*”), moratorium (“*concordat judiciaire*”) and judicial or voluntary liquidation (“*liquidation judiciaire ou volontaire*”) (other than a voluntary dissolution and/or liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the relevant Guarantor)), the holders of Dated Subordinated Notes irrevocably waive their rights to equal treatment with unsecured and unsubordinated unprivileged creditors of each Guarantor and the holders of any Undated Subordinated Notes irrevocably waive their rights to equal treatment with all other unsecured creditors of each Guarantor, whether subordinated or unsubordinated, except in respect of Undated Subordinated Indebtedness of each Guarantor. Consequently (i) the holders of Dated Subordinated Notes agree that upon the occurrence of any of the events described in the preceding sentence, the relevant Guarantor will not have any obligation to pay any principal or interest due to them until all the unsubordinated creditors of the relevant Guarantor have been paid, or the funds necessary to satisfy all such unsubordinated creditors have been

put in escrow and (ii) the holders of Undated Subordinated Notes agree that upon the occurrence of any of the events described in the preceding sentence, the relevant Guarantor will not have any obligation to pay any principal or interest due to them until all creditors, whether subordinated in the same manner as Dated Subordinated Indebtedness or unsubordinated, except in respect of Undated Subordinated Indebtedness of each Guarantor, have been paid, or the funds necessary to satisfy all such creditors have been put in escrow.

In the event of insolvency, dissolution or liquidation of a Guarantor, as described above, (i) the claims of holders of Dated Subordinated Notes will rank at least *pari passu* with claims of other creditors in respect of Subordinated Indebtedness of each Guarantor, if any, whether their claims were due before or after the issue of the Dated Subordinated Notes and (ii) the claims of holders of Undated Subordinated Notes will rank at least *pari passu* with claims of other creditors in respect of Undated Subordinated Indebtedness of each Guarantor, if any, whether their claims were due before or after the issue of the Undated Subordinated Notes.

(5) References in these Conditions to “*Subordinated Notes*” shall, unless otherwise specified, include both Dated Subordinated Notes and Undated Subordinated Notes.

4. Negative Pledge

So long as any Unsubordinated Note or Coupon remains outstanding and with the exception of any Permitted Encumbrances as defined below, the Issuer and the Guarantors will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (the “*Security*”) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Unsubordinated Notes and the Coupons or, as the case may be, the Guarantors’ obligations under the Senior Guarantee (aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (bb) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Holders.

For the purposes of this Condition:

“*Permitted Encumbrances*” means

- (i) Liens arising by operation of law in the ordinary course of business.
- (ii) Security over an asset existing before that asset is acquired if that Security was not created in contemplation of the acquisition of that asset.
- (iii) Security granted to finance the acquisition of an asset. This sub-paragraph only applies if:
 - (a) the acquisition is at fair market value and on an arm’s length basis; and
 - (b) the amount secured does not exceed the market value of the asset.
- (iv) Other Security securing Relevant Debt which does not in the aggregate (that is, taking into account all such Security created, or allowed to exist by each Relevant Group Company) exceed an amount equal to 5 per cent. of the total consolidated assets of Fortis for the time being as set out in the audited consolidated balance sheet contained in the then latest financial statements of Fortis.”

“*Relevant Debt*” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities; and

“*Relevant Group Company*” means the Issuer or either Guarantor and any other company which is a subsidiary of either or both Guarantors (“*Group Company*”).

5. Interest

(a) *Interest on Fixed Rate Notes*

(i) Each Note specified as being a Fixed Rate Note in the applicable Final Terms (each a “*Fixed Rate Note*”) bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the date(s) specified in the applicable Final Terms (each a “*Fixed Interest Date*”) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be

made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

(ii) If, in respect of a Fixed Rate Note payable in United States Dollars, interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

(iii) If, in respect of a Fixed Rate Note which is payable in a currency other than United States Dollars, interest is required to be calculated for a period (the "*Calculation Period*") of other than a full year, such interest shall be calculated on the basis of (A) the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (I) the number of those days falling in a leap year divided by 366 and (II) the number of those days falling in a non-leap year divided by 365) ("*Actual/365*" or "*Actual/Actual (ISDA)*"), (B) a 360-day year consisting of 12 months of 30 days each ("*30/360*"), or (C) (I) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods normally ending in any year and (II) where the Calculation Period is longer than one Regular Period, the sum of: (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year and (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year, "*Actual/Actual (ICMA)*" where "*Regular Period*" means: (1) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date (2) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "*Regular Date*" means the day and month (but not the year) on which any Interest Payment Date falls and (3) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "*Regular Date*" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period or (D) on such other basis as may be agreed, each as specified in the applicable Final Terms. For the purposes of this Condition 5(a) "*Day Count Fraction*" means such day count fraction mentioned in paragraphs (ii) and (iii)(A) to (D) above and as may be specified in the relevant Final Terms.

(iv) For the purposes of these Terms and Conditions, "*euro*" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended (the "*Treaty*").

(b) *Interest on Floating Rate Notes and Variable Coupon Amount Notes*

(i) *Interest Payment Date*

Each Floating Rate Note and Variable Coupon Amount Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date and each date mentioned in paragraph (A) above, an "*Interest Payment Date*") which (save as otherwise mentioned in these Terms and Conditions or the applicable Final Terms) falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) and Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a business day convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the business day convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the calendar month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(each, a “*Business Day Convention*”)

“*Business Day*” means (unless otherwise stated in the applicable Final Terms) either:

(A) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in London and any Additional Business Centre specified in the applicable Final Terms and on which commercial banks and foreign exchange markets settle payments in the Principal Financial Centre (as defined in Condition 9(h)), of the relevant Specified Currency (if other than London and any Additional Business Centre);

(B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (“TARGET”) system is open and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Variable Coupon Amount Notes will be determined in the manner specified in the applicable Final Terms.

(iii) *ISDA Determination for Floating Rate Notes*

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

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period, (ii) if the applicable

Floating Rate Option is based on the euro-zone inter-bank offered rate (EURIBOR), the first day of that Interest Period or (iii) in any other case, as specified in the applicable Final Terms.

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

Where this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Agent will be deemed to have discharged its obligations under paragraph (vi) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time or, if so specified in the Final Terms, Brussels time) on the Interest Determination Date in question (as specified in the Final Terms) plus or minus (as indicated in the applicable Final terms) the Margin (if any), all as determined by the Fiscal Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Fiscal Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than the London inter-bank offered rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(v) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) *Determination of Rate of Interest and Calculation of Interest Amount*

The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Variable Coupon Amount Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Variable Coupon Amount Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. The Fiscal Agent will calculate the amount of interest (the “*Interest Amount*”) payable on the Floating Rate Notes or Variable Coupon Amount Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest cent (or its approximate equivalent sub-unit of the relevant Specified Currency, half of any subunit being rounded upwards) or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the “Calculation Period”) such day count fraction as may be specified in these Conditions or the relevant Final Terms, and:

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

(B) if “*Actual/365*” or “*Actual/Actual (ISDA)*” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(C) if “*Actual/365 Fixed*” is so specified, means the actual number of days in the Calculation Period divided by 365;

(D) if “*Actual/360*” is so specified, means the actual number of days in the Calculation Period divided by 360;

(E) if “*30/360*”, “*360/365*” or “*Bond basis*” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(F) if “*30E/360*” or “*Eurobond Basis*” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or the last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vii) *Notification of Rate of Interest and Interest Amount*

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Paying Agents and to any listing authority, stock exchange and/or quotation system on which the relevant Floating Rate Notes or Variable Coupon Amount Notes are for the time being admitted to listing, trading and/or quotation, and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in any event not later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each listing authority, stock exchange and/or quotation system on which the relevant Floating Rate Notes or Variable Coupon Amount Notes are for the time being admitted to listing, trading and/or quotation and to the Holders of Notes in accordance with Condition 14.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantors, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Holders of Notes, of Receipts and of Coupons and (in the absence as aforesaid) no liability to the Issuer, the Holders of Notes, of Receipts or of Coupons shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the relevant Final Terms until whichever is the earlier of (1) the date on which all amounts due in respect of such Note have been paid, and (2) date on which the Fiscal Agent having received the funds required to make such payment, notice is given to the Holders of Notes in accordance with Condition 14 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder of Notes).

(f) *Non-Interest Bearing Notes*

If any Redemption Amount (as defined in Condition 6(h)(ii)) or Instalment Amount in respect of any Note which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield defined in, or determined in accordance with the provisions of, the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Principal Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 14 that the Principal Paying Agent (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder) has received the required funds. The amount of any such interest shall be calculated in accordance with the provisions of Condition 5(b)(vi) as if the Rate of Interest was the Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 5(b)(vi)).

6. Redemption and Purchase

(a) *Redemption at Maturity*

Unless previously redeemed, or purchased and cancelled or unless such Note is stated in the Final Terms as having no fixed maturity date, each Note shall be redeemed at its final redemption amount (the "*Final Redemption Amount*") (which shall be its Outstanding Principal Amount or such other redemption amount as may be specified in or determined in accordance with the Final Terms) (or, in the case of Instalment Notes, in such number of instalments and in such amounts ("*Instalment Amounts*") as may be specified in, or determined in accordance with the provisions of, the Final Terms) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Final Terms.

(b) *Early Redemption for Taxation Reasons*

If, in relation to any Series of Notes, (i) as a result of any change in the laws, regulations or rulings of The Netherlands or Belgium or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of such Notes or any other date specified in the Final Terms, the Issuer or (if a payment were then due under the Guarantee) the Guarantor would be required to pay additional amounts as provided in Condition 8, (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer (or the Guarantor, as the case may be) to the Fiscal Agent of a certificate signed by two directors of the Issuer (or the Guarantor, as the case may be) stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option (but, in the case of Subordinated Notes, subject to consent thereto having been obtained from De Nederlandsche Bank N.V. (the “*Dutch Central Bank*”) and/or the Belgian Banking and Finance Commission (the “*Belgian Banking and Finance Commission*”), and/or the Dutch *Pensioen- en Verzekeringskamer* and/or the Belgian *Office de Contrôle des Assurances* or their respective successors as the case may be, and having given no less than thirty nor more than sixty days’ notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Notes in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the “*Early Redemption Amount (Tax)*”) (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6(h)(iii) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon Provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6(e).

(c) *Optional Early Redemption (Call)*

If this Condition 6(c) is specified in the Final Terms as being applicable, then the Issuer (or, in the case of Undated Subordinated Notes each of the Issuer and Fortis SA/NV) may subject, in the case of Subordinated Notes to the prior consent of the Dutch Central Bank and/or the Belgian Banking and Finance Commission, and/or the Dutch *Pensioen- en Verzekeringskamer* and/or the Belgian *Office de Contrôle des Assurances* or their respective successors as the case may be, having given the appropriate notice and subject to such conditions as may be specified in the Final Terms, redeem (or, in the case of Fortis SA/NV, purchase and arrange for cancellation) all (but not, unless and to the extent that the Final Terms specifies otherwise, some only) of the Notes of the relevant Series at their call optional redemption amount (the “*Optional Redemption Amount (Call)*”) (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6(h)(iii) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6(e).

The appropriate notice referred to in this Condition 6(c) is a notice given by the Issuer to the Holders of the Notes of the relevant Series in accordance with Condition 14, which notice shall be irrevocable and shall specify:

- the Series of Notes subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note or Permanent Global Note) the serial numbers of the Notes of the relevant Series which are to be redeemed;

- the due date for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given and which shall be such date or the next of such dates (“*Optional Redemption Date(s) (Call)*”) or a day falling within such period (“*Notice Period (Call)*”), as may be specified in the Final Terms and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- the Optional Redemption Amount (Call) at which such Notes are to be redeemed.

(d) *Partial Redemption*

If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 6(c), the Notes to be redeemed shall be drawn by lot in such European city as the Principal Paying Agent may specify, or identified in such other manner or in such other place as the Principal Paying Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange and/or quotation systems on which the relevant Notes may be admitted to listing, trading and/or quotation systems.

(e) *Optional Early Redemption (Put)*

If this Condition 6(e) is specified in the Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Unsubordinated Note of the relevant Series, redeem such Unsubordinated Note on the date specified in the relevant Put Notice (as defined below) at its put optional redemption amount (the “*Optional Redemption Amount (Put)*”) (which shall be its Outstanding Principal Amount or, if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates (“*Optional Redemption Date(s) (Put)*”) or a day falling within such period (“*Notice Period (Put)*”) as may be specified in the Final Terms), deposit the relevant Unsubordinated Note (together, in the case of an interest-bearing Unsubordinated Note in bearer form, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 9(e) apply)) during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice (“*Put Notice*”) in the form which is available from the specified office of any of the Paying Agents. No Unsubordinated Note so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency Agreement).

The holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 6(b) or 6(c).

(f) *Purchase of Notes*

Either the Issuer or a Guarantor or any of their respective subsidiaries may (but, in the case of Subordinated Notes, subject to consent thereto having been obtained from the Dutch Central Bank and/ or the Belgian Banking and Finance Commission, and/or the Dutch *Pensioen- en Verzekeringskamer* and/or the Belgian *Office de Contrôle des Assurances* (or their respective successors) as the case may be, at any time purchase Notes in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of Notes alike.

(g) *Cancellation of Redeemed and Purchased Notes*

All unmatured Notes and Coupons and unexchanged Talons redeemed or purchased, otherwise than in the ordinary course of business of dealing in securities or as a nominee in accordance with this Condition 6 will be cancelled forthwith and may not be reissued or resold, and where such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, the Issuer will forthwith inform the Luxembourg Stock Exchange of any such cancellation.

(h) *Further Provisions applicable to Redemption Amount and Instalment Amounts*

(i) The provisions of Conditions 5(b)(vi), (vii) and (viii) shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Final Terms to be made by the Calculation Agent.

(ii) References herein to “*Redemption Amount*” shall mean, as appropriate, the Final Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Optional Redemption Amount

(Call), Optional Redemption Amount (Put) and Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms.

(iii) In the case of any Note which is non-interest bearing, the “*Amortised Face Amount*” shall be an amount equal to the sum of:

(aa) the Issue Price specified in the Final Terms; and

(bb) the product of the Amortisation Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5(b)(vi)) specified in the Final Terms for the purposes of this Condition 6(h).

In the case of any Note which is non-interest bearing, if any Redemption Amount (other than the Final Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 6(h)(iii) but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Note becomes due and repayable were replaced by references to the earlier of:

(i) the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made; and

(ii) (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Principal Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

7. Events of Default and Subordination Events

(a) Events of Default

The following events or circumstances as modified by, and/or such other events as may be specified in, the Final Terms (each an “*Event of Default*”) shall be acceleration events in relation to the Unsubordinated Notes of any Series, namely:

(i) the Issuer fails to pay for a period of five (5) days or more any interest on any of the Notes when due and, if such non-payment is due to technical reasons or administrative error (and only in that case) such default has not been remedied within 5 Business Days (in Luxembourg) of such non-payment; or

(ii) the Issuer or either Guarantor does not perform or comply with any one or more of its other obligations in the Notes of the relevant Series, the Deed of Covenant, the Deed of Guarantee or the Fiscal Agency Agreement which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the relevant Guarantor at the specified office of the Fiscal Agent by the Holder of any such Note; or

(iii) (aa) any other present or future indebtedness of the Issuer or either Guarantor or any Material Group Company for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or, as the case may be, the relevant Guarantor, or

(bb) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or

(cc) the Issuer or either Guarantor or any Material Group Company fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that it shall not constitute an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred is less than EUR50,000,000 (or its equivalent in any other currency or currencies); or

(iv) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or either Guarantor or any Material Group Company and is not discharged or stayed within 30 days; or

(v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or either Guarantor or any Material Group Company becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and not retracted, cancelled or stayed within 30 days; or

(vi) the Issuer or either Guarantor or any Material Group Company is (or is deemed by law or a court to be) insolvent, applies for its own bankruptcy, is declared bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any part which it will otherwise be unable to pay when due), proposes or makes a general assignment, or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Issuer, either Guarantor or any Material Group Company, or, in the case of the Issuer, a Guarantor or any Material Group Company which is incorporated in The Netherlands, a “*surséance van betaling*” under Dutch law is agreed, applied for or declared in respect of or affecting all or any part of its debts or an application is filed for a declaration; or

(vii) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or either Guarantor or any Material Group Company, or the Issuer or either Guarantor ceases or threatens to cease to carry on all or a material part of its business or operations, except, in either case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) in the case of any Material Group Company, whereby the whole or substantially the whole of the undertaking and the assets of the Material Group Company are transferred to or otherwise vested in the Issuer or either Guarantor (as the case may be) or any other Group Company (as defined in Condition 4), or (ii) in the case of the Issuer or a Guarantor, pursuant to which the whole or substantially the whole of the undertaking and the assets of the Issuer or the relevant Guarantor are transferred to the surviving company and the surviving company has assumed all of the obligations of the Issuer or relevant Guarantor; or

(viii) the Guarantee is not (or is claimed by either Guarantor not to be) in full force and effect; or

(ix) either of the Guarantors disposes or threatens to dispose of the whole or a material part of its business, or of the whole or a material part of its assets, whether by a single transaction or a series of transactions whether related or not (except (a) for the purpose of a reorganisation, merger or consolidation pursuant to the terms of which the surviving company (to which such business and/ or assets have been transferred) has assumed all of the obligations of such Guarantor under the Guarantee or (b), in the case of a disposal by either or both Guarantors of a material part of its or their assets, for consideration in money or money’s worth at least equal to the lower of the book value and the full market value of the assets so disposed of which consideration is paid in full on normal commercial terms and applied for the acquisition of additional assets in the ordinary course of such Guarantor’s business.

For the purposes of this condition:

“*Material Group Company*” means any Group Company (i) whose net profit after tax and minority interests but before extraordinary items or (ii) whose net assets in each case as shown by the latest audited non-consolidated financial statements (or, where the Group Company in question itself prepares consolidated financial statements, consolidated financial statements), of such Group Company used for the purpose of the latest audited consolidated financial statements of Fortis represent at least 5 per cent. of the consolidated net profit after tax and minority interests but before extraordinary items or 3 per cent. of the net assets, respectively, of Fortis as shown by such consolidated financial statements. A report from the Auditors as to proper extraction of the figures used by the Directors of the Guarantors in determining that a Group Company is or is not or was or was not at any particular time a Material Group Company and as to the mathematical accuracy of such calculations shall be conclusive and binding on all parties; and

“*Fortis*” means the group of companies consisting of all of the Group Companies.

If any Event of Default shall occur in relation to any Series of Unsubordinated Notes, any Holder of an Unsubordinated Note of the relevant Series may, by written notice to the Issuer, at the specified office of the Fiscal Agent declare that such Unsubordinated Note and (if the Unsubordinated Note is interest bearing) all

interest then accrued on such Unsubordinated Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the “*Early Termination Amount*”) (which shall be its Outstanding Principal Amount or, if such Unsubordinated Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Unsubordinated Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Unsubordinated Notes of the relevant Series shall have been cured.

(b) *Subordination Events:*

- If (i) an order is made or an effective resolution is passed for the dissolution or liquidation of the Issuer or Fortis N.V.; or
- (ii) an order is made or an effective resolution is passed for the winding-up or judicial or voluntary liquidation of Fortis SA/NV which will exclude, for the avoidance of doubt, all events of voluntary dissolution and/or liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of Fortis SA/NV;

each (a “*Subordination Event*”) any Holder of a Subordinated Note may by written notice to the Issuer, declare that such Subordinated Note and all interest then accrued on such Note to be forthwith due and payable, whereupon the same shall, subject to the approval of the Dutch Central Bank, (if required) become immediately due and payable at its early termination amount (the “*Early Termination Amount*”) (which shall be its Outstanding Principal Amount or, if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior thereto, such Subordination Event in respect of the Notes shall have been cured.

8. Taxation

(a) All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantors will be made free and clear of and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or any of the Guarantors (as the case may be) will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(i) by a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with The Netherlands or Belgium other than the mere holding of such Note or Coupon; or

(ii) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts if it had presented the relevant Note or Coupon for payment on the last day of such period of 30 days; or

(iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union.

(b) For the purposes of these Terms and Conditions, the “*Relevant Date*” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys

payable has not been received by the Principal Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 14.

(c) If the Issuer or the Guarantors (as the case may be) becomes subject generally at any time to any taxing jurisdiction other than or in addition to The Netherlands or Belgium references in Condition 6(b) and Condition 8(a) to The Netherlands or Belgium shall be read and construed as references to The Netherlands or Belgium and/or to such other jurisdiction(s).

(d) Any reference in these Terms and Conditions to “*principal*” and/or “*interest*” in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to “principal” shall include any premium payable in respect of a Note, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and “interest” shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

9. Payments

(a) *Payments*: Payment of amounts (other than interest) due in respect of Notes will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Notes at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note will be made against presentation of the Note together with (where applicable) the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

(b) Payment of amounts in respect of interest on Notes will be made:

(i) in the case of Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Notes at the specified office of any of the Paying Agents outside (unless Condition 9(c) applies) the United States; and (ii) in the case of Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 9(c) applies) the United States.

(c) Payments of amounts due in respect of interest on the Notes and exchanges of Talons for Coupon sheets in accordance with Condition 9(f) will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

(d) If the due date for payment of any amount due in respect of any Note is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 9(h)), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, (or as otherwise specified in the Final Terms) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and

Conditions in which event interest shall continue to accrue as provided in Condition 5(e) (or, if appropriate, Condition 5(f)).

(e) Each Note initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

(i) if the Final Terms specifies that this paragraph (i) of Condition 9(e) is applicable (and, in the absence of specification, this paragraph (i) shall apply to Notes which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;

(ii) if the Final Terms specifies that this paragraph (ii) of Condition 9(e) is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Notes which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;

(iii) in the case of Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and

(iv) in the case of Notes initially delivered with Receipts attached thereto, all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 9(e) notwithstanding, if any Notes should be issued with a maturity date and a Rate of Interest or Rates of Interest such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

(f) In relation to Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9(c) applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

(g) Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

(h) For the purposes of these Terms and Conditions:

(i) “*Relevant Financial Centre Day*” means (unless otherwise stated in the applicable Final Terms)
(aa) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial

banks and foreign exchange markets settle payments in the Principal Financial Centre and in any Additional Financial Centre specified in the Final Terms or (bb) in relation to any sum payable in euro, a day on which the TARGET system is open and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre;

(ii) “*Local Banking Day*” means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Note or, as the case may be, Coupon; and

(iii) “*Principal Financial Centre*” means, in relation to any Specified Currency, the principal financial centre for that currency provided, however that in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

(i) No commissions or expenses shall be charged to the holders of Notes or Coupons in respect of such payments.

10. Prescription

(a) Claims against the Issuer for payment of principal and interest in respect of Notes will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 8(b)) for payment thereof.

(b) In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 9(e) or the due date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 10 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Note.

11. The Paying Agents and the Calculation Agent

(a) The initial Paying Agents and their respective initial Specified offices are specified below. The Calculation Agent in respect of any Notes shall be specified in the Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent and Principal Paying Agent) or the Calculation Agent and to appoint additional or other Paying Agents or another Calculation Agent provided that it will at all times maintain (i) a Principal Paying Agent, (ii) a Paying Agent with a specified office in a continental European city, (iii) so long as the Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, a Paying Agent with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other listing authority, stock exchange and/or quotation system, (iv) in the circumstances described in Condition 9(c), a Paying Agent with a specified office in New York City, (v) a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive and (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Notes (in the case of (i), (ii), (iii), (iv), (v) and (vi) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Paying Agents and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 14.

(b) The Paying Agents and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Fiscal Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Fiscal Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

12. Replacement of Notes

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or any Paying Agent (each a “*Replacement Agent*”), subject to all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require.

Mutilated or defaced Notes, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

13. Meetings of Holders and Modification

The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Terms and Conditions and the Deed of Covenant insofar as the same may apply to such Notes. An Extraordinary Resolution passed at any meeting of the Holders of Notes of any Series will be binding on all Holders of the Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Notes of such Series.

The Issuer may, with the consent of the Fiscal Agent but without the consent of the Holders of the Notes of any Series or Coupons, amend these Terms and Conditions and the Deed of Covenant insofar as they may apply to such Notes to correct a manifest error. Subject as aforesaid, no other modification may be made to these Terms and Conditions or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

14. Notices

Notices will, save where another means of effective communication has been specified herein or in the Final Terms, be deemed to be validly given if published (i) in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and (ii) in the case of any Notes which are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that exchange so require), in a leading newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or on the website of the Luxembourg Stock Exchange, and (iii) in the case of any Notes which are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, such other place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system, and if such publication is not practicable, (in the case of (i) (ii) or (iii)) if published in a leading English language daily newspaper having general circulation in Europe. The Issuer shall also ensure that notices are duly published in compliance with the rules and regulations of each listing authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Notes in accordance with this Condition.

15. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Notes or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Notes of any particular Series.

16. Currency Indemnity

The currency in which the Notes are denominated or, if different, payable, as specified in the Final Terms (the “*Contractual Currency*”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency

which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

17. Substitution of the Issuer

(a) The Issuer may, without the consent of any Holder of Notes or of Coupons, substitute for itself any other body corporate as the debtor in respect of the Notes, any Coupons, the Deed of Covenant and the Fiscal Agency Agreement (the "*Substituted Debtor*") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 14, *provided that*:

(i) the Issuer is not in default in respect of any amount payable under the Notes;

(ii) the Issuer and the Substituted Debtor have entered into such documents (the "*Documents*") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of Notes to be bound by these Terms and Conditions and the provisions of the Fiscal Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 17);

(iii) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Notes then represented by a global Note on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;

(iv) if the Substituted Debtor is resident for tax purposes in a territory (the "*New Residence*") other than that in which the Issuer prior to such substitution was resident for tax purposes (the "*Former Residence*"), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Holder of Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 8, with the substitution of references to the Former Residence with references to the New Residence;

(v) The Guarantors guarantee the obligations of the Substituted Debtor in relation to the Notes (i) in the case of Unsubordinated Notes, on a basis equivalent to that set out in Condition 3(4)(a), and (ii) in the case of Subordinated Notes, on a basis equivalent to that set out in Condition 3(4)(b);

(vi) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and for the performance by the Guarantors of their obligations under the Deed of Guarantee as they relate to the obligations of the Substituted Debtor under the Documents;

(vii) legal opinions shall have been delivered to the Fiscal Agent from lawyers of recognised standing in the jurisdiction of each territory referred to in (iv) above, as to the fulfilment of the requirements of this Condition 17 and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor;

(viii) if Notes issued or to be issued under the Programme have been assigned a credit rating by Standard & Poor's and/or Moody's, as the case may be, shall have confirmed that following the proposed substitution of the Substituted Debtor, the credit rating of the Notes will not be adversely affected;

(ix) each listing authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be admitted to listing, trading and/or quotation on such listing authority, stock exchange and/or quotation system; and

(x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and any Coupons.

(b) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, any Coupons, the Deed of Covenant and the Fiscal Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Coupons, the Deed of Covenant and the Fiscal Agency Agreement.

(c) After a substitution pursuant to Condition 17(a) the Substituted Debtor may, without the consent of any Holder of Notes or of Coupons, effect a further substitution. All the provisions specified in Conditions 17(a) and 17(b) shall apply *mutatus mutandis*, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

(d) After a substitution pursuant to Condition 17(a) or 17(c) any Substituted Debtor may, without the consent of any Holder of Notes or of Coupons, reverse the substitution, *mutatis mutandis*.

(e) The Documents shall be delivered to, and kept by, the Fiscal Agent. Copies of the Documents will be available free of charge at the specified office of each of the Paying Agents.

18. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

19. Governing Law and Jurisdiction

(a) *Governing Law:* The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law, except for Conditions 3(2) and 3(3) which shall be governed by, and construed in accordance with, Dutch law.

(b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a “*Dispute*”) arising from or connected with the Notes.

(c) *Appropriate forum:* The Issuer and each of the Guarantors agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

(d) *Rights of the Holders of Notes to take proceedings outside England:* Condition 19(b) (English courts) is for the benefit of the Holders of Notes only. As a result, nothing in this Condition 19 (*Governing Law and Jurisdiction*) prevents any Holder of Notes from taking proceedings relating to a Dispute (“*Proceedings*”) in any other courts with jurisdiction. To the extent allowed by law, Holders of Notes may take concurrent Proceedings in any number of jurisdictions.

(e) *Service of process:* The Issuer and the Guarantors agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Fortis Bank, London Branch, Camomile Court, 23 Camomile Street, London EC3A 7PP or at any address of Fortis Bank, London Branch in Great Britain at which service of process may be served on them in accordance with Part XXIII of the Companies Act 1985. Nothing in this paragraph shall affect the right of any Holder of Notes to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

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

PROVISIONS RELATING TO THE NOTES WHILST IN GLOBAL FORM

1. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note (which expression includes a Temporary Global Note and a Permanent Global Note) must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for such person's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid. References in these provisions relating to the Notes in global form to "holder" or "accountholder" are to those persons shown in the records of the relevant clearing system as a holder of a Note.

2. Form and Exchange

(1) *TEFRA D or TEFRA C*: The Final Terms shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "*TEFRA D Rules*") or U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "*TEFRA C Rules*") shall apply. Each Tranche of Notes is represented upon issue by a temporary global Note (a "*Temporary Global Note*"), unless the Final Terms specify otherwise and the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Notes specify that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a Permanent Global Note.

Interests in a Temporary Global Note may be exchanged for:

- (i) interests in a permanent global Note (a "*Permanent Global Note*"); or
- (ii) if so specified in the Final Terms, definitive Notes in bearer form ("*Definitive Notes*").

Exchanges of interests in a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made only on or after the date which is 40 days after the issue date of the relevant Tranche of Notes (the "*Exchange Date*") and (unless the Final Terms specify that the TEFRA C Rules are applicable to the Notes) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received.

(2) *Limitation on entitlement under a Temporary Global Note after Exchange Date*: Holders of interests in any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole but not in part only) for a Permanent Global Note or for delivery of Definitive Notes such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

(3) *Certification of non-U.S. beneficial ownership*: Unless the Final Terms specify that the TEFRA C Rules are applicable to the Notes and subject to paragraph (2) above, if any date on which a payment of interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear Bank S.A./N.V., as operator of Euroclear or Clearstream, Luxembourg or any other relevant clearing system which may be specified in the Final Terms. Payments of amounts due in respect of a Permanent Global Note or (subject to paragraph (2) above) a Temporary Global Note (if the Final Terms specify that the TEFRA C Rules are applicable to the Notes) will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

(4) *Exchange for Definitive Notes*: Interests in a Permanent Global Note will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of the Holder of such Global Note, for Definitive Notes (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays)

or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 7 occurs or, (c) at any time on the request of the bearer or on the expiry of a period of notice, if so specified in the Final Terms (each an “*Exchange Event*”). Whenever a Permanent Global Note is to be exchanged for Definitive Notes the Issuer shall procure the prompt delivery of such Definitive Notes, duly authenticated and where and to the extent applicable, with Receipts, Coupons and Talons attached (each as defined in Condition 1(a)), in an aggregate principal amount equal to the principal amount of such Permanent Global Note to the Holder of the Permanent Global Note against its surrender at the specified office of the Fiscal Agent within 30 days of the Holder requesting such exchange. Furthermore, if,

(i) Definitive Notes have not been delivered in accordance with the foregoing by 5.00 p.m. (London time) on the thirtieth day after the Holder has requested exchange; or

(ii) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of the Redemption Amount (as defined in Condition 6(h)(ii)) together with all accrued interest thereon has not been made to the Holder in accordance with the Conditions on the due date for payment,

then such Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the Holder of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the such Holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system as being entitled to interests in the Notes will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the Holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg or other relevant clearing system (as the case may be)).

3. Amendment to Conditions

The Temporary Global Notes and Permanent Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

(1) *Meetings*: The Holder of a Global Note shall (unless such Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, the Holder of a Global Note shall be treated as having one vote in respect of each minimum Denomination of Notes (as set out in the relevant Final Terms and which, for the avoidance of doubt, shall include each unit in multiples of which Notes of the relevant Series may be traded when in global form in the relevant clearing systems) for which such Global Note may be exchanged.

(2) *Cancellation*: Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note.

(3) *Purchase*: Notes represented by a Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

(4) *Issuer's Option*: Any option of the Issuer provided for in the Conditions of the Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

(5) *Holder's Options*: Any option of the holders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the Holder of the Permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set

out in the Conditions substantially in the form of the notice available from any Paying Agent except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

(6) *Notices*: So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that (a) so long as the Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that exchange so require, notice shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or the website of the Luxembourg State Exchange and (b) so long as the Notes are admitted to listing, trading and/or quotation on such other listing authority, stock exchange and/or quotation system and the rules of that listing authority, stock exchange and/or quotation system so require, notice shall also be published in such other place as may be required by that listing authority, stock exchange and/or quotation system.

4. Partly Paid Notes

While any Partly Paid Instalments due from the holder of Partly Paid Notes are overdue, no interest in a Temporary Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes. If any holder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to such holder in respect of them.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer to meet part of its general financing requirements.

DESCRIPTION OF THE ISSUER

1. Persons Responsible

The Issuer, Fortis Finance N.V. is a wholly owned indirect subsidiary of the Guarantors, Fortis SA/NV and Fortis N.V., and was incorporated under the laws of The Netherlands on 28 June 1977. Its registered and principal office is at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands and its telephone number is +31 30226 3990.

2. Statutory Auditors

The 2003 and 2004 financial statements of the Issuer based on Dutch GAAP have been audited by KPMG Accountants N.V. in accordance with applicable legal and regulatory requirements in the Netherlands. KPMG Accountants N.V. are members of the *Koninklijk Nederlands Instituut van Register Accountants*.

3. Selected financial information

FINANCIAL INFORMATION: Key Figures (as at 31 December 2004, prepared in accordance with Dutch GAAP)

(before proposed profit appropriation, in EUR thousand)

	2004	2003
Balance Sheet		
FINANCIAL FIXED ASSETS	10,111,734	12,055,151
CURRENT ASSETS	5,851,316	5,721,603
Total Assets	15,963,050	17,776,754
SHAREHOLDERS' EQUITY	23,590	19,338
PROVISIONS	—	—
LONG-TERM LIABILITIES	9,933,147	11,542,814
CURRENT LIABILITIES	6,006,313	6,214,602
Total Liabilities	15,963,050	17,776,754
Profit and Loss Account		
INTEREST INCOME	899,697	1,036,265
INTEREST EXPENSE	892,350	1,026,942
NET INTEREST INCOME	7,347	9,323
ON-CHARGED TAXES	1,324	1,470
TOTAL REVENUES	8,671	10,793
OTHER OPERATING EXPENSES	357	951
RESULT BEFORE TAXATION	8,314	9,842
TAXATION	4,062	4,358
RESULT AFTER TAXATION	4,252	5,484

4. Information about the Issuer

Fortis Finance N.V. is incorporated as a public limited company (“*naamloze vennootschap*”) under Dutch law and is a wholly owned indirect subsidiary of Fortis SA/NV and Fortis N.V. (“*Fortis*”).

Its authorised share capital pursuant to its articles of association amounts to 1,000 shares of EUR 500 per share. 250 shares have been issued and fully paid-up.

Fortis Finance N.V. is registered with the Trade Register of the Chamber of Commerce and Industry at Utrecht with the file number 30055940.

The Issuer operates as the window to the financial markets for Fortis entities only, and utilises the capital markets to raise funding, including the European commercial paper markets and the Euro medium term note market.

At 31 December 2004, Fortis Finance had EUR 488 million based on Dutch GAAP outstanding under a EUR 4 billion Euro Commercial Paper Program and the amount outstanding under this Programme was EUR 8,919 million based on Dutch GAAP.

In addition, Fortis Finance has a standby multi currency credit facility in aggregate for EUR 1 billion. At year-end 2004 no amounts were outstanding under this credit line; the credit line matures on 26 May 2009.

During 2004, the Euro Commercial Paper Program was reduced from EUR 8 billion to EUR 4 billion, while a previously available US\$ 1 billion US Commercial Paper Program was withdrawn in March 2004 concurrently with the completion of the Assurant, Inc. IPO. On the same date the credit line was brought down from EUR 2 billion to EUR 1 billion.

The Issuer has no employees of its own. Its activities are performed by employees of group companies of Fortis.

5. Management and supervisory bodies

The members of the Issuer's Management Board are as follows:

Name	Business address	Principal activities performed by them outside the Issuer which are significant with respect to the Issuer*
P. Depovere	Fortis, CFO Office Rue Royale/Koningsstraat 20 1000 Brussels Belgium	Chief Reporting Officer, Fortis
J.H. Brugman	Fortis, CFO Office Archimedeslaan 6 PO Box 2049 3500 GA Utrecht The Netherlands	Director Rating, Fortis
J. Dessain	Fortis, CFO Office Rue Royale/Koningsstraat 20 1000 Brussels Belgium	Director Capital Raising, Fortis
A.H.W.M. van der Plas	Fortis Hypotheek Bank Archimedeslaan 6 PO Box 2049 3500 GA Utrecht The Netherlands	Director, Fortis Hypotheekbank

No potential conflicts of interest exist between any duties to the Issuer of the persons referred to above and their private interests and/or other duties.

* Except for their principal functions in Fortis, their other functions within Fortis have not been included.

6. Trend Information

There has been no material adverse change in the prospects of the Issuer since 31 December 2004.

7. Financial Information about the Issuer

(A) AUDITED ANNUAL FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2004

BALANCE SHEET AT 31 DECEMBER 2004, PREPARED IN ACCORDANCE WITH DUTCH GAAP (before proposed profit appropriation, in EUR thousand)

	2004	2003
ASSETS		
FINANCIAL FIXED ASSETS		
Long-term receivables from group companies	10,111,734	12,055,151
CURRENT ASSETS		
Receivables from group companies	5,480,733	5,240,841
Liquid assets	1,170	20
Accruals	369,413	480,742
	<u>5,851,316</u>	<u>5,721,603</u>
	15,963,050	17,776,754
LIABILITIES		
SHAREHOLDERS' EQUITY		
Paid-up and called-up capital	125	125
Unappropriated profit	4,252	5,484
Other reserves	19,213	13,729
	<u>23,590</u>	<u>19,338</u>
LONG-TERM LIABILITIES		
Bonds	8,918,787	10,397,190
Amounts owed to group companies	52,512	183,776
Other amounts owed	961,848	961,848
	<u>9,933,147</u>	<u>11,542,814</u>
CURRENT LIABILITIES		
Amounts owed to group companies	5,119,299	3,274,777
Other amounts owed	520,458	2,275,589
Accruals	366,556	664,236
	<u>6,006,313</u>	<u>6,214,602</u>
	15,963,050	17,776,754

PROFIT AND LOSS ACCOUNT FOR 2004, PREPARED IN ACCORDANCE WITH DUTCH GAAP
(in EUR thousand)

	2004	2003
INTEREST INCOME		
Financial fixed assets:		
– Group companies	422,507	440,407
Current assets:		
– Group companies	79,191	136,873
– Income from derivatives	397,695	456,983
– On-charged expenses to ASR	304	2,002
	899,697	1,036,265
INTEREST EXPENSE		
Long-term liabilities:		
– Euro-dollar bond loans	3,914	10,507
– Euro bond loans	314,518	277,248
– DKK bond loans	—	2,679
– NOK bond loans	33,445	34,986
– CZK bond loans	409	327
– JPY bond loans	61	8
– HUF bond loans	4,055	1,640
– GBP bond loans	28,541	17,925
– Convertible notes	—	35,567
– Group companies	4,129	16,710
– Other amounts owed	63,708	62,152
Current liabilities:		
– Group companies	66,669	59,240
– Other amounts owed	370,522	505,394
– Exchange differences	11	150
– Costs issue of bonds (loans > 1 year)	500	500
– Credit facility & Rating	1,868	1,909
	892,350	1,026,942
NET INTEREST INCOME	7,347	9,323
ON-CHARGED TAXES	1,324	1,470
TOTAL REVENUES	8,671	10,793
OTHER OPERATING EXPENSES	357	951
RESULT BEFORE TAXATION	8,314	9,842
TAXATION	4,062	4,358
RESULT AFTER TAXATION	4,252	5,484

**(B) UNAUDITED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD
ENDING 30 JUNE 2005**

BALANCE SHEET AT 30 JUNE 2005, PREPARED ON THE BASIS OF IFRS

(in EUR thousand)

	30-Jun-05	30-Jun-04
ASSETS		
FINANCIAL FIXED ASSETS		
Loans to customers – group companies	8,278,658	11,223,837
DERIVATIVES	302,142	265,471
DEFERRED TAX	365	365
CURRENT ASSETS		
Loans to customers – deposits	—	141,322
Due from customers – current accounts	3,901,109	2,449,386
Other cash and cash equivalents	155,493	221,138
	<u>4,056,602</u>	<u>2,811,846</u>
Accrued interest income	216,938	332,350
Other assets	5,736	55,619
	<u>12,860,441</u>	<u>14,689,488</u>
LIABILITIES		
SHAREHOLDERS' EQUITY		
Paid-up and called-up capital	125	125
Other reserves	19,213	19,213
Unappropriated results	8,623	704
	<u>27,961</u>	<u>20,042</u>
DERIVATIVES	251,990	330,182
LONG-TERM LIABILITIES		
Other borrowings due to customers – other	7,294,064	9,818,380
Other borrowings due to customers – group	10,270	16,729
companies	26,636	26,486
Other amounts owed	<u>7,330,970</u>	<u>9,861,595</u>
SUBORDINATED LOANS		
Subordinated liabilities – other	898,319	961,848
Subordinated liabilities – group companies	15,882	43,109
	<u>914,201</u>	<u>1,004,957</u>
CURRENT LIABILITIES		
Other deposits due to customers	—	—
Debt certificates	—	214,070
Demand deposits due to customers – current	4,001,644	2,849,252
accounts	47,141	76,367
Demand deposits due to banks	213,956	329,096
Accrued interest charges	72,578	3,927
Other Liabilities	<u>4,335,319</u>	<u>3,472,712</u>
	<u>12,860,441</u>	<u>14,689,488</u>

PROFIT AND LOSS ACCOUNT AT 30 JUNE 2005, PREPARED ON THE BASIS OF IFRS

(in EUR thousand)

	30-Jun-05	30-Jun-04
INTEREST INCOME		
Financial fixed assets	186,948	214,467
Derivatives	119,868	265,671
Current assets	55,581	44,584
On-charged expenses to ASR/FHB	449	891
Exchange differences	291	42
	363,137	525,655
INTEREST EXPENSE		
Long term liabilities	171,012	197,590
Subordinated liabilities	30,414	32,592
Derivatives	101,525	245,140
Current liabilities	51,544	45,402
Costs issue of bonds (loans > 1 year)	250	250
Interest related costs	359	570
	355,104	521,544
NET INTEREST INCOME	8,033	4,111
UNREALISED CAPITAL GAINS		
Derivatives	120,908	275,699
Due to loans	8,961	29,237
Foreign currency trading	12,080	—
Other	32	—
	141,981	304,936
UNREALISED CAPITAL GAINS		
Derivatives	53,392	176,057
Due to loans	—	128,773
Foreign currency trading	88,592	—
Other	—	109
	141,984	304,939
	(3)	(3)
TOTAL INCOME, NET OF INTEREST EXPENSES	8,030	4,108
EXPENSES		
Rating costs	173	507
EMTN program	88	44
Operating expenses	70	167
Exceptional items	—	377
	331	1,095
RESULT BEFORE TAXATION	7,699	3,013
INCOME TAX EXPENSE	2,693	1,617
RESULT AFTER TAXATION	5,006	1,396

(C) CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

NOTE TO THE CASH FLOW STATEMENTS

The purpose of this note is to describe the basis used by the management of Fortis Finance N.V. (the “*Company*”) to prepare the statements of cash flows for the two years ended 31 December 2004 and 2003, respectively (the “*Cash Flow Statements*”), which are required to be included in the Base Prospectus dated 18 November 2005 (the “*Base Prospectus*”).

The Company’s financial statements as of and for the years ended 31 December 2004 and 2003, respectively (hereafter, the “*Company’s financial statements*”), were prepared in accordance with generally accepted accounting principles in the Netherlands (hereafter “*Dutch GAAP*”). The financial statements have been audited by the Company’s statutory auditors, KPMG Accountants N.V., who have issued unqualified audit reports thereon. The Company’s audited financial statements do not include a cash flow statement as Fortis Finance N.V. used the Dutch GAAP exemption not to report such a cash flow statement based on the fact that the Company’s cash flow information is included in the Fortis consolidated cash flow statement for the corresponding financial years.

Therefore the amounts reported in the Cash Flow Statements as shown below have been determined either directly from the balances reported in the Company’s audited financial statements, as defined in the second paragraph of this note, at the beginning and end of each of the two years concerned or, where applicable, by reference to the relevant accounting records underlying those audited financial statements.

The Cash Flow Statements have been prepared and presented in accordance with the requirements of the Dutch Accounting Standards Board as set out in chapter 360 the “*cash flow statement*” of the Dutch financial reporting guidelines.

CASH FLOW STATEMENT: Fortis Finance, prepared in accordance with Dutch GAAP

	2004	2003
	(in EUR thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit	4,252	5,484
Adjustments to reconcile net profit to net cash provided by operating activities:		
– Minority interest	0	0
– Value adjustments on receivables	0	0
– Value adjustments on real estate	0	0
– Depreciation, amortization and accretion	(1,321)	0
– Foreign exchange results on debt securities and other fixed-income securities	0	0
– Result realized on sale of investment securities	0	0
– Result realized on sale of real estate	0	0
– Value adjustments on the investment portfolio of shares	0	0
– Unrealized results on trading portfolio	0	0
– Other	0	0
Net change in operating assets and liabilities, excluding effects of acquisitions:		
– Trading securities	0	0
– Deferred acquisition costs	0	0
– Prepayments and accrued income	112,650	(18,567)
– Investments on behalf of policyholders	0	0
– Other assets	(239,890)	475,928
– Technical provisions	0	0
– Accruals and deferred income	(297,680)	174,191
– Technical provisions related to investments on behalf of policyholders	0	0
– Fund for general banking risks	0	0
– Provisions	0	0
– Deposits with reinsurers	0	0
– Other liabilities	0	0
– Other liabilities	0	0
Net cash flow from operating activities	(421,989)	637,036
CASH FLOWS FROM INVESTING ACTIVITIES:		
Debt securities	0	0
Treasury bills	0	0
Land and buildings	0	0
Shares and venture capital	0	0
Other investments	0	0
Purchase of investment securities	0	0
Proceeds from sale/maturities of investment securities	0	0
Net increase in loans and advances to credit institutions	0	0
Net increase in loans and advances to customers	1,943,417	(2,487,572)
Purchase/sale of businesses, net of cash acquired/sold	0	0
Net purchase/sale of tangible fixed assets and intangible assets	0	0
Net cash from investing activities	1,943,417	(2,487,572)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in amounts owed to credit institutions	0	0
Change in amounts owed to customers	0	0
Change in debt certificates	(1,520,278)	3,102,528
Change in convertible notes	0	(1,255,914)
Change in subordinated liabilities	0	1
Change in capital issued by Fortis Finance	0	0
Dividends paid	0	0
Net cash flow from financing activities	(1,520,278)	1,846,615
Net increase (decrease) in cash	1,150	(3,921)
Cash and cash equivalents at 1 January	20	3,941
Effect of exchange rate on cash	0	0
Cash at 31 December	1,170	20
Interest paid	889,998	994,741
Income taxes paid	2,414	1,335

AUDIT REPORT TO THE CASH FLOW STATEMENTS

Extract of the letter by the joint statutory auditors to the Board of Directors of Fortis Finance N.V.

Introduction

We have audited the accompanying statements of cash flows for years ended 31 December 2004 and 2003, respectively, hereafter referred to as the “*Cash Flow Statements*”. The Cash Flow Statements have been prepared specifically for inclusion in the Base Prospectus dated 18 November 2005 (the “*Base Prospectus*”) of Fortis Finance N.V. (the “*Company*”), on the basis described in the note to the Cash Flow Statements. This report is required by item 13.1 of annex IV of Commission Regulation (EC) No 809/2004 (the “*Prospectus Regulation*”) and is given for the purpose of complying with that rule and for no other purpose.

Responsibility

The directors of the Company are responsible for preparing the Cash Flow Statements in accordance with the basis of preparation described in the note to the Cash Flow Statements.

It is our responsibility to form an opinion as to whether the Cash Flow Statements have been properly prepared, in all material respects, in accordance with that basis of preparation.

Basis of opinion

We conducted our work in accordance with the in accordance with generally accepted accounting principles in the Netherlands. In accordance with those principles, we planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Cash Flow Statements are free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Cash Flow Statements have been properly prepared, in all material respects, in accordance with the basis of preparation described in the note to the Cash Flow Statements.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2) we are responsible for this report as part of the Base Prospectus, and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Base Prospectus in compliance with item 1.2 of annex IV of the Prospectus Regulation.

Utrecht, 18 November 2005

KPMG Accountants N.V.

8. Impact of IFRS

The consolidated annual accounts of companies in the European Union with publicly-traded debts must under the Prospectus Directive meet the International Financial Reporting Standards (“*IFRS*”) as endorsed by the European Union for financial reporting for the financial years commencing on or after 1 January 2005. The Issuer will publish its first complete set of IFRS annual accounts in 2006 for the financial year 2005 with comparative figures for 2004.

IFRS deviates from the generally accepted accounting principles in The Netherlands that were used by the Issuer in preparing the financial statements for financial years ending 2004. It is expected that the impact on equity and net result will not be significant. However, this assumption is based on the fact that at its meeting of 8 July 2005, the Accounting Regulatory Committee (ARC), which advises the European Commission on the endorsement of individual IFRS for use in the European Union, agreed unanimously to recommend endorsement of an amended version of IAS 39 relating to the Fair Value Option (FVO) which had been previously carved out.

Unless the European Parliament raises objections, the European Commission will adopt the amended standard as soon as possible. Adoption will be effective retroactively to 1 January 2005, so that companies will be able to apply the amended standard for their 2005 financial statements. Comparative financial information will be prepared accordingly.

If this amended standard is not adopted by the European Commission, there may be a material impact on equity and net result.

The accounting policies and interpretations, and consequently the information presented, including the 2004 comparative figures, are not necessarily final and are subject to change up to 31 December 2005 as a result of, amongst other things, changes in IFRS Standards and Interpretations, changes in regulatory requirements and the execution of audit procedures.

According to IFRS 1 (First-time Adoption of International Financial Reporting Standards), an entity has to use the same accounting policies in its opening IFRS balance sheet and throughout all periods presented in its first IFRS annual financial statements.

9. Board Practices

The Issuer does not have an Audit Committee. An Audit Committee exists at the Fortis group level, as set out on page 83 below.

As Issuer is not a listed entity, it is not subject to the Dutch corporate governance regime.

10. Memorandum and articles of association of the Issuer

The principal corporate objective of Fortis Finance N.V., as mentioned in article 2 of its articles of association, is to provide financial services to companies of Fortis, including the Guarantors.

11. Legal and arbitration proceedings

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

12. Significant changes in the Issuer’s financial or trading position

Save as disclosed in this Base Prospectus, there have been no significant changes in the financial or trading position of the Issuer since 30 June 2005.

DESCRIPTION OF THE GUARANTORS

1. Persons Responsible

Fortis SA/NV and Fortis N.V. (the “*Guarantors*”), are holding companies, incorporated for an unlimited duration in Belgium and in The Netherlands, respectively, with their respective registered offices at B-1000 Brussels, Rue Royale/Koningsstraat, 20 and at 3584 BA Utrecht, Archimedeslaan 6.

2. Statutory Auditors

The 2003 and 2004 financial statements of the Guarantors have been audited by KPMG Accountants N.V. and by members of PricewaterhouseCoopers, Réviseur d’Entreprises S.C.C.R.L., in accordance with applicable legal and regulatory requirements. KPMG Accountants N.V. are members of the *Koninklijk Nederlands Instituut van Register Accountants*, and PricewaterhouseCoopers, Réviseurs d’Entreprises S.C.C.R.L. are members of *Instituut der Bedrijfsrevisoren/Institut de Réviseurs d’Entreprises*.

3. Selected Financial Information of the Guarantors

The Guarantors are the parent companies of the Fortis group (“*Fortis*”), an intentional financial services group active in the fields of banking and insurance.

As the only assets of the Guarantors are their investments in Fortis, all financial information provided below (which has been extracted without material adjustment from the audited and unaudited financial statements of Fortis, which have been prepared on the basis of Belgian GAAP) in this Base Prospectus relates to Fortis as a whole, unless explicitly stated otherwise.

Key figures (in EUR million)	Difference in		Difference in		
	2004	%	2003	%	2002
Profit and loss account					
Net operating profit					
before realised capital gains	2,469	25	1,976	3	1,918
● Banking	1,646	49	1,102	4	1,059
● Insurance	992	-6	1,060	1	1,047
Net operating profit	3,197	42	2,247	423	430
● Banking	1,970	36	1,446	25	1,154
● Insurance	1,480	49	996	*	(616)
Net profit	3,358	53	2,197	313	532
● Banking	1,855	24	1,495	16	1,293
● Insurance	1,600	78	898	*	(687)
Balance sheet					
Net equity	14,365	21	11,894	9	10,871
Total assets	570,648	9	523,250	8	485,765
Assets under management	321,936	5	305,960	6	289,817
Key figures per share (in EUR)					
Net operating profit	2.46	41	1.74	427	0.33
Net profit	2.59	52	1.70	315	0.41
Net profit after full conversion	2.53	51	1.67	307	0.41
Dividend	1.04	13	0.92	5	0.88
Net equity	11.04	21	9.16	9	8.39
Employees					
Average number of FTEs	49,468	-23	64,454	-2	65,989
● Banking	36,372	-6	38,496	-6	40,768
● Insurance	12,912	-50	25,785	3	25,031
Ratios					
Fortis					
Return on equity	25.6%		19.3%		4.3%
Banking					
Tier-1 ratio	8.3%		7.9%		8.2%
Total capital ratio	12.3%		12.4%		13.0%
Cost/income ratio	61.3%		62.7%		63.0%

4. Information about the Guarantors

Corporate profile

Fortis is an international financial services provider active in the fields of banking and insurance. The company offers its private, business and institutional customers a comprehensive package of products and services through its own distribution channels, in cooperation with intermediaries and through other distribution partners. Its multi-channel distribution strategy gives Fortis the flexibility to meet its customers' needs for optimum availability and user-friendliness.

Fortis occupies a leading position in all market segments in the Benelux countries. It offers internationally operating companies throughout Europe an integrated network and provides wealthy individuals and businesspeople with advanced services based on a unique set of competences. Fortis' expertise in niche markets such as shipping, commodity, export and project finance and fund administration has made the company a regional or world leader in these areas. Fortis also successfully combines its banking and insurance expertise in growth markets in Europe and Asia and leads the markets in Spain and Portugal.

Boasting a market capitalisation of EUR 26.5 billion and total assets of EUR 571 billion based on Belgian GAAP/FAP, as at 31 December 2004, Fortis ranks among the twenty largest financial institutions in Europe. Its sound solvency position, broad risk spread and ambitious, professional workforce of 51,000 enable Fortis to combine global strength with local flexibility to provide optimum support to its customers.

Fortis is listed on the exchanges of Amsterdam, Brussels and Luxembourg and has a sponsored over-the-counter ADR programme in the United States.

The current ratings of the Guarantors regarding its senior unsecured debt are the following:

	<u>Long-Term Debt</u>	<u>Short-Term Debt</u>
Moody's	A1	
Standard & Poor's	A+	A-1
Fitch Ratings	A+	F1

Fortis intends to rank among the top financial institutions in Europe, with the enlarged European Union as its home market and with selective expansion in Asia and North America. Fortis therefore wants to become a fully-integrated financial service provider, building on its two profitable core competencies, banking and insurance, and gaining an excellent strategic position with satisfactory critical mass in each business. This will be achieved by means of a combination of organic growth, acquisitions and strategic partnerships.

To realise this ambition, Fortis has opted expressly for accelerated growth, although in conjunction with strict cost control.

- Organic growth of net operating profit before capital gains of at least 10 per cent. per annum in 2005-2009
- Acquisitions to be made to boost organic growth and to access new markets
- Growth should lead to a better spread of activities. By 2009, at least 30 per cent. of net operating profit before realised capital gains should be generated outside the Benelux countries.

Fortis's long-term goals remain the same:

- Net operating profit per share to grow by at least 12 per cent. per annum.
- Return on equity of at least 15 per cent..

Fortis N.V.

Fortis N.V. is incorporated as a public limited liability company ("*naamloze vennootschap*") under Dutch law. Fortis N.V. has its corporate seat in Utrecht, The Netherlands, with its head office at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands, and is registered under number 30072145 with the Trade Register at the Chamber of Commerce of Utrecht, The Netherlands. The telephone number of the registered office of Fortis N.V. is +31 30 226 62 22.

Fortis N.V. is one of the two Fortis listed companies (the other being Fortis SA/NV). The corporate object of Fortis N.V. is mainly to acquire interests in enterprises and to manage and finance the same.

Fortis N.V. holds 50 per cent. of the shares and voting rights in Fortis through its 50 per cent. shareholding in Fortis Brussels (which controls the vast majority of Fortis' banking interests) and in Fortis Utrecht N.V. (which controls the vast majority of Fortis' insurance interests).

The authorised share capital of Fortis N.V. amounts to EUR 1,528,800,000 and is divided into 1,820,000,000 ordinary shares with a nominal value of EUR 0.42 per ordinary share and 1,820,000,000 preference shares with a nominal value of EUR 0.42 per preference share. The preference shares will only be in registered form. The ordinary shares may be held, at the option of the shareholder, in bearer or registered form.

On 31 December 2004, 1,301,104,005 ordinary shares (twinned with an equal number of Fortis SA/NV shares) were issued and outstanding (upon economical withdrawal of shares issued under the FRESH-agreement). All issued and outstanding ordinary shares are fully paid up. No preference shares are currently outstanding.

The Board of Directors of Fortis N.V. consists of the same persons as the Fortis Board of Directors.

Fortis SA/NV

Fortis SA/NV is a public company with limited liability incorporated in the form of a “*société anonyme / naamloze vennootschap*” under Belgian law. Fortis SA/NV has its registered office at Rue Royale/Koningsstraat 20, 1000 Brussels, Belgium. The company is registered in the register of legal entities (“*registre des personnes morales / rechtspersonenregister*”) under number 0451 406 524. The telephone number of the registered office of Fortis SA/NV is +32 2 510 5211.

Fortis SA/NV is one of the two Fortis listed companies (the other being Fortis N.V.). The corporate object of Fortis SA/NV is mainly to acquire interests in enterprises and to manage and finance the same.

Fortis SA/NV holds 50 per cent. of the shares and voting rights in Fortis through its 50 per cent. shareholding in Fortis Brussels (which controls the vast majority of Fortis' banking interests) and in Fortis Utrecht N.V. (which controls the vast majority of Fortis' insurance interests).

On 31 December 2004, the share capital of Fortis SA/NV was represented by 1,301,104,005 issued and outstanding ordinary shares (upon economical withdrawal of shares issued under the FRESH-agreement), without indication of nominal value (twinned with an equal number of Fortis N.V. shares). Shares are in bearer or registered form.

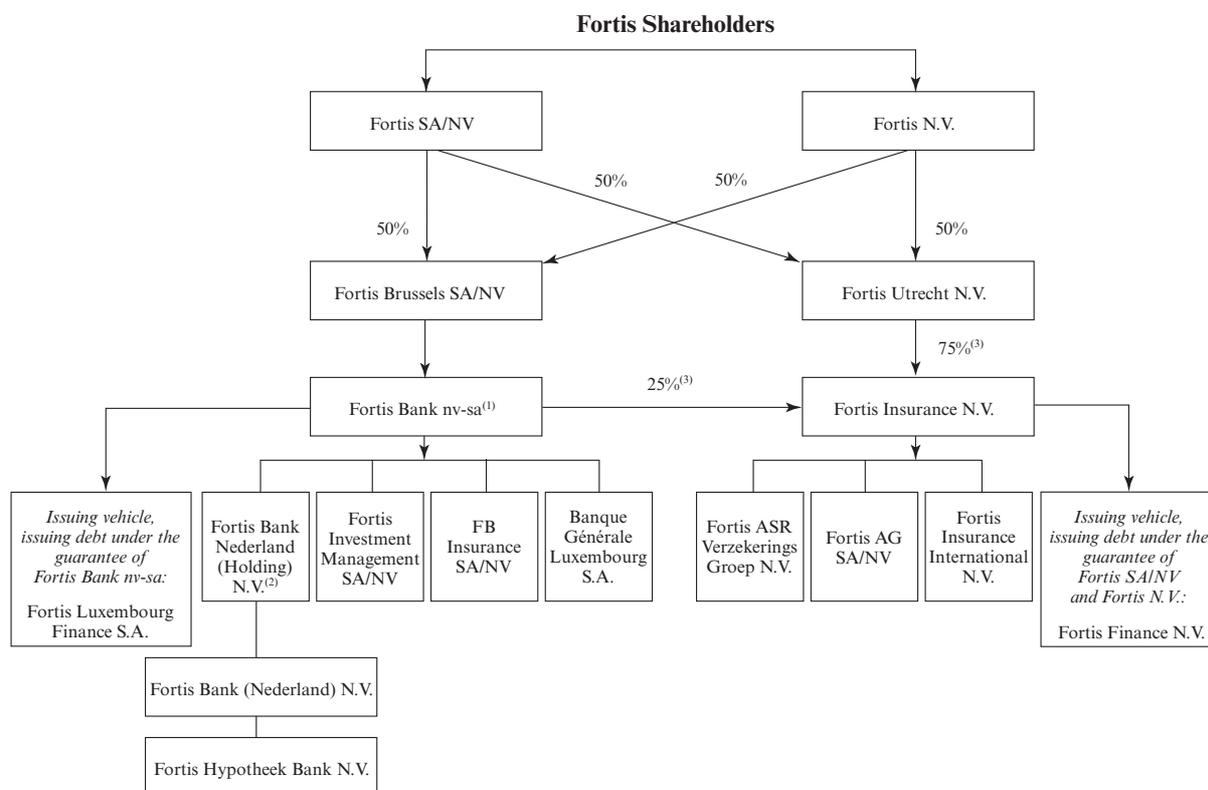
The Board of Directors is authorised to increase Fortis SA/NV's capital, in one or more transactions, for up to a maximum amount of EUR 1,713,600,000, representing a number of 400,000,000 new ordinary shares to be issued. This authorisation is granted to the Board of Directors for a period of 3 years starting after the General Meeting of Shareholders of 27 May 2003. On 31 December 2004, the total available amount of authorised capital stood at EUR 1,689,076,473.34, representing a total of 394,275,554 unissued shares.

The Board of Directors of Fortis SA/NV consists of the same persons as the Fortis Board of Directors.

5. Business Overview

Legal structure

The diagram below summarises the legal structure of and main entities in Fortis as of 31 December 2004(*).



(*) Excludes Assurant, Inc. (formerly Fortis, Inc.) which is now accounted for on the equity method due to a sale of 84 per cent. In aggregate of Assurant, Inc.'s shares through an initial public offering in the United States completed in February 2004 followed by a secondary public offering in the United States completed in January 2005.

(1) Fortis Bank nv-sa is the successor to the merger of Generale Bank and ASLK-CGER Bank.

(2) Fortis Bank Nederland (Holding) is the successor to the merger of VSB Bank, Generale Bank Nederland and MeesPierson.

(3) Fortis Bank nv-sa holds preference shares in Fortis Insurance N.V. Fortis Utrecht N.V. holds 100 per cent. of the ordinary shares in Fortis Insurance N.V. The percentage interests included in the table represent voting interest.

Fortis Brussels and Fortis Utrecht N.V. are the sub-holding companies of Fortis SA/NV and Fortis N.V. They hold substantially all of the assets of Fortis, are subject to regulation by governmental bodies and produce separate financial statements which are deposited with governmental bodies.

Legal entities are grouped in two distinct pools of activity: insurance and banking. These groupings reflect in part the use of two primary channels for distributing Fortis' products, intermediaries (brokers and agents), and proprietary distribution networks (bank branches). All insurance activities worldwide (other than bancassurance, which is still under the banking group), have been aggregated to form the building blocks of a single, Netherlands-based, insurance group, headed by Fortis Insurance N.V. The aggregated banking activities are headed by Fortis Bank nv-sa.

Insurance

Fortis offers a comprehensive range of life and non-life insurance products in Belgium and The Netherlands. Fortis' group of Belgian insurance companies is the leading group of insurance companies in Belgium based on 2003 gross premiums written, the most recent year for which such information is available. Fortis believes that its group of Dutch insurance companies, which includes ASR acquired at the end of 2000, ranks as the second largest insurer in The Netherlands based on 2003 gross premiums written based on Fortis' analysis of publicly available information.

In addition, Fortis offers life and non-life products in a number of other countries around the world, including France, the United Kingdom and Luxembourg. It operates a number of bancassurance joint ventures with partners in Spain (Caifor), Malaysia (Mayban) and Portugal (Millennium bcp Fortis Insurance Group).

Banking

Fortis offers a wide range of retail and commercial banking, corporate banking, private banking, investment banking and asset management services in the Benelux countries (Belgium, The Netherlands and Luxembourg). Fortis offers a more selective range of financial products outside the Benelux. As of March 2000, Fortis began offering most of its banking services under the core brand name Fortis Bank.

In June 1999, Fortis merged ASLK-CGER Bank with Generale Bank to form Fortis Bank, and Generale Bank Nederland with VSB Bank to form Fortis Bank (Nederland). MeesPierson merged with Fortis Bank (Nederland) in June 2000. Fortis' combined banking operations are managed as an integrated banking group, operating under one brand name.

In November 2001, Fortis completed the integration of Banque Générale du Luxembourg (“BGL”) with Fortis Bank Luxembourg. Fortis had previously increased its stake in BGL from 53.0 per cent. to 97.7 per cent. in 2000.

Management structure

To ensure that its services are organised as effectively as possible, Fortis' operations have been divided into six businesses – three banking and three insurance businesses. Each business applies a powerful customer focus to develop specific products and services for its target group. The basic principle is that this product and service offering has to be accessible at any given moment through a variety of channels. The autonomy enjoyed by the different businesses enable Fortis to meet your needs better and faster.

The six businesses are:

- Retail Banking
- Commercial & Private Banking
- Merchant Banking
- Insurance Belgium
- Insurance Netherlands
- Insurance International

Retail Banking

Retail Banking intends to be, and to remain, the bank of choice for individual customers, the self-employed, professionals and small businesses in every market in which it is active. Number two in the Benelux region, the leader in Belgium and Luxembourg, and number four in The Netherlands, Retail Banking is poised to take advantage of significant growth opportunities in these local markets.

To meet its growth objectives and competitive targets, Retail Banking intends to put its customers even more at centre stage, particularly by intensifying its efforts to develop the ‘Customer Bank’ concept (which emphasises customer service, availability, transparency and continuous improvement) and by establishing a culture that focuses on sales, customer satisfaction and the development of customer loyalty. In this context, Retail Banking plans to pursue its objectives with respect to staff training, the optimisation of the commercial organisation, product differentiation, the development of its innovative, integrated service offering, and the transition from a ‘multi-’ to a ‘cross-channel’ distribution strategy.

Commercial & Private Banking

Commercial Banking wants to become the bank of choice for medium-sized companies operating in Europe. It offers financial solutions with added value through its integrated European network of Business Centres. Its main target group is companies requiring multiple banking services, such as leasing, factoring, international credit facilities, international cash management and finance facilities for acquisitions or trading transactions. The Global Relationship Manager (GRM) offers companies a single point of contact for their financial needs. The GRM is both a channel to all the expertise within Fortis and a provider of tailored solutions.

Under the name MeesPierson, Private Banking is one of the top 15 private banks in Europe and is ranked amongst the market leaders in the field of trust and corporate services. With a presence in 23 countries, the company offers integrated international management of assets and liabilities to wealthy individuals and business clients. The advice and solutions offered by MeesPierson are based on years of experience.

The Commercial & Private Banking business aims to reap the benefits of a combined and global approach to their two closely connected markets. In particular they are looking to benefit from improving the collaboration between Commercial Banking and Private Banking and by pooling their competence in the areas of trust, business management, leasing etc. This closer co-operation will allow them to develop further the Act as One concept and establish a service strategy that is unique in Europe. The business wants to become an international provider of integrated 'Commercial & Private Banking' services, putting it at the head of the field in Europe.

In order to strengthen its position and to increase Fortis' international market visibility, Commercial & Private Banking will prioritise investment in the Fortis brand.

Merchant Banking

Merchant Banking is the market leader in Belgium and Luxembourg, and is amongst the leading regional and global players in specific niche markets such as commodity finance. Merchant Banking offers its institutional and corporate clients tailored investment and financing solutions, based on its activities in Corporate and Investment Banking, Financial and Capital Markets, Private Equity and Securities Services.

Merchant Banking has opted for a firm focus on the client. As part of its pursuit of optimal and economically rewarding relationships with its clients, the business provides a full range of services, customised to meet clients' needs, based on an in-depth analysis of their expectations.

Merchant Banking plans to extend its expertise and presence in selected niche markets in which it has recognised expertise (e.g. commodity finance in emerging markets). It will also strengthen its position in its home market, particularly in The Netherlands, as well as in Asia and the United States.

Insurance Belgium

As the largest insurer in Belgium, Fortis is number one in Life, with a market share of 23 per cent., and number three in Non-Life, with a market share of 12 per cent.. Its market leadership position is attributable to a number of factors. For example, the business has succeeded in building a lead over the competition in product innovation while at the same time keeping costs low. Moreover, intermediaries rate its service very highly and its IT tools are regarded as 'best-in-class'.

Insurance Belgium is made up of FB Verzekeringen (sales through bank branches) and Fortis AG (sales through intermediaries). Insurance Belgium aims to sustain its profitable growth in Non-Life, Individual Life and Group Life in Belgium. The business will continue to make a major contribution to the group through product innovation, improved service, a multichannel approach and cost control.

Insurance Belgium will continue to concentrate on its innovative product range (which has already achieved great success with unique packages such as Familis and Modulis) in particular with a view to increasing its market share in Non-Life. The business will also maintain its close ties with bank branches and intermediaries and will also seek to raise its quality of service.

Insurance Netherlands

Fortis ASR is the third-largest insurer and a leading intermediary insurer in The Netherlands. It also distributes various Fortis banking products. Today, Fortis ASR is working hard to integrate the three general insurers AMEV, Stad Rotterdam and Woudsend under a single new label, while stepping up initiatives to manage the risks that this operation entails. The integration process should be complete by the end of 2006.

In tandem with this merger, Fortis ASR intends to seize on growth opportunities in the life insurance market (resulting in particular from increased demand owing to government changes to pension schemes) and in other selected markets. In life insurance, Fortis ASR focuses on developing new and profitable individual life insurance products, and on increasing its share of the group insurance market. With a strong market position and recognised expertise in claims handling, the Dutch insurer aims to build on its leading position in the disability insurance market by achieving considerable autonomous growth.

In addition, Fortis ASR plans to take advantage of existing competence within Fortis to develop bancassurance activities, thereby allowing it to provide insurance products to banking customers in The Netherlands. Fortis ASR aims to use its flexibility and expertise to maintain its leading position in the travel insurance market. It also intends to capture new markets by entering into strategic partnerships with travel insurers in other countries.

Insurance International

Insurance International consists of a portfolio of Life and Non-Life activities in Europe and Asia with fast growing profitability. The ambition is to continue to grow rapidly in existing markets (organically and through acquisitions) and to enter new attractive markets where growth rates are likely to be higher than in the Benelux countries.

In Europe Fortis holds a leading position in bancassurance in Spain and Portugal. Fortis is also a leading motor insurer in the UK. Fortis will continue to grow by optimising its current portfolio and leveraging its key strengths in bancassurance and broker-based insurance outside the Benelux (via acquisitions and/or partnerships).

In Asia, Fortis has a strong presence in three high-growth countries (China, Malaysia and Thailand) and is recognised as a true leader in bancassurance. Fortis will continue to grow by reaching the full potential of its existing positions and targeting new attractive markets to further expand its bancassurance concept.

6. Trend Information

(a) *Material adverse change*

There has been no material adverse change in the prospects of the Guarantors and/or any of their subsidiaries, taken as a whole, since 31 December 2004.

(b) *Recent Developments and Trends*

(i) Extracted from the unaudited Fortis Consolidated Quarterly Report dated 25 August 2005 (prepared on the basis of IFRS).

For a detailed analysis of the first half 2005 results, see www.fortis.com

Consolidated profit and loss account

	First half year 2005	First half year 2004
Income		
Interest income	34,308.7	22,978.1
Insurance premiums	6,172.6	6,104.3
Dividend and other investment income	491.1	435.1
Share in result of associates and joint ventures	89.1	112.1
Realised capital gains (losses) on investments	1,272.5	1,300.2
Other (un) realised gains and losses	495.3	215.0
Fee and commission income	1,474.7	1,343.2
Income from investments for unit linked products	1,698.7	631.5
Other income	426.8	500.2
Total income	46,429.5	33,619.7
Expenses		
Interest expenses	(31,088.2)	(19,790.4)
Technical charges	(5,526.3)	(5,622.2)
Charges related to unit linked products	(2,051.0)	(744.0)
Change in impairments	(46.5)	(150.1)
Fee and commission expenses	(840.2)	(782.1)
Amortisation tangible and intangible assets	(251.0)	(237.3)
Staff expenses	(2,003.1)	(1,941.1)
Other expenses	(1,302.3)	(1,508.0)
Total expenses	(43,108.6)	(30,775.2)
Profit before taxation and minority interests	3,320.9	2,844.5
Taxation	(753.3)	(613.3)
Net profit before minority interests	2,567.6	2,231.2
Minority interests	24.9	19.1
Net profit	2,542.7	2,212.1
Per share data (EUR)		
Basic earnings per share	1.98	1.74
Diluted earnings per share	1.95	1.71

Consolidated balance sheet

	30 June 2005	31 December 2004
Assets		
Cash and cash equivalents	31,826.8	25,019.7
Due from banks	110,602.4	64,197.0
Due from customers	232,998.7	227,780.1
Trading assets	68,147.3	60,624.7
Investments:		
– Held to maturity	4,611.8	4,721.3
– Available for sale	170,965.7	153,543.2
– Held at fair value through profit and loss account	4,715.1	3,390.6
– Investment property	2,379.0	2,304.4
– Investments in associates and joint ventures	1,599.3	2,209.2
	184,270.9	166,168.7
Unit-linked investments	23,430.9	16,853.4
Reinsurance, trade and other receivables	7,239.9	6,562.6
Property, plant and equipment	3,100.1	3,133.0
Goodwill and intangible assets	1,417.6	671.5
Other assets	55,333.8	43,165.5
Total assets	718,368.4	614,176.2
Liabilities		
Trading liabilities	56,873.2	51,648.1
Due to banks	193,137.1	121,036.9
Due to customers	216,076.3	224,541.0
Technical provisions	54,279.9	48,939.6
Liabilities related to unit-linked products	23,855.8	17,033.5
Debt certificates	74,171.3	71,894.5 ⁽¹⁾
Current and deferred tax liabilities	4,429.6	2,920.4
Subordinated liabilities	13,193.8	13,190.6 ⁽¹⁾
Other borrowings	1,257.5	2,861.3
Accrued interest, expenses and other liabilities	61,214.7	43,408.1
Provisions	736.5	918.9
Total liabilities	699,225.7	598,392.9
Shareholders' equity	18,469.7	15,443.5
Minority interests	673.0	339.8
Total equity	19,142.7	15,783.3
Total liabilities, minority interests and shareholders' equity	718,368.4	614,176.2

(1) Changed for comparison purposes.

Consolidated statement of movements in net equity

	2005	2004
Net equity at 1 January	15,443.5	12,517.1
Net profit	2,542.7	2,212.1
Dividend paid	(1,344.1)	(1,175.9)
Revaluation of investments	1,607.8	(501.6)
Translation differences	97.9	(30.8)
Treasury shares	36.9	130.3
Other	85.0	0.0
Net equity at 30 June	<u>18,469.7</u>	<u>13,151.2</u>

Movements in outstanding shares

	30 June 2005	31 December 2004
Number of outstanding shares	1,340,786,545	1,340,786,545
Treasury shares	(57,164,152)	(59,946,438)
Number of outstanding shares	<u>1,283,622,393</u>	<u>1,280,540,107</u>

Consolidated cash flow statement

	2005	2004
Cash and cash equivalents at 1 January	25,019.7	21,534.8
Net cash generated by operating activities	16,373.8	25,168.5
Cash flow from investing activities	(9,138.9)	(5,506.6)
Cash flow from financing activities	(487.5)	3,002.5
Effect of exchange rate	59.7	38.4
Cash and cash equivalents at 30 June	<u>31,826.8</u>	<u>44,237.6</u>

(ii) Impact of IFRS on net equity and net result of Fortis

(1) Accounting Policies

The consolidated annual financial statements of companies publicly listed in the European Union must, for the financial years starting on or after 1 January 2005, be prepared in accordance with IFRS as endorsed by the European Commission.

Consequently, the unaudited consolidated quarterly report of Fortis for the first half year of 2005, including the 2004 comparative figures, has been prepared on the basis of IFRS – including International Accounting Standards (“IAS”) and Interpretations – issued by the International Accounting Standards Board (“IASB”) as at 31 December 2004 and as endorsed by the European Commission (including the ‘carved out’ version of IAS 39 (Financial Instruments: Recognition and Measurement)).

These accounting policies and interpretations, and consequently the information presented, including the 2004 comparative figures, are not necessarily final and are subject to change up to 31 December 2005 as a result of, amongst other things, changes in IFRS Standards and Interpretations, changes in regulatory requirements and the execution of audit procedures. According to IFRS 1 (First-time Adoption of International Financial Reporting Standards), an entity has to use the same accounting policies in its opening IFRS balance sheet and throughout all periods presented in its first IFRS annual financial statements.

Fortis’ financial statements for the year ended 31 December 2004 were prepared in accordance with the applicable legal and regulatory requirements in Belgium. An overview of these accounting principles (“FAP”) can be found in the Fortis 2004 annual accounts. Fortis has restated these consolidated financial statements for comparative reasons to comply with IFRS. The effects of the adoption of IFRS are explained below.

The information presented in this prospectus of the adoption of IFRS has been extracted without material adjustments from the unaudited consolidated quarterly report of Fortis for the first half year of 2005.

(2) Reconciliation of the net equity of Fortis

This section discusses the effects of the transition from FAP to IFRS on the net equity of Fortis.

The reconciliation of net equity in the transition from FAP to IFRS may be presented as follows:

	31 December 2004	30 June 2004	1 January 2004
FAP net equity	14,364.6	13,030.3	11,894.2
Real estate	(1,549.0)	(1,574.6)	(1,605.4)
Financial instruments	1,915.2	773.2	1,136.8
Treasury shares	(215.0)	(199.2)	(230.5)
Fund for general banking risks	2,198.2	2,207.4	2,209.1
Pensions	(842.0)	(840.7)	(961.1)
Provisions	55.1	139.8	173.6
Insurance	(483.6)	(385.0)	(99.2)
IFRS net equity	<u>15,443.5</u>	<u>13,151.2</u>	<u>12,517.5</u>

Real estate

Under FAP, real estate was recorded at fair value and the unrealised revaluation was recognised directly in net equity. Under IFRS, Fortis will value its real estate at the cost price minus amortisation and any impairments. Because of the reversal of the revaluations and the recognition of amortisations and impairments, net equity as at 31 December 2004 has been reduced by EUR 1,549 million after taxes relative to net equity under FAP (30 June 2004: minus EUR 1,575 million; 1 January 2004: minus EUR 1,605 million).

Financial instruments

The main effects on the financial instruments are discussed below.

Debt securities

Under IFRS, Fortis records most debt securities as ‘available-for-sale’, as a result of which such debt securities are valued at fair value and unrealised revaluations are recorded in net equity. This differs from the method used under FAP, according to which debt securities were valued at their amortisation value.

As a result of the revaluations, net equity as on 31 December 2004 increased by EUR 3,544 million after taxes (30 June 2004: plus EUR 1,472 million; 1 January 2004: plus EUR 2,112 million).

Shares

Under IFRS, shares that form part of the investment portfolio are valued at fair value and unrealised changes in value are recorded in net equity. Except in case of a temporary decline in value below the cost price, the difference between the cost price and this value (‘impairment’) must be recorded in the profit and loss account. This results in a permanent reduction of the cost price.

In the past, Fortis used the portfolio approach, according to which unrealised changes in value were recorded via net equity as long as the value of the portfolio as a whole was higher than the cost price. If the value of the portfolio fell below the cost price, the changes in value were recorded via the profit and loss account. Because the portfolio approach has been relinquished and the impairment rules are now applied, net equity as on 31 December 2004 has been reduced by EUR 116 million after taxes (30 June 2004: minus EUR 136 million; 1 January 2004: minus EUR 126 million).

Derivatives

Under FAP, derivatives held for risk management purposes were not recorded in the balance sheet, other than as accruals and deferrals. Under IFRS, these derivatives must be recorded in the balance sheet at fair value. As a result, net equity as on 31 December 2004 is reduced by EUR 1,437 million after taxes (30 June 2004: minus EUR 657 million; 1 January 2004: minus EUR 727 million).

Treasury shares

Under IFRS, all Fortis shares and (embedded) derivatives on Fortis shares owned by Fortis must be deducted from or added to net equity.

Under FAP, treasury shares that were held as an investment or for trading purposes were recorded as an asset. Under FAP, the embedded derivatives on Fortis shares in the debt instruments issued by Fortis were not recorded.

Because treasury shares and derivatives on treasury shares are now recorded via net equity, net equity as on 31 December 2004 is reduced by EUR 215 million (30 June 2004: EUR 199 million; 1 January 2004: EUR 231 million). No deferred tax is recognised in relation to treasury shares.

Fund for general banking risks

IFRS does not allow a fund for general banking risks. The balance of the fund has been added to net equity (31 December 2004: EUR 2,198 million; 30 June 2004: EUR 2,207 million; 1 January 2004: EUR 2,209 million). No deferred tax is recognised in relation to the fund for general banking risks.

Pensions

Fortis has used the option provided under IFRS to add or charge pension-related actuarial gains and losses that have not yet been recognised in the profit and loss account to net equity in full. As a result, net equity as on 31 December 2004 is reduced by EUR 842 million after taxes (30 June 2004: minus EUR 841 million; 1 January 2004: minus EUR 961 million).

Insurance

Under FAP, equalisation and catastrophe provisions were created for specific insurance risks. Such provisions are not allowed under IFRS.

Fortis uses the option provided by IFRS 4 to record revaluations of investments which are attributable to policyholders in the technical provisions (shadow accounting).

As a result of the adoption of shadow accounting and the release of provisions, net equity as on 31 December 2004 is reduced by EUR 484 million after taxes (30 June 2004: minus EUR 385 million; 1 January 2004: minus EUR 99 million).

(3) Reconciliation of the net result of Fortis

The impact of the changeover from FAP to IFRS on the net result of Fortis may be presented as follows:

	Full year 2004	First half year 2004
FAP net result	3,358.5	2,077.8
Depreciation on real estate	(103.8)	(43.9)
Financial instruments	(941.2)	(108.0)
Provisions	(74.1)	14.3
Treasury shares	(141.0)	12.5
Capital gain on sale of Assurant, Inc.	303.0	303.0
Other	(41.8)	(43.6)
IFRS net result	<u>2,359.6</u>	<u>2,212.1</u>

Depreciation of real estate

Under IFRS, Fortis values its real estate at the cost price minus amortisation and any impairments, while such amortisations and impairments are recorded in the profit and loss account. Under FAP, real estate was recorded at fair value and the unrealised revaluation was recognised in net equity. Consequently amortisation did not occur.

Financial instruments

The main effects on the financial instruments are discussed below.

Debt securities

Under IFRS, Fortis values certain debt securities that are considered part of the trading portfolio at fair value. Consequently, changes in revaluations for these debt securities must be included in the realised and unrealised gains or losses. This results in an increase in the number of changes in the profit and loss account as compared with FAP.

Derivatives

Because under IFRS, all derivatives (including the risk management derivatives that remained outside the balance sheet under FAP) must be recorded in the balance sheet at fair value, significant changes in the result arise relative to FAP (31 December 2004: minus EUR 735 million; 30 June 2004: plus EUR 65 million). Under IFRS, changes in the fair value of derivatives are included in realised and unrealised gains and losses.

Shares

Under FAP, shares were valued on the basis of the portfolio approach. If the value of the portfolio fell below cost price, the changes in value were recorded via the profit and loss account.

Under IFRS, shares are valued at fair value and revaluations are recorded in net equity. If the value per share falls below the cost price, a loss is recorded only if this fall is not considered temporary. This results in a permanent reduction of the cost price.

If these shares should later rise in value, the revaluation is recorded in net equity and not in the result, as was the case under FAP, as long as the revaluation remained below the original cost price.

At year-end 2004 a relatively large amount was recognised as a positive result of EUR 435 million under FAP (30 June 2004: EUR 364 million), because the fair value of the equity portfolio did not rise above the cost price until the end of 2004. Under IFRS, any revaluation of shares after impairment is recorded in net equity. On the other hand, however, under IFRS, the gains realised upon the sale of shares are higher because for a number of shares the cost price under IFRS is lower than under FAP, due to impairment.

Provisions

Under IFRS, provisioning is subject to stricter rules than under FAP. As a result, under IFRS, a number of provisions for expected costs and risks – including the equalisation and catastrophe provisions – have been released.

The costs that were charged to these provisions in 2004 under FAP are included in the profit and loss account under IFRS, and consequently, depress the result.

Treasury shares

Under FAP, losses and gains arising from trading and investing in Fortis shares were recorded in the profit and loss account as unrealised gains and losses. Under IFRS, this is not allowed, and gains and losses on treasury shares must be recorded via net equity.

In addition, under IFRS, the conversion element or option right on treasury shares included in convertible bonds must be valued separately at the time of issue and must be amortised over the term of maturity of the bond. The amortised part is included in the profit and loss account under interest charges.

Capital gain on sale of Assurant, Inc.

Under FAP, goodwill paid upon acquisitions was charged directly to net equity. If a subsidiary was sold within five years of being acquired, a time-weighted portion of the goodwill was added back to the cost, thus impacting the gain upon the sale of the company. Under IFRS, however, goodwill on acquisitions from 1 January 2004 on, must be capitalised and tested annually for impairments, while any impairments must be charged to the profit and loss account.

Under the IFRS transition rules, Fortis had the option of resetting the accumulated translation reserves to zero. As a result, under IFRS, the gain on the sale of part of the US insurance subsidiary Assurant, Inc. turned out higher than under FAP.

(c) Fortis Capitalisation table

	30 June 2005	31 December 2004
	(in EUR million)	
Shareholders' equity	18,469.7	15,443.5
Minority interest	673.0	339.8
Total equity	19,142.7	15,783.3
Subordinated liabilities	13,193.8	13,190.6 ⁽¹⁾
Long term debts*	36,857.5	36,911.7
Total capitalisation	69,194.0	65,885.6

* Long term debts: includes debt certificates over one year.

(1) Changed for comparison purposes.

7. Management And Supervisory Bodies

The Fortis Boards of Directors

The boards of directors of Fortis SA/NV and Fortis N.V. (the “*Fortis Board of Directors*”) are composed of the same members and function as a single Fortis board of directors. The Fortis Board of Directors consists of a maximum of 17 members: one executive member, being the Chief Executive Officer, and a maximum of 16 non-executive members. The scope of activity of the non-executive members of the Fortis Board of Directors involves the general course of affairs. There are currently 13 directors.

The Fortis Board of Directors is responsible for the general business of the Group and for monitoring and checking the Group's financial status. The Fortis Board of Directors meets in principle ten times a year, according to a fixed timetable, and on as many other occasions as the Group's interests require. The Fortis Boards of Directors' working methods, meetings and decision-making process are specified in the board rules.

The composition of the Fortis Board of Directors is as follows:

Name	Position	Director since	Term expire	Principal activities performed by them outside Fortis which are significant with respect to Fortis
Count M. Lippens	Director Fortis (Chairman)	1981	2008	Director Total, Director Lambert-Brussels Group, Director Belgacom, Director Suez-Tractebel, Chairman Compagnie Het Zoute, Director Iscal Sugar, Director Finasucre, Director Groupe Sucrier, Member Trilateral Commission, Member Harvard Business School European Advisory Council, Member Insead Belgium Council
J.J. Slechte	Director Fortis (Deputy Chairman)	1996	2006	Member Supervisory Board Samasgroep N.V., Chairman Supervisory Board TU Delft, Director Stichting Continuïteit Fortis
J-P. Votron	Director Fortis (Chief Executive Officer)	2004	2008	None
Baron P. Bodson	Director Fortis	2004	2007	Director CIB, Director Exmar, Chairman Floridienne, Director Fondation Bernheim
R. Delbridge	Director Fortis	2004	2006	Non-executive Director TATE & LYLE Plc, Non-executive Director JP Morgan Cazenove Holdings, Non-executive Director Gallaher Group Plc, Non-executive Director Balfour Beatty Plc, Council Member and Treasurer The Open University, Trustee The Wordsworth Trust
J-M. Hessels	Director Fortis	2001	2007	Chairman Supervisory Board Euronext N.V., Member Supervisory Board Royal Philips Electronics N.V., Member Supervisory Board Royal Vopak N.V. (until April 2005), Member Supervisory Board Schiphol Group N.V., Member Supervisory Board Heineken N.V.

Name	Position	Director since	Term expire	Principal activities performed by them outside Fortis which are significant with respect to Fortis
Baron D. Janssen	Director Fortis	1999	2006	Chairman Solvay, Vice-chairman UCB, Member Steering Committee Trilateral Commission, Member Steering Committee European Round Table of Industrialists, Chairman Hoover Foundation for Brussels Free Universities
J. Manardo	Director Fortis	2004	2008	None
R. Sandler	Director Fortis	2004	2007	Executive Chairman Computacenter Plc, Chairman The Kyte Group, Chairman Oxygen Group Plc, President of the Chartered Institute of Bankers in the UK, Partnership Council Member of lawyers Herbert Smith
R. Talwar	Director Fortis	2004	2008	Director Pearson (UK), Director Centurion Bank (India), Director MBRD (Moscow Bank for Reconstruction & Development), Director London Business School, Director Indian School of Business
Baron P. Van Waeyenberge	Director Fortis	1989	2007	Chairman De Eik N.V., Chairman Fortales N.V., Director Fabricom N.V., Director Janssen Pharmaceutica N.V., Chairman Maison de la Radio (Flagey) SA/Omroepgebouw Flagey N.V., Vice-Chairman Indufin N.V.
N.J. Westdijk	Director Fortis	1996	2006	Chairman Supervisory Board ENECO Energie N.V., Member Supervisory Board Wolters Kluwer N.V., Member Supervisory Board VastNed Groep N.V., Chairman Supervisory Board Connexxion Holding N.V.

The business address of the members of the Fortis Board of Directors is Rue Royale/Koningsstraat 20, 1000 Brussels.

The boards of directors of the sub-holding companies, Fortis Brussels and Fortis Utrecht N.V., are composed of the same members as the Boards of Directors of the parent companies Fortis SA/NV and Fortis N.V., and are responsible for strategic and financial development and control, capital allocation and the representation of Fortis with external constituencies.

No potential conflicts of interest exist between any duties to the Guarantors of the persons referred to in this section and their private interests and/or other duties.

The Fortis Executive Committee

Fortis' Executive Committee has nine members, of whom only the chairman – the CEO – has a seat on the Board of Directors. With the exception of the CEO, the members of the Executive Committee are appointed by the Fortis Board of Directors at the CEO's recommendation. As a member of the Fortis Board of Directors, the CEO is appointed by the General Meeting of Shareholders at the Board's recommendation.

Fortis' Chief Executive Officer is responsible for the day-to-day management of Fortis, for setting the strategic priorities for Fortis' development and for implementing these plans after the Fortis Board of Directors has approved them. Among other things, the Executive Committee makes proposals in this regard for acquisitions, divestitures and capital allocation. The CEO then submits these plans for the approval of the Fortis Board of Directors.

The Executive Committee consists of the following members who, with the exception of the CEO, hold permanent executive positions at other Fortis companies and are responsible for the organization and development of their specific businesses.

Name	Position	Principal activities performed by them outside Fortis which are significant with respect to Fortis
J-P. Votron	Chief Executive Officer	None
H. Verwilt	Deputy Chief Executive Officer and Chief Operating Officer	Professor Extraordinary University of Ghent, Censor National Bank of Belgium, Director Flemish Economic Association, Director Belgian Finance Federation (Febelfin), Member Executive Committee and Board of Directors "Foundation Roi Baudouin", Member Instituto de Empresa International Advisory Board, Madrid
G. Mittler	Chief Financial Officer	None
J. Feilzer	Chief Institutional Relations	Chairman Supervisory Board Gemiva-SVG Groep, Director Stichting VSB Fonds, Chairman Dutch Fund Association, Director Stichting Administratiekantoor Cumulatief-Preferente Aandelen Pon Holdings B.V.
J. Clijsters	CEO Retail Banking	National Chairman of Young Enterprises, Member Board of Directors Stichting Marketing, Director EHSAL Management School, Director Vlerick Management School
K. De Boeck	CEO Commercial & Private Banking	Member Management Committee Federation of Belgian Companies, Chairman European Financial Management and Marketing Association (EFMA)
J. De Mey	CEO Insurance Belgium	Member Royal Association of Belgian Actuaries, Chairman Compagnie Belge d'Assurances Aviation (Aviabel)
F. Dierckx	CEO Merchant Banking	Member Board of Directors of various companies of the Group SD Worx, Member General Assembly Employers Association (Voka) – Flemish Economic Association
J. van Ek	CEO Insurance Netherlands	Director Dutch Association of Insurance Companies, Vice-chairman Supervisory Board Polynorm N.V., Member Supervisory Board of Soweco N.V.
P. van Harten	CEO Insurance International	None

The business address of the members of the Executive Committee is Rue Royale/Koningsstraat 20, 1000 Brussels.

Supervisory bodies

Fortis Audit Services reports to the Audit Committee and twice a year issues an opinion regarding Fortis internal audit systems. In addition to the regular audits, specific topics are also audited every year.

External auditing is done jointly by KPMG Accountants N.V., a member of the *Koninklijk Nederlands Instituut van Register Accountants* and PricewaterhouseCoopers *Réviseurs d'Entreprises S.C.C.R.L.*, a member of the *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*.

Once a year Fortis Compliance reports on legal compliance to the Audit Committee.

As a bi-national, integrated financial services provider, Fortis is subject to different forms of internal and external supervision. Fortis' banking activities and investment services are organized in cross-border business lines, whereby the commercial core is in Belgium, The Netherlands or Luxembourg, depending on the business line. To ensure proper supervision of these cross-border activities, the relevant regulators (BFIC in Belgium, DNB in The Netherlands and the CSSF in Luxembourg) signed a Memorandum of Understanding on 29 March 2001. Fortis' insurance businesses are not cross-border and are therefore subject to national insurance supervision; given the merger of the insurance and banking regulators in both Belgium and The Netherlands, the regulation is also exercised by the BFIC respectively DNB.

The respective supervisors in Belgium and The Netherlands (BFIC, DNB) are of the opinion that the integration of the activities within a financial services company (or a financial conglomerate) gives rise to specific risks which require the separate banking and insurance supervision to be supplemented with comprehensive supervision at the group level. In February 2002, the supervisors agreed on a renewed Protocol (entitled “*Framework for the exercise of the supplementary supervision of the Fortis Group*”) to provide for adequate supervision of Fortis.

8. Board Practices

The Fortis Board of Directors may institute from among its members all committees that it considers useful. The board rules govern the composition and responsibilities of these committees. Currently, the Fortis Board of Directors has established three committees: the Nomination and Remuneration Committee, the Audit Committee and the Risk and Capital Committee. As a general principle, the Board Committees have an advisory function to the Board.

Each of Fortis SA/NV and Fortis N.V. comply with the corporate governance regime of Belgium and The Netherlands, respectively.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are Maurice Lippens (chairman), Daniel Janssen and Jan Slechte. The role of this Committee is to assist the Board in all matters relating to the appointment and remuneration of Board members and Executive Managers, and in those matters regarding the governance of the group on which the Board or the Chairman wishes to receive the Committee’s advice.

Risk & Capital Committee

The members of the Risk and Capital Committee are Jan-Michiel Hessels (chairman), Jacques Manardo, Rana Talwar and Piet Van Waeyenberge. The role of this Committee is to assist the Board in understanding the risks run by Fortis, in overseeing the proper management of these risks and in ensuring the adequacy of Fortis capital.

Audit Committee

The members of the Audit Committee are Klaas Westdijk (chairman), Philippe Bodson, Richard Delbridge and Ron Sandler. The role of this Committee is to assist the Board in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense within Fortis, including internal control over financial reporting.

9. Major Shareholders

The table below shows the principal shareholders of Fortis. Principal shareholders are shareholders with a participation exceeding 5 per cent..

	At December 31, 2004
Group SUEZ	6.06%
Stichting VSB Fonds	5.52%

It should be noted that Group Suez sold its full shareholding in Fortis in the course of 2005.

10. Financial Information concerning the Guarantors’ Assets and Liabilities, Financial Position and Profits and Losses

Consolidated Financial Information

Fortis has opted for consortium accounting in accordance with the 7th European Directive. This implies a consolidation of Fortis including its two listed parent companies Fortis SA/NV and Fortis N.V.

The consolidated financial statements of Fortis included hereunder have been derived from the audited annual accounts for the year 2004 and for the year 2003 which have been prepared in accordance with applicable legal and regulatory requirements in Belgium.

The consolidated annual accounts of Fortis include the figures for Fortis SA/NV and Fortis N.V., as well as the companies in which they have a direct or indirect right to cast more than 50 per cent. of the votes at the General Meeting of Shareholders. Joint ventures whose activities are closely related to those of Fortis are

consolidated on a proportional basis. Special Purpose Vehicles (SPV), which have been created in the context of securitisation and over which no control is exercised, are not included in the consolidation.

With effect from 1 January 1999, upon acquisition of companies to be consolidated in the annual accounts the assets and liabilities of the acquired company are restated at their fair value. Any remaining amount of goodwill is charged or credited in full to net equity. Goodwill arising on the acquisition of participating interests accounted for under the equity method is also charged or credited to net equity.

A list of all group companies and other participating interests has been filed with the National Bank of Belgium in Brussels and with the commercial register of the Chamber of Commerce in Utrecht. The list is available upon request, free of charge, from Fortis in Brussels and Utrecht.

CONSOLIDATED BALANCE SHEET

The tables below have been extracted without material adjustment from the audited financial statements of Fortis for the three years ended 31 December 2004 (before appropriation of profit, in EUR million), which have been prepared on the basis of Belgian GAAP, as applied by Fortis.

	31 December 2004	31 December 2003	31 December 2002
Assets			
Cash	5,216.1	8,286.4	4,484.8
Trading securities	37,870.9	23,458.2	14,518.2
Investments	163,667.2	157,994.8	140,098.7
Loans and advances to credit institutions	72,654.2	79,445.8	83,859.0
Loans and advances to customers	209,372.3	182,039.2	172,144.1
Reinsurers' share of technical provisions	1,428.2	5,486.6	6,131.6
Deferred acquisition costs	1,479.7	2,788.5	2,810.1
Prepayments and accrued income	39,738.7	28,053.2	27,856.7
Investments on behalf of policyholders	18,702.6	19,946.2	18,390.6
Other assets	20,517.9	15,751.1	15,471.6
Total assets	570,647.8	523,250.0	485,765.4
Liabilities			
Amounts owed to credit institutions	119,029.8	109,368.4	96,548.4
Amounts owed to customers	213,778.9	187,423.4	177,635.3
Debt certificates	51,943.5	52,278.9	49,963.7
Technical provisions	57,846.2	64,410.1	61,735.9
Technical provisions related to investments on behalf of policyholders	18,822.7	20,379.9	18,563.5
Accruals and deferred income	37,670.0	27,420.9	26,614.6
Other liabilities	41,266.4	34,571.3	27,157.6
Convertible notes	0.0	0.0	1,256.2
Subordinated convertible note (FRESH)	1,250.0	1,250.0	1,250.0
Subordinated liabilities	11,020.6	9,923.1	9,723.5
	552,628.1	507,026.0	470,448.7
Fund for general banking risks	2,198.4	2,209.1	2,215.0
Minority interests in group equity	1,456.7	2,120.7	2,230.8
Net equity:			
– Capital	6,306.8	6,293.2	6,279.9
– Share premium reserve	11,977.4	11,937.0	11,916.3
– Revaluation reserve			
– Goodwill	(16,973.8)	(17,108.6)	(17,024.6)
– Other reserves	9,695.7	8,575.2	9,167.7
– Net profit for the financial year	3,358.5	2,197.4	531.6
Net equity	14,364.6	11,894.2	10,870.9
Group equity	15,821.3	14,014.9	13,101.7
Total liabilities	570,647.8	523,250.0	485,765.4

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2004	2003	2002
Revenues:			
Insurance premiums	13,396.1	18,142.0	18,494.7
Interest income	41,191.4	26,692.2	26,352.6
Commissions and fees	1,976.1	1,799.1	1,857.8
Results from financial transactions			
– on behalf of policyholders	1,017.2	1,022.3	(3,419.0)
– other ⁽¹⁾	680.6	(137.8)	87.1
Other revenues			
– on behalf of policyholders	369.9	322.6	460.6
– other	2,086.2	2,254.1	2,279.9
Total revenues	60,717.5	50,094.5	46,113.7
Interest expense	(34,348.6)	(19,732.9)	(19,477.4)
Total revenues, net of interest expense	26,368.9	30,361.6	26,636.3
Technical charges insurance	(14,218.9)	(16,952.1)	(12,896.1)
Value adjustments	(265.4)	(783.7)	(790.9)
Net revenues	11,884.6	12,625.8	12,949.3
Operating expenses	(7,994.1)	(10,371.9)	(10,403.6)
Operating result before taxation	3,890.5	2,253.9	2,545.7
Taxation	(1,032.4)	(499.4)	(910.2)
Operating group profit	2,858.1	1,754.5	1,635.5
Minority interests	95.7	143.6	173.9
Net operating profit before value differences	2,762.4	1,610.9	1,461.6
Value differences on the equity portfolio ⁽²⁾	434.9	636.6	(1,031.5)
Net operating profit	3,197.3	2,247.5	430.1
Non-operating items after taxation:			
Results from financial transactions	(58.4)		111.0
Other revenues	334.5	92.0	72.4
Interest expense		(117.6)	
Operating expenses	(188.9)	(92.0)	(111.0)
Taxation	74.0	67.5	29.1
Total non-operating items after taxation	161.2	(50.1)	101.5
Net profit	3,358.5	2,197.4	531.6

(1) Including the results of hedging transactions and total realised gains.

(2) Including the unrealised value adjustments on the equity portfolio.

11. Memorandum and articles of association of the Guarantors

The corporate object of Fortis N.V., as mentioned in article 4 of its articles of association, is mainly to acquire interests in enterprises and to manage and finance the same.

The corporate object of Fortis SA/NV, as mentioned in article 4 of its articles of association, is mainly to acquire interests in enterprises and to manage and finance the same.

12. Legal and Arbitration Proceedings

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantors are aware), during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of either Guarantor and/or such Guarantor and its respective subsidiaries, taken as a whole.

13. Significant Changes in the Guarantors' Financial or Trading Position

Save as disclosed in this Base Prospectus, there have been no significant changes in the financial or trading position of either Guarantor and/or such Guarantor and its respective subsidiaries, taken as a whole, since 30 June 2005.

TAXATION

The following is a general description of certain Netherlands, Belgian and Luxembourg tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of The Netherlands, Belgium and/or Luxembourg of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each European Union member state is required, from 1 July 2005, to provide to the tax authorities of another European Union member state details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other European Union member state; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-European Union countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-European Union countries, and certain dependent or associated territories of certain European Union member states, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a European Union member state. In addition, the European Union member states have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a European Union member state to, or collected by such a person for, an individual resident in one of those territories.

Belgium

Belgian taxation system of the Notes

For the application of Belgian income tax, the Notes are considered as fixed income securities (art. 2 § 4 ITC/92).

Taxation applicable to individuals resident in Belgium

Except for the special case where an individual uses the Notes for a professional activity, the taxation of interest paid to Belgian resident individuals is as set out below.

The income from foreign notes collected through a financial intermediary established in Belgium is subject to a Belgian withholding tax of 15 per cent. The withholding tax is a final tax for private investors. This means that the taxpayers are not obliged to mention the income of Belgian or foreign notes for which withholding tax has been paid in their tax return (art. 313 ITC/92).

If the interest has not been subject to withholding tax, the individual taxpayer has the obligation to mention it in his tax return. In this case the interest will be subject to a separate income tax at the rate of 15 per cent. increased by additional local taxes.

Capital gains realised on the sale of the Notes (except the accrued interest component) before maturity are generally not taxable for individuals, except where the purchaser is the Issuer. In this last case, capital gains are taxable as interest. Depreciation of capital is not tax-deductible.

Taxation applicable to Belgian corporations

For taxpayers subject to corporate income tax, the income from foreign notes is part of their taxable income.

The fact that this income is considered taxable income for the corporation has no direct impact on the application of withholding tax and the withholding tax is merely a tax advance creditable against income tax. This withholding tax is however only creditable in proportion to the period during which the company has had the full ownership of the Notes (art. 280 ITC/92).

However, if the company resident in Belgium delivers an ad hoc affidavit and if the income is collected in Belgium, it can benefit from a withholding tax exemption (art. 108 RD/ITC/92). This withholding tax exemption does not apply in case of a zero coupon bond.

In the case of sale on the secondary market, the capital gains are taxable while the capital losses may be deductible.

Taxation applicable to non-Belgian residents

The income of the Notes collected through a financial intermediary established in Belgium is subject to a withholding tax of 15 per cent., unless the Noteholder has the benefit of a tax treaty which provides for an exemption from withholding tax. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

If the income is collected in Belgium and if the Notes are kept in open custody with a financial institution established in Belgium, then the non-resident can benefit from a withholding tax exemption provided he does not use the Notes for a professional activity in Belgium, and provided he delivers an ad hoc affidavit (art. 230 ITC/92).

Non-residents who allocate the Notes to a professional activity in Belgium (for example, through a permanent establishment), are subject to the same rules as companies resident in Belgium (art. 280 ITC/92 and, as the case may be, art. 108 AR/ITC/92). Non-resident Noteholders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

In accordance with the European Council Directive 2003/48/EC on the taxation of savings, Belgium enacted on 17 May 2004 a law which transposes this directive into Belgian law. The law provides that interest paid to individuals resident in a European Union member state other than Belgium are subject to a “levy for the State of residence”, the rate of which has been set at 15 per cent. for the first three years after the coming into force of the law, 20 per cent. for the three following years and 35 per cent. for the years thereafter (art. 4 Law 17 May 2004). A levy for the state of residence will also be applied in respect of interest paid to residents in the following third countries: Switzerland, Andorra, Monaco, Liechtenstein, San Marino, Dutch Antilles, Aruba, Guernsey, the Isle of Man, Jersey, Anguilla, The British Virgin Islands, Montserrat and the Turks and Caicos Islands. The tax will not be levied if the beneficial owner provides to the paying agent a certificate issued in its name by the competent authority of its state of residence. This withholding tax will not be levied if the beneficial owner presents to the paying agent a certificate issued with its name by the competent authority of its European Union member state of residence for tax purposes (art. 5 Law 17 May 2004). The law of 17 May 2004 has taken effect from 1 July 2005.

Taxation applicable to non-profit entities (such as pension funds)

The withholding tax is a final tax for such entities. This means that the 15 per cent. withholding tax retained on the interest of the Notes is the only tax on this income.

If such entities receive or collect the interest of the Notes abroad without the intervention of a financial intermediary established in Belgium they are themselves liable for the withholding tax.

The capital gains realised on the sale of the Notes (except the accrued interest component) before maturity are not subject to tax, except if the purchaser is the Issuer. In this last case, the capital gains are taxable as interest. Depreciation of capital is not tax-deductible.

Stamp duties

Trades in respect of the Notes, if made through a financial intermediary established in Belgium, will be subject to stamp duties at the rate of 0.07 per cent. (subject to a maximum amount of EUR 500 per transaction). Such stamp duty is not applicable, however, to Holders who are non-residents of Belgium or are qualifying institutional investors. This tax does not apply to primary market transactions.

Tax on the delivery of bearer instruments

The physical delivery to investors (other than qualifying financial institutions) of Definitive Notes in bearer form may be subject to a tax of 0.6 per cent. if made through a financial intermediary established in Belgium. This tax does not apply to deliveries made on the occasion of a primary market subscription.

Inheritance duties

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

The Netherlands

(a) *Dutch Resident Holders*

Holders who are individuals and are resident or deemed to be resident in The Netherlands, or who have elected to be treated as a Dutch resident Holder for Dutch tax purposes, are subject to Dutch income tax on a deemed return regardless of the actual income derived from a Note or gain or loss realised upon disposal or redemption of a Note, provided that the Note is a portfolio investment and is not held in the context of any business or substantial interest. The deemed return amounts to 4 per cent. of the average value of the Holder's net assets in the relevant fiscal year (including the Notes) and is taxed at a flat rate of 30 per cent.

Corporate Holders that are resident or deemed to be resident in The Netherlands, without being exempt from Dutch corporate tax, will be subject to Dutch corporate tax on all income and gains realised in connection with the Notes.

(b) *Non-Dutch Resident Holders*

Non-Dutch resident Holders normally will not be subject to Dutch income or corporate taxation with respect to income or capital gains realised in connection with a Note, unless there is a specific connection with The Netherlands, such as an enterprise or part thereof which is carried on through a permanent establishment in The Netherlands or a substantial interest or deemed substantial interest in the Issuer.

A Holder will not become resident or deemed to be resident in The Netherlands by reason only of the holding of a Note.

(c) *Registration taxes, stamp duty etc.*

There is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty payable by the Holder in The Netherlands in connection with the Notes.

(d) *Withholding tax*

In principle, all payments by the Issuer to the Holder in respect of the Notes can be made free of any Dutch withholding tax.

Luxembourg

(a) *Withholding Tax*

All payments of interest and principal under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable Luxembourg law, subject however to the application of the Luxembourg law of June 21, 2005 implementing the European Union Savings Directive (see "*EU Savings Directive*" above, which may be applicable in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive).

(b) *Taxes on Income and Capital Gains*

A holder of a Note who derives income from such Note or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital gains unless:

- (i) such holder is, or is deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions); or
- (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg;

(c) *Net Wealth Tax*

Luxembourg net wealth tax will not be levied on a holder of a Note unless:

- (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions;
or

- (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg;

(d) *Inheritance and Gift Tax*

Where the Notes are transferred for no consideration, note in particular:

- (i) No Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a holder of a Note in cases where the deceased holder was not a resident of Luxembourg for inheritance tax purposes;
- (ii) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary;

(e) *Other Taxes and Duties*

It is not compulsory that the Notes be filed, recorded or enrolled with any court or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes in accordance therewith, except that in case of court proceedings in a Luxembourg court (including but not limited to a Luxembourg Insolvency Proceeding), registration of the Notes may be ordered by the court, in which case the Notes will be subject to a fixed or ad valorem duty depending on the exact nature of the Notes. Registration would in principle further be ordered, and the same registration duties could be due, when the Notes are produced, either directly or by way of reference, before an official authority (“*autorité constituée*”) in Luxembourg.

(f) *Residence*

A holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, BNP Paribas, CALYON, Citigroup Global Markets Limited, Fortis Bank nv-sa, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Société Générale, The Royal Bank of Scotland plc and UBS Limited (the “Dealers”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealership agreement dated 18 November 2005 (the “*Dealership Agreement*” as amended, supplemented or replaced) and made between the Issuer, the Guarantors and the Dealers. Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

Regulation S Category 2; TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms; Rule 144A Eligible if so specified in the relevant Final Terms.

Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “*Securities Act*”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

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

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

United Kingdom

Each Dealer has represented and agreed that:

- (1) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

- (2) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (3) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

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

The Netherlands

The selling restrictions relating to The Netherlands set out below will be applicable only in respect of Notes that qualify as money market instruments with a maturity of less than one year from the date of issue.

Notes may only be offered by the Issuer anywhere in the world and such offer may only be announced:

- (1) if those Notes have been, or will be, admitted to Eurolist by Euronext Amsterdam or a non-Dutch stock exchange which is officially recognised by its government; or
- (2) if those Notes have a denomination of at least EUR 50,000 (or its foreign currency equivalent); or
- (3) if those Notes can only be obtained as a package for a consideration with a value of at least EUR 50,000 (or its foreign currency equivalent), provided that (i) the offer, the applicable Final Terms and each announcement of the offer state that the Notes can only be obtained as a package for a consideration with a value of at least EUR 50,000, and (ii) a copy of the Offer Documents and of each announcement of the offer is submitted to the AFM before the offer is made; or
- (4) to persons who trade or invest in securities in the conduct of their profession or trade (which includes banks, securities intermediaries (including dealers and brokers), insurance companies, pension funds, other institutional investors and commercial enterprises which as an ancillary activity regularly invest in securities) (“*professional investors*”), provided that the offer, the applicable Final Terms and each announcement of the offer states that the offer is exclusively made to those persons; or
- (5) to persons who are established, domiciled or have their residence (collectively, “*are resident*”) outside the Netherlands, provided that (i) the offer, the applicable Final Terms and each announcement of the offer states that the offer is not and will not be made to persons who are resident in the Netherlands, (ii) the offer, the Base Prospectus, the applicable Final Terms and each announcement of the offer comply with the laws and regulations of any State where persons to whom the offer is made are resident, (iii) a statement by the Issuer that those laws and regulations are complied with is submitted to the AFM before the offer is made and is included in the applicable Final Terms and each such announcement; or
- (6) to persons who:
 - (i) are professional investors (as defined in paragraph (4) above); or
 - (ii) are resident outside the Netherlands (as defined in paragraph (5) above);

provided that (A) the offer, the applicable Final Terms and each announcement of the offer states that the offer is and will only be made to persons who are professional investors or who are not resident in the Netherlands, (B) the offer, the Base Prospectus, the applicable Final Terms and each announcement of the offer comply with the laws and regulations of any State where persons to whom the offer is made are resident, (C) a statement by the Issuer that those laws and regulations are complied with is submitted to the

AFM before the offer is made and is included in the applicable Final Terms and each such announcement;
or

- (7) to fewer than 100 natural or legal persons, other than professional investors, per state.
- (8) otherwise in accordance with the 1995 Act on the Supervision of the Securities Trade (*Wet toezicht effectenverkeer 1995*).

The following selling restrictions relating to Belgium will only be applicable until the Prospectus Directive is implemented in that Member State and the relevant implementation measures have entered into force.

Belgium

As of the date of this Base Prospectus, Belgium has not yet implemented the Prospectus Directive but the Belgian Banking, Finance and Insurance Commission has stated that it will recognise the direct effect of most provisions of the Prospectus Directive from 1 July 2005, such that on the basis of the statement of the Belgian Banking, Finance and Insurance Commission the section headed “European Economic Area” below is, until the implementation of the Prospectus Directive in Belgium, relevant to Belgium as well.

With regard to Notes having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Directive), the Base Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Banking, Finance and Insurance Commission. Accordingly, each Dealer has undertaken that it shall refrain from taking any action that would be characterised as a public offering of these Notes in Belgium.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “*Relevant Member State*”), each Dealer has represented, and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “*Relevant Implementation Date*”) it has not made and will not make an offer of any Notes to the public in that Relevant Member State, except that it may with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “*Prospectus Directive*” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

General

Except for those countries or jurisdictions where a public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted on the basis of (i) the approval by the CSSF of this Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in

Luxembourg and (ii) the certificates of approval as provided by the CSSF to the competent authorities in such relevant countries or jurisdictions, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they subscribe for, purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

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

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

Bearer Zero Coupon Notes in definitive form and other Notes in definitive form which qualify as savings certificates as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) (i.e. Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever) may only be transferred or accepted directly or indirectly, within, from or into the Netherlands, through the mediation of either the Issuer or a member of Euronext Amsterdam with due observance of the Savings Certificates Act (including registration requirements), provided that no mediation is required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer or acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) the transfer or acceptance of those Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

GENERAL INFORMATION

1. Application has been made for the Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and an application will be made for Notes issued under the Programme to be admitted to trading on Eurolist by Euronext Amsterdam, and/or be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system.

The Luxembourg Stock Exchange has allocated the number 12145 to the Programme.

However, Notes may also be issued pursuant to the Programme which will not be admitted to trading on Eurolist by Euronext Amsterdam, or to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange or admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system or, which will be admitted to listing, trading and/or quotation on such listing authority, stock exchange, and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

2. The establishment of the Programme was authorised by a resolution of the managing board of the Issuer passed/given on 24 March 1999 and the update of the Programme was authorised by resolution of the managing board of the Issuer passed/given on 17 July 2002. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

3. The giving of the guarantee contained in the Deed of Guarantee was authorised by a board resolution passed by each Guarantor in each case passed/given on 19 January 2005.

4. The basis for any statements in this Base Prospectus made by the Issuer and the Guarantors regarding their competitive position originate from their evaluation of market trends and generally reflect market views.

5. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

6. Notes and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

7. For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the documents (a), (b), (c) and (d) below may be inspected during normal business hours at the specified office of the Fiscal Agent and documents (e) and (f) are obtainable, free of charge, from the specified offices of the Paying Agents:

- (a) the Fiscal Agency Agreement;
- (b) the Deed of Guarantee;
- (c) the Deed of Covenant;
- (d) the Dealership Agreement;
- (e) reports, letters, balance sheets, valuations and statements of experts included or referred to in this document (other than consent letters); and
- (f) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by a Holder of or, as the case may be, an Accountholder (as defined in the Deed of Covenant) in respect of, such Notes).

8. For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be obtained, free of charge, during normal business hours at the specified office of the Fiscal Agent and the specified offices of the Paying Agents namely:

(a) the most recent publicly available audited consolidated financial statements of the Issuer and the Guarantors beginning with such financial statements for the years ended 31 December 2003 and 31 December 2004;

(b) the Articles of Association of the Issuer and the Guarantors.

9. This Base Prospectus, the documents incorporated by reference herein and the final terms of any tranches issued under this Programme and admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

10. Further Information on Fortis can be found at: <http://www.fortis.com/>.

11. The Issuer and the Guarantors do not intend to provide post-issuance information in relation to the underlying assets under paragraph 7.5 of Annex XII of Regulation (EC) No. 809/2004.

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London EC2M 2PP
England

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FISCAL AGENT AND PRINCIPAL PAYING AGENT

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ALTERNATIVE PRINCIPAL PAYING AGENT

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the Guarantors

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