



**FORTIS
BANK**

Solid partners, flexible solutions

Fortis Luxembourg Finance S.A.

(Incorporated in the Grand Duchy of Luxembourg)

unconditionally and irrevocably guaranteed
on a subordinated basis by

Fortis Bank

(Incorporated in the Kingdom of Belgium)

Minimum EUR 100,000,000 and maximum EUR 300,000,000

4.75% Notes 2004 due 3 September 2014

Public Offering in Belgium

Subscription period: from 19 July 2004 to 27 August 2004 included
save in case of early termination due to oversubscription

Issue Price: 101.83%

Issue date: 3 September 2004

Application has been made to list the Notes on Euronext Brussels

Fortis Bank

Dexia Capital Markets

ING Financial Markets

KBC International Group

Axa Bank Belgium

Banque et Caisse d'Epargne de l'Etat,
Luxembourg

Rabobank International

This Prospectus is dated 16 July 2004

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SAMENVATTING VAN HET PROSPECTUS

van 16 juli 2004 met betrekking tot de uitgifte van minimum EUR 100.000.000 en maximum EUR 300.000.000 4,75% obligaties, terugbetaalbaar op 3 September 2014

**uitgegeven door Fortis Luxembourg Finance S.A.
onvoorwaardelijk en onherroepelijk gegarandeerd op achtergestelde basis door
Fortis Bank**

Goedkeuring door de Commissie voor het Bank- Financier- en Assurantiewezen

Op 13 juli 2004 heeft de Commissie voor het Bank- Financier- en Assurantiewezen het prospectus (samengesteld uit de *Offering Circular* in het Engels en uit de samenvattingen) goedgekeurd overeenkomstig artikel 14 van de Wet van 22 april 2003 betreffende de openbare aanbiedingen van effecten. Deze goedkeuring houdt geenszins een beoordeling in van de opportuniteit en de kwaliteit van de verrichting noch van de toestand van de persoon die ze uitvoert.

Het bericht voorgeschreven door artikel 13, lid 1 van de Wet van 22 april 2003 betreffende de openbare aanbiedingen van effecten verscheen in de pers.

In deze samenvatting heeft Fortis Bank de voornaamste karakteristieken van de verrichting vertaald. Fortis Bank verklaart verantwoordelijk te zijn voor deze vertaling. Een volledige beschrijving van de kenmerken van de obligaties en van de uitgever en de borg kan teruggevonden worden in de *Offering Circular*. Enkel de *Offering Circular* heeft bewijskracht. De concordantie tussen de samenvattingen werd geverifieerd door Fortis Bank, die er de verantwoordelijkheid voor neemt.

Kenmerken van de verrichting

Uitgever (<i>Issuer</i>)	: Fortis Luxembourg Finance S.A. – Luxemburg
Garant (<i>Guarantor</i>)	: Fortis Bank nv-sa – België
Bedrag (<i>Principal Amount</i>)	: Minimum EUR 100.000.000 en maximum EUR 300.000.000
Vorm (<i>Denomination</i>)	: Toondereffecten van EUR 1.000, 10.000 en 100.000
Rente (<i>Interest</i>)	: 4,75% per jaar
Uitgiftedatum (<i>Issue Date</i>)	: 3 september 2004
Eindvervaldag (<i>Maturity Date</i>)	: 3 september 2014
Uitgifteprijs (<i>Issue Price</i>)	: 101,83%
Rendement	: 4,52%
Coupon	: Betaalbaar na vervallen termijn op 3 september van elk jaar en voor de eerste maal op 3 september 2005
Statuut van de effecten (<i>Status of the Notes</i>)	: De effecten vormen een gewone niet-achtergestelde schuld van de Uitgever. Deze is pari passu geklasseerd in dezelfde rang als alle andere niet-achtergestelde huidige en toekomstige schulden van de Uitgever.
Statuut van de Garantie (<i>Guarantee</i>)	: De garantie van Fortis Bank is achtergesteld. Ingeval van faillissement of elke andere situatie van samenloop van de schuldeisers van de borg worden de interesten en de hoofdsom van de obligaties pas betaald na terugbetaling van alle niet achtergestelde schuldeisers.
Notering (<i>Listing</i>)	: Euronext Brussel (effectieve notering vanaf de levering van de obligaties)
Financiële dienst	: België : Fortis Bank Luxembourg: Banque Générale du Luxembourg
Vervroegde terugbetaling	: Niet toegelaten, behalve ingeval van wijziging van het fiscaal regime.
Inschrijvingsperiode	: Van 19 juli 2004 tot en met 27 augustus 2004, vervroegde afsluiting mogelijk
Betalingsdatum	: 3 september 2004
Codes	: ISIN : XS0196988587
Levering van de obligaties	: Binnen de 6 maanden volgend op de betaaldatum
Terugbetalingsprijs (<i>Redemption</i>)	: 100 %
Toepasselijk recht van de effecten	: Luxemburg
Toepasselijk recht van de Garantie	: België
Rechtbanken	: Luxemburg of België
Kosten	: - Taks op beursverrichtingen bij de inschrijving: geen; - Taks op beursverrichtingen bij verkoop/aankoop: 0,07% (maximum EUR 250); - Kosten van de fysieke levering van de obligaties: ten laste van de inschrijver (EUR 20 + BTW per levering, bij Fortis Bank)*; - Taks op fysieke levering van de obligaties ingevolge de inschrijving: 0,6%; - Leveringskosten van de obligaties op de effectenrekening: ten laste van de inschrijver (gratis bij Fortis Bank)*; - Financiële dienst: gratis bij de betaalkantoren (zie hierboven)*.
Mededelingen	: Alle mededelingen aan de obligatiehouders worden gepubliceerd in de Belgische financiële pers (De Tijd en L'Echo).
De Uitgever	: Fortis Luxembourg Finance is een dochtervennootschap van Fortis Bank met als doel de bank bij te staan in haar financieringsbehoeften.
De Garant	: Fortis Bank maakt deel uit van de Fortis groep die in 1990 ontstond uit de fusie van België's grootste verzekeraar AG 1824 met de Nederlandse bankverzekeringsc combinatie AMEV/VSB. Sindsdien is Fortis, zowel op eigen kracht als door toetreding van diverse bedrijven (bijvoorbeeld de fusie van ASLK Bank en Generale Bank op 23 juni 1999), die stuk voor stuk een goede reputatie hebben opgebouwd, uitgegroeid tot een concern dat wereldwijd actief is op het gebied van verzekeren, bankieren en beleggen. Operationeel heeft Fortis haar activiteiten onderverdeeld in een bankgroep en een verzekeringsgroep. Via haar eigen distributienetwerken (waaronder zo'n 3000 kantoren in de Benelux) wordt, voornamelijk onder de naam Fortis Bank, een volledig pakket financiële diensten verleend (inclusief bankverzekeren). Bij de

verzekeringsactiviteiten verloopt de financiële dienstverlening hoofdzakelijk via tussenpersonen (ondermeer makelaars).

Fortis Bank stelt zich tot doel een toonaangevende geïntegreerde financiële dienstverlener te zijn. Daarom wil zij in de Benelux, die haar thuismarkt is, haar positie van leidende bank nog versterken, en dit voor alle marktsegmenten: particulier en zakelijk bankieren, private banking, asset management en andere gespecialiseerde domeinen.

Die toonaangevende positie op haar thuismarkt moet het Fortis Bank mogelijk maken ook over de grenzen heen haar voortrekkersrol te versterken en te verruimen. In Europa wil Fortis Bank haar huidige aanwezigheid versterken en zich selectief op nieuwe markten begeven. Daarbij zal de bank selectief gebruik maken van (beperkte) overnames. Fortis Bank streeft zo op middellange termijn naar een leidende rol in bepaalde marktsegmenten.

Buiten Europa wil Fortis Bank aanwezig zijn in alle landen waar dat wenselijk is voor haar klanten. Dat kan zijn als financiële dienstverlener, zoals in Zuidoost-Azië, en als nichespeler, zoals in Afrika.

Fortis Bank is bovendien wereldwijd actief in bepaalde gespecialiseerde domeinen, zoals private banking, asset management en financial markets. Zij richt zich ook tot bepaalde cliëntengroepen zoals grote ondernemingen, institutionele klanten, banken en tussenpersonen op de financiële markt.

Fortis Bank profileert zich als een bank met een grensoverschrijdende organisatie en een virtueel hoofdkwartier in de Benelux. Dit betekent dat naargelang de activiteit, de aansturing gebeurt vanuit Brussel, Amsterdam, Rotterdam of Luxemburg.

De organisatie is niet alleen grensoverschrijdend, maar ook cliëntgericht. De business lines richten zich op cliënten met dezelfde of gelijksoortige behoeften en producten/diensten.

De "op segmenten steunende" de 3 businesses zijn:

- Particulieren, professionelen en kleine ondernemingen
- middelgrote ondernemingen, corporates en de publieke sector
- private banking.

De "gespecialiseerde" business lines zijn:

- Network Banking
- Merchant banking :
 - Global Markets
 - Corporate and Investment Banking
 - Global Private Equity
 - Institutional Banking and OnShore Fund Services
- Private Banking, Asset Management and Information Banking

Algemene Informatie

De Raad van bestuur van de Uitgever heeft op 12 juli 2004 beslist deze obligaties uit te geven. De beslissing inzake de garantie werd door het Directiecomité van de Garant genomen op 13 juli 2004. De garantie van Fortis Bank is achtergesteld. Ingeval van faillissement of elke andere situatie van samenloop van de schuldeisers van de Garant worden de interesten en de hoofdsom van de obligaties pas betaald na terugbetaling van alle niet achtergestelde schuldeisers. De netto opbrengst van deze uitgifte zal het voorwerp uitmaken van een achtergestelde lening door de Uitgever aan de Garant. De Garant zal deze fondsen dan gebruiken om vroegere achtergestelde leningen die in 2004 op vervalddag komen te vervangen. Dergelijke achtergestelde leningen worden gebruikt om de eigen middelen van de Garant te versterken.

Het volledige bedrag van de uitgifte van de obligaties zal worden onderschreven door de banken vermeld op de eerste pagina van de *Offering Circular*, op basis van een *Underwriting Agreement*. Dit syndicaat van banken zal samengesteld worden door Fortis Bank.

De Uitgever betaalt aan de voornoemde banken een commissie van 2% van het uitgiftebedrag van de obligaties alsook een bedrag dat de wettelijke, administratieve en diverse kosten dekt.

Het prospectus (de *Offering Circular* en de samenvattingen) kan verkregen worden bij Fortis Bank, Warandeborg 3, 1000 Brussel, evenals op het telefoonnummer 02/565 8535. De investeerder kan op dit adres ook gratis een kopie bekomen van de laatste jaarrekeningen van de Uitgever en de Garant en van de laatste jaarrekeningen en halfjaarrekeningen van Fortis groep. De jaarrekeningen van Fortis Groep zijn ook beschikbaar op de website www.Fortis.com

De obligaties werden aanvaard in de liquidatiesystemen van Clearstream en Euroclear onder de Common Code 019698858 en de ISIN Code XS0196988587.

Fiscaal Regime

Alle betalingen in verband met deze obligaties zullen in elk geval onderworpen zijn aan de fiscale wetten of andere wetten of reglementen van kracht in het land waar de betalingen gebeuren.

Belgisch fiscaal regime betreffende de obligaties:

Voor de toepassing van de Belgische inkomstenbelasting zijn de obligaties als vastrentende effecten te beschouwen (artikel 2 § 4 WIB/92).

Fiscaal regime voor natuurlijke personen die Belgisch rijksinwoner zijn.

Uitgenomen in het uitzonderlijk geval van natuurlijke personen die hun obligaties hebben aangewend voor hun beroepsactiviteit is de fiscale behandeling van de interesten betaald aan natuurlijke personen die Belgische rijksinwoners zijn, de volgende:

Op de inkomsten uit buitenlandse obligaties die worden geïnd door tussenkomst van een in België gevestigde tussenpersoon (bvb. financiële instelling) zal 15% roerende voorheffing worden ingehouden. De inhouding van de roerende voorheffing is bevrijdend in hoofde van de particuliere beleggers. Dit betekent dat de belastingplichtigen er niet zullen toe gehouden zijn in hun belastingaangifte melding te maken van inkomsten uit effecten van Belgische of buitenlandse schuldvorderingen die ze hebben verkregen, voor zover op deze inkomsten roerende voorheffing werd geheven (artikel 313 W.I.B./92).

Indien de interesten niet onderworpen zijn geweest aan de inhouding van roerende voorheffing, dan is de belastingplichtige natuurlijke persoon ertoe gehouden ze aan te geven in zijn belastingaangifte in de personenbelasting. In dit geval zijn de interesten onderworpen aan het afzonderlijk tarief van 15% verhoogd met gemeentelijke opcentiemen.

Meerwaarden verwezenlijkt op de verkoop van effecten voor vervalddag zijn (buiten de reeds verlopen interesten) in principe niet belastbaar, tenzij bij terugkoop door de Uitgever. In dit geval, evenals op de eindvervalddag, worden de meerwaarden belastbaar als interesten. De minderwaarden zijn in geen geval fiscaal aftrekbaar.

Fiscaal regime van toepassing op vennootschappen.

In hoofde van de belastingplichtigen die onderworpen zijn aan de vennootschapsbelasting maken de inkomsten uit buitenlandse obligaties, die als beroepsinkomsten worden aangemerkt, deel uit van hun belastbare basis.

Het feit dat deze inkomsten in hun hoofde als beroepsinkomsten worden beschouwd heeft echter geen invloed op de toepassing van de roerende voorheffing. Inderdaad, artikel 37 W.I.B./92 bepaalt dat “onverminderd de toepassing van de voorheffingen, worden inkomsten van roerende goederen en kapitalen als beroepsinkomsten aangemerkt wanneer die goederen en kapitalen worden gebruikt voor het uitoefenen van de beroepswerkzaamheid van de verkrijger van de inkomsten”. In hoofde van deze belastingplichtigen heeft de roerende voorheffing haar ware aard van op de vennootschapsbelasting aan te rekenen voorschot behouden. De roerende voorheffing is slechts verrekenbaar in verhouding tot het tijdperk waarin de vennootschap de volle eigendom van de effecten heeft gehad (artikel 280 W.I.B./92).

In geval van inning in België kan de vennootschap die in België verblijft houdt, mits voorlegging van een identificatiebewijs *ad hoc*, een vrijstelling van roerende voorheffing bekomen (artikel 108 K.B./W.I.B. 92).

In geval van vervreemding op de secundaire markt zijn de meerwaarden belastbaar, terwijl de minderwaarden aftrekbaar zijn.

Fiscaal regime van toepassing op niet-verblijfhouders.

De inkomsten uit buitenlandse obligaties die werden geïnd door tussenkomst van een in België gevestigde tussenpersoon (bvb. financiële instelling) zijn onderworpen aan een heffing van roerende voorheffing ten belope van 15%.

In geval van inning in België kunnen de niet-verblijfhoudende spaarders, mits voorlegging van een identificatiebewijs *ad hoc*, een vrijstelling van roerende voorheffing bekomen. Deze vrijstelling zal slechts kunnen worden bekomen indien de obligaties niet voor het uitoefenen van een beroepswerkzaamheid in België worden aangewend (artikel 230 WIB 92).

De niet-verblijfhouders die de obligaties aanwenden voor het uitoefenen van een beroepswerkzaamheid in België (bvb. onder de vorm van een vaste inrichting), zijn onderworpen aan dezelfde regels als de Belgische binnenlandse vennootschappen (artikel 280 WIB./92 en artikel 108 KB/WIB.92).

Krachtens de Europese richtlijn op het spaarwezen (N° 2003/48/EG van 3 juni 2003 (OJ – L 157)), zal België maatregelen invoeren om vanaf 2005 een bronbelasting van 15% (tarief dat geleidelijk oploopt tot 20% en 35%) in te houden op de rentebetalingen aan natuurlijke personen woonachtig in de Europese Unie maar niet woonachtig in België. België zal tevens een procedure van niet-toepassing van deze belasting moeten invoeren die zal toegepast worden als de lidstaat waar de gerechtigde woonachtig is op de hoogte is van zijn identiteit, van het bedrag van de rentebetalingen, enz.

Fiscaal regime van toepassing op de belastingplichtigen onderworpen aan de rechtspersonenbelasting.

Wat betreft de belastingplichtigen onderworpen aan de rechtspersonenbelasting, t.t.z. verenigingen, inrichtingen van instellingen die rechtspersoonlijkheid bezitten maar die geen onderneming exploiteren of zich niet met verrichtingen van winstgevende aard bezighouden, is de roerende voorheffing een definitieve belasting. Dit betekent dat de roerende voorheffing van 15% die wordt ingehouden op de interesten van de obligaties die ze in België innen in hun hoofde de enige belasting is met betrekking tot deze inkomsten.

De belastingplichtigen onderworpen aan de rechtspersonenbelasting die de interesten van de obligaties in het buitenland innen zonder de tussenkomst van een in België gevestigde tussenpersoon zijn zelf gehouden tot voldoening van de roerende voorheffing. Meerwaarden verwezenlijkt op de verkoop van effecten voor vervaldag zijn (buiten de reeds verlopen interesten) niet belastbaar, tenzij bij terugkoop door de Uitgever. In dit geval, evenals op de eindvervaldag worden de meerwaarden belastbaar als interesten. De minderwaarden zijn in geen geval fiscaal aftrekbaar.

Bovenstaande beschrijving is een samenvatting van de huidige belastingwetgeving en kan dus in de tijd veranderen. Raadpleeg uw financiële en fiscale adviseur ingeval van twijfel.

RESUME DU PROSPECTUS

daté du 16 juillet 2004 relatif à l'émission de minimum EUR 100.000.000 et maximum EUR 300.000.000 4,75% d'obligations, remboursables le 3 septembre 2014

**émis par
Fortis Luxembourg Finance S.A.
avec la garantie inconditionnelle, irrévocable et subordonnée de
Fortis Banque**

Approbation de la Commission bancaire, financière et des assurances

En date du 13 juillet 2004, le prospectus (composé de l'*Offering Circular* rédigé en langue anglaise et des résumés) a été approuvé par la Commission bancaire, financière et des assurances conformément à l'article 14 de la Loi du 22 avril 2003 relative aux offres publiques de titres. Cette approbation ne porte aucun jugement sur l'opportunité ou la qualité de la transaction, ni sur la situation de la personne qui l'effectue.

L'avis prescrit par l'article 13, alinéa 1 de la Loi du 22 avril 2003 relative aux offres publiques de titres a été publié dans la presse.

Fortis Banque a traduit dans le présent résumé les principales caractéristiques de l'opération. Fortis Banque prend la responsabilité de la présente traduction. Une description complète des termes et conditions des obligations, et de l'émetteur et du garant se trouve dans l'*Offering Circular*. C'est l'*Offering Circular* qui fait foi. La concordance entre les résumés a été vérifiée par Fortis Banque qui en prend la responsabilité.

Caractéristiques de l'opération

Emetteur (<i>Issuer</i>)	: Fortis Luxembourg Finance S.A. – Luxembourg
Garant (<i>Guarantor</i>)	: Fortis Bank nv-sa – Belgique
Montant (<i>Principal Amount</i>)	: Minimum EUR 100.000.000 et maximum EUR 300.000.000
Forme (<i>Denomination</i>)	: Titres au porteur de EUR 1.000, EUR 10.000 et EUR 100.000
Taux (<i>Interest</i>)	: 4,75% par an
Date d'émission (<i>Issue Date</i>)	: 3 septembre 2004
Echéance finale (<i>Maturity Date</i>)	: 3 septembre 2014
Prix d'émission (<i>Issue price</i>)	: 101,83 %
Rendement	: 4,52%
Coupons	: Payables à terme échu le 3 septembre de chaque année et pour la première fois le 3 septembre 2005.
Statut des titres (<i>Status of the Notes</i>)	: Les titres constituent une dette ordinaire non subordonnée de l'Emetteur. Elle est classée pari passu au même rang que toutes les autres dettes non-subordonnées présentes et futures de l'Emetteur.
Statut de la Garantie (<i>Guarantee</i>)	: La garantie est subordonnée. En cas de faillite ou toute autre situation de concours entre tous les créanciers du garant, tant le paiement des intérêts que le remboursement en capital des obligations ne seront effectués qu'après remboursement de tous les créanciers non-subordonnés.
Cotation (<i>Listing</i>)	: Euronext Bruxelles (cotation effective dès la livraison physique des obligations)
Service financier	: En Belgique : Fortis Banque Au Luxembourg : Banque Générale du Luxembourg
Remboursement anticipé	: Non autorisé, sauf en cas de modification du régime fiscal.
Période de souscription	: Du 19 juillet 2004 au 27 août 2004 inclus, clôture anticipée possible
Date de paiement	: 3 septembre 2004
Codes	: ISIN : XS0196988587
Livraison des obligations	: Dans les six mois suivant la date de paiement
Prix de remboursement (<i>Redemption</i>)	: 100%
Droit applicable aux titres	: Luxembourg
Droit applicable à la Garantie	: Belge
Tribunaux	: Luxembourg ou Belgique
Frais	: - Taxe sur opérations de bourse à la souscription: néant; - Taxe sur opérations de bourse à la vente/achat : 0,07% (maximum EUR 250); - Frais de livraison physique des obligations : à charge des souscripteurs (EUR 20 + TVA par livraison, chez Fortis Banque)*; - Taxe sur livraison physique des obligations : 0,6%; - Frais de livraison des obligations sur compte titre: à charge des souscripteurs (gratuit chez Fortis Banque)*; - Service financier : gratuit auprès des agents payeurs (cfr supra)*.
Avis	: *Il appartient aux investisseurs de s'informer quant aux frais que pourraient leur réclamer d'autres établissements financiers pour cette opération. Tous les avis aux obligataires seront publiés dans la presse financière belge (L'Echo et De Tijd).
L'Emetteur	: Fortis Luxembourg Finance est une filiale de Fortis Banque, ayant pour objectif principal de contribuer au financement de Fortis Banque.
Le Garant	: Fortis Banque fait partie du groupe Fortis, issu de la fusion, en 1990, de AG 1824, principale compagnie d'assurances belge, et du groupe néerlandais AMEV/VSB. Depuis, Fortis s'est considérablement développé, tant de manière autonome que par l'acquisition d'entreprises qui, comme la CGER et la Générale de Banque (fusion du 23 juin 1999), se sont forgé une solide réputation. Sur le plan opérationnel, Fortis se compose d'un pôle bancaire et d'un pôle assurances. Le pôle bancaire propose, principalement sous le nom de Fortis Banque, une palette complète de services financiers (y compris la bancassurance) via ses propres réseaux (dont 3.000 agences au Benelux). Le pôle assurance distribue ses services financiers essentiellement par l'intermédiaire de tiers (notamment des courtiers).

Fortis Banque a pour objectif de devenir un prestataire de services financiers intégrés de premier ordre. C'est pourquoi elle entend renforcer encore la position dominante qu'elle occupe au Benelux, son marché domestique, et ce, dans tous les segments de clientèle.

Cette position de tête sur son marché domestique doit permettre à Fortis Banque de conforter et d'étendre son rôle de précurseur par-delà les frontières également. En Europe, Fortis Banque entend renforcer sa présence actuelle et développer ses activités de manière sélective sur de nouveaux marchés. Elle compte y parvenir par le biais d'acquisitions choisies (et limitées). Dans le reste du monde, Fortis Banque veut être présente partout où l'exigent les activités de ses clients, en tant que prestataire de services financiers tantôt actif sur tous les marchés, comme en Asie du Sud-Est, tantôt concentré sur certaines niches, comme en Afrique.

Fortis Banque offre en outre des services spécialisés dans le monde entier, dans les domaines du private banking, de l'asset management et des financial markets. Elle s'adresse aussi à des segments de clientèle spécifiques tels que les grandes entreprises, les clients institutionnels, les banques et les intermédiaires sur les marchés financiers.

Fortis Banque se profile comme une banque dotée d'une organisation transfrontalière. Une banque qui a virtuellement établi son quartier général au Benelux, dirigeant, selon le cas, ses activités au départ de Bruxelles, Amsterdam, Rotterdam ou Luxembourg.

Transfrontalière, donc, l'organisation de Fortis Banque est également centrée sur le client. Chaque business line regroupe des activités qui s'adressent à des clients ayant des besoins similaires et utilisant des produits et services spécifiques.

On distingue trois businesses orientés vers des segments de clientèle spécifiques :

- Particuliers, indépendants et petites entreprises
- moyennes entreprises, corporates et secteur public
- private banking.

Les business lines se concentrant sur une activité spécialisée sont:

- Network Banking
- Merchant banking :
 - Global Markets
 - Corporate and Investment Banking
 - Global Private Equity
 - Institutional Banking and OnShore Fund Services
- Private Banking, Asset Management and Information Banking

Informations Générales

L'émission des obligations a été autorisée par une décision du Conseil d'Administration de l'Emetteur en date du 12 juillet 2004. La décision au sujet de la garantie a été prise par le Comité de Direction du Garant le 13 juillet 2004.

La garantie est subordonnée. En cas de faillite ou toute autre situation de concours entre tous les créanciers du garant, tant le paiement des intérêts que le remboursement en capital des obligations ne seront effectués qu'après remboursement de tous les créanciers non-subordonnés. Le montant récolté par l'Emetteur dans le cadre de cette émission fera l'objet d'un prêt subordonné de l'Emetteur au Garant. Le Garant utilisera ces fonds pour remplacer des prêts subordonnés venant à échéance en 2004. Ces prêts subordonnés servent à renforcer la structure des fonds propres du Garant.

L'émission des obligations sera intégralement souscrite par les banques mentionnées sur la première page de l'*Offering Circular*, sur base d'un contrat de prise ferme (*Underwriting Agreement*). Ce syndicat de banques sera composé par Fortis Banque.

L'Emetteur paiera aux banques précitées, une commission de 2% du montant de l'émission des obligations ainsi qu'un montant pour couvrir les frais légaux, administratifs et divers.

Le prospectus (l'*Offering Circular* et les Résumés) peut être obtenu chez Fortis Banque, Montagne du Parc 3, 1000 Bruxelles, ainsi qu'au numéro de téléphone 02/565 8535. L'investisseur pourra également obtenir gratuitement à cette adresse une copie des derniers comptes annuels de l'Emetteur, du Garant et des derniers comptes annuels et semestriels de Fortis groupe. Les comptes annuels de Fortis groupe sont également disponibles au webside www.Fortis.com.

Les obligations ont été acceptées dans les systèmes de liquidation de Clearstream et d'Euroclear sous le code commun 019698858 et le code ISIN XS0196988587.

Régime fiscal

Tous les paiements en rapport avec ces obligations sont soumis dans tous les cas aux lois fiscales ou autres lois ou règlements en vigueur dans les pays où les paiements seront sollicités.

Régime fiscal belge concernant les obligations:

Pour l'application de l'impôt sur le revenu belge, les obligations sont considérées comme des titres à revenus fixes (art. 2 § 4 CIR/92).

Régime fiscal applicable aux investisseurs privés résidant en Belgique.

Hormis le cas exceptionnel où les personnes physiques ont affecté leurs obligations à une activité professionnelle, le régime des intérêts payés à des résidents belges personnes physiques est le suivant :

Les revenus des obligations encaissées auprès d'un intermédiaire (p.e. une institution financière) établi en Belgique sont soumis à la retenue du précompte mobilier de 15%. Le prélèvement du précompte mobilier a un caractère libératoire dans le chef des investisseurs privés. Cela signifie que ces contribuables ne sont pas tenus de mentionner dans leur déclaration fiscale les revenus d'obligations belges ou étrangères qu'ils ont perçus dans la mesure où ces revenus auraient été soumis à la retenue du précompte mobilier (art. 313 CIR/92).

Si les intérêts n'ont pas été soumis à la retenue du précompte mobilier, le contribuable personne physique a l'obligation de les mentionner dans sa déclaration d'impôt des personnes physiques. Dans ce cas, les intérêts subiront un impôt au taux distinct de 15% augmenté des centimes additionnels locaux. Les plus-values réalisées sur la vente de titres (en dehors de la quote-part d'intérêts courus) avant l'échéance ne sont en principe pas taxables, pour les personnes physiques sauf en cas de rachat par l'émetteur. Dans ce cas, ainsi qu'à l'échéance, les plus-values sont taxables comme des intérêts. Les moins-values ne sont en aucun cas déductibles fiscalement.

Régime fiscal applicable aux investisseurs sociétés.

Dans le chef des contribuables soumis à l'impôt des sociétés, les revenus des obligations étrangères font partie de leur base imposable au titre de revenus professionnels.

Le fait que ces revenus soient considérés comme revenus professionnels dans leur chef n'a cependant aucune incidence sur l'application du précompte mobilier. En effet, l'article 37 CIR/92 précise que «sans préjudice de l'application des précomptes, les revenus des capitaux et biens mobiliers sont considérés comme des revenus professionnels, lorsque ces avoirs sont affectés à l'exercice de l'activité professionnelle du bénéficiaire desdits revenus ». Dans le chef de ces contribuables, le précompte mobilier a gardé sa vraie nature d'acompte imputable sur l'impôt des sociétés. Le précompte mobilier est cependant imputable en proportion de la période pendant laquelle la société a eu la pleine propriété des titres (art. 280 CIR/92)

Moyennant remise d'une attestation d'identification *ad hoc*, la société résidente en Belgique peut obtenir une exonération du précompte mobilier en cas d'encaissement en Belgique (art. 108 AR/CIR/92).

En cas de cession sur le marché secondaire, les plus-values sont imposables fiscalement, alors que les moins-values sont déductibles.

Régime fiscal applicable aux non-résidents.

Les revenus d'obligations étrangères encaissées auprès d'un intermédiaire établi en Belgique sont soumis à la retenue d'un précompte mobilier de 15%.

Moyennant remise d'une attestation d'identification *ad hoc*, les épargnants non-résidents peuvent obtenir une exonération du précompte mobilier en cas d'encaissement en Belgique, si les obligations font l'objet d'un dépôt à découvert auprès d'une institution financière en Belgique et pour autant que les non-résidents n'affectent pas ces obligations à l'exercice d'une activité professionnelle en Belgique (art. 230 CIR/92).

Les non-résidents qui affectent les obligations à l'exercice d'une activité professionnelle en Belgique (p. e. sous forme d'établissement stable), sont soumis aux mêmes règles que les sociétés résidentes en Belgique (art. 280 CIR/92 et art. 108 AR/CIR/92). En vertu de la directive européenne sur l'épargne (N° 2003/48/CE du 3 juin 2003 (OJ – L 157)), la Belgique adoptera des mesures pour, à partir de 2005, soumettre les intérêts payés à des personnes physiques résidents de l'Union Européenne, non-résidentes belges, à une retenue à la source de 15 % (évoluant après vers 20% et 35 %). La Belgique devra également adopter une procédure de non-application de ce précompte qui s'appliquera dans des situations où l'état de résidence du bénéficiaire des intérêts est informé de l'identité de ce dernier, du montant des intérêts, etc.

Régime fiscal applicable aux contribuables soumis à l'impôt des personnes morales.

En ce qui concerne les contribuables assujettis à l'impôt des personnes morales, c'est-à-dire les associations, établissements ou organismes quelconques qui possèdent la personnalité juridique mais qui ne se livrent pas à une exploitation ou à des

opérations à caractère lucratif, le précompte mobilier a le caractère d'un impôt définitif. Cela signifie que le précompte mobilier de 15% retenu sur les intérêts des obligations qu'ils encaissent en Belgique est, dans leur chef, le seul impôt relatif à ces revenus.

Les contribuables soumis à l'impôt des personnes morales qui recueillent ou encaissent des intérêts des obligations à l'étranger sans intervention d'un intermédiaire établi en Belgique sont eux-mêmes redevables du précompte mobilier.

Les plus-values réalisées sur la vente de titres (en dehors de la quote-part d'intérêts courus) avant l'échéance ne sont pas taxables, pour les contribuables soumis à l'impôt des personnes morales sauf en cas de rachat par l'émetteur. Dans ce cas, ainsi qu'à l'échéance, les plus-values sont taxables comme des intérêts. Les moins-values ne sont en aucun cas déductibles fiscalement.

La description ci-dessus ne constitue qu'un résumé de la législation fiscale actuelle qui peut changer au cours du temps. En cas de doute veuillez consulter votre conseiller financier et fiscal.



Solid partners, flexible solutions

Fortis Luxembourg Finance S.A.

(Incorporated in the Grand Duchy of Luxembourg)

unconditionally and irrevocably guaranteed
on a subordinated basis by

Fortis Bank

(Incorporated in the Kingdom of Belgium)

Minimum EUR 100,000,000 and maximum EUR 300,000,000

4.75% Notes 2004 due 3 September 2014

Public Offering in Belgium

Subscription period: from 19 July 2004 to 27 August 2004
save in case of early termination due to oversubscription

Issue Price: 101.83%

Issue date: 3 September 2004

Application has been made to list the Notes
on Euronext Brussels

Fortis Bank

Dexia Capital Markets

ING Financial Markets

Axa Bank Belgium

KBC International Group

Banque et Caisse d'Epargne de l'Etat,
Luxembourg

Rabobank International

This Offering Circular is dated 16 July 2004

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Approval by the Belgian Banking, Finance and Insurance Commission

The present Offering Circular as well as a "Résumé du prospectus" and a "Samenvatting van het prospectus" were approved by the Belgian Banking, Finance and Insurance Commission on 13 July 2004, pursuant to article 14 of the Law dated 22 April 2003 on the public offerings of securities. This approval in no way implies an evaluation of the appropriateness or quality of the transaction, or the situation of the person offering the securities.

The notice prescribed by article 13 first section of the aforementioned Law has appeared in the press.

Important Notice

FORTIS LUXEMBOURG FINANCE S.A., a limited liability company incorporated for an unlimited duration under the laws of the Grand-Duchy of Luxembourg (hereinafter referred to as the "**Issuer**" or the "**Company**") and FORTIS BANK nv-sa, a bank incorporated for an unlimited duration in the Kingdom of Belgium (hereinafter referred to as the "**Guarantor**" or the "**Bank**"), having made all reasonable enquiries, confirm that this Offering Circular contains all information with regard to the Issuer, the Guarantor and the Notes which is material in the context of the Notes, that such information is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly held and that there are no other facts the omission of which makes or would make this Offering Circular as a whole or any of such information or the expression of any such opinion or intentions misleading. The Issuer and the Guarantor accept responsibility for this Offering Circular accordingly.

The registered and principal office of the Issuer is at rue Aldringen 14, L-1118 Luxembourg.

The registered office of the Guarantor is located in 1000 Brussels, Montagne du Parc 3.

No person has been authorised to give any information or make any representation in connection with the offering of the Notes other than as contained in this Offering Circular and, if given or made, any such information representation should not be relied upon as having been authorised by the Issuer, the Guarantor, or any of the Managers (as defined under "Subscription and Sale" below). Neither the delivery of the Offering Circular, nor the issue of the Notes, nor any sale thereof shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer and/or the Guarantor since the date hereof. The Managers have not separately verified the information contained in this Offering Circular other than any information relating to the Managers themselves.

Neither this Offering Circular nor any other information supplied in connection with any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, the Guarantor or any of the Managers that any recipient of this Offering Circular or any other information supplied in connection with this Offering Circular or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor.

The Managers do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information in this Offering Circular. Each person receiving this Offering Circular acknowledges that such person has not relied on the Managers or any person affiliated with the Managers in connection with its investigation of the accuracy of such information.

In connection with the issue of the Notes, only Fortis Bank may in its capacity as lead manager over-allot Notes or effect transactions in the open market or otherwise in connection with the distribution of the Notes with a view to stabilising or maintaining the price of the Notes at levels other than those which might otherwise prevail in the open market. Such stabilisation, if commenced, may be discontinued at any time and will in any event be discontinued 30 days after the Issue Date.

The distribution of this Offering Circular and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. Save for the public offering in Belgium, no action has been or will be taken by the Issuer, the Guarantor or the Managers that would permit a public offering of the Notes or the distribution of this Offering Circular or any offering material in any country or jurisdiction where action for that purpose is required.

General Information

The present Offering Circular, the text of the Fiscal Agency Agreement, the text of the Guarantee and the articles of association of the Issuer and the Guarantor will be available free of charge at the specified office of the Paying Agent (as defined below) in Luxembourg and at the head office of the Fiscal Agent (as defined below) in Belgium during the life of the Notes. In addition, copies of the three most recent annual accounts and future annual accounts of the Issuer and of the three most recent

consolidated and unconsolidated annual and interim accounts and future annual consolidated and unconsolidated accounts of the Guarantor will be available free of charge at the office of the Paying Agent in Luxembourg and at the head office of the Fiscal Agent in Belgium.

Neither the Issuer nor the Guarantor publish interim reports. Those interim reports are incorporated in the quarterly interim reports of Fortis (the parent company) which can be found on the internet address of Fortis Group: www.fortis.com. The latest interim report of Fortis Group can be consulted on page 40 of this Offering Circular.

The financial statements of the Issuer for the years ending 31 December 2001 and 31 December 2002 have been audited by Ernst & Young, Société Anonyme, Luxembourg and the financial statements of the Issuer for the year ending 31 December 2003 have been audited by KPMG Audit, Luxembourg.

The 2001, 2002 and 2003 financial statements of the Guarantor have been audited without qualification by PriceWaterhouseCoopers, Réviseur d'Entreprises S.C.C., represented by Luc Discry, Partner, Avenue du Cortenbergh 75 B-1000 Brussels and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., represented by Virgile Nijs, Partner, Avenue du Bourget 40, B-1130 Brussels in accordance with the laws of Belgium.

There has been no material adverse change in the financial position of the Issuer since 31 December 2003. There has been no material adverse change in the financial position of the Guarantor since 31 December 2003.

The issue of the Notes was duly authorised by the Issuer pursuant to a resolution adopted by its Board of Directors on 12 July 2004. The issue of the Guarantee attached to the Notes was duly authorised by the Guarantor pursuant to an resolution of its Management Committee on 13 July 2004.

Neither the Issuer nor the Guarantor is involved in any litigation that may have a material adverse effect on their financial position.

Application has been made to list the Notes on Euronext Brussels.

A temporary global note (the "**Temporary Global Note**"), without interest coupons, representing the Notes will be deposited with a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream, Luxembourg, société anonyme ("**Clearstream**") on or about 3 September 2004. The Issuer will undertake to cause definitive Notes to be available for delivery in exchange for such Temporary Global Note not earlier than 40 days after the Issue Date and not later than 3 March 2005.

The Notes have been accepted for clearance through Clearstream and Euroclear (common code: 019698858, ISIN code: XS0196988587).

Use of Proceeds

The net proceeds from the issue of the Notes amounting to EUR 100,000,000 (subject to be increased to 300,000,000) will be lent by the Issuer to the Guarantor on a subordinated basis. The Guarantor will use the funds to replace previous subordinated loans which are due for redemption in 2004. Such subordinated loans are used to strengthen the capital structure of the Guarantor.

Subscription and Sale

Investors may subscribe the Notes at the branches of Fortis Bank nv-sa and at the branches, if any, of the Managers (as defined below) specified on the cover page of this Offering Circular.

Fortis Bank nv-sa, Montagne du Parc 3, B 1000 Brussels, has been appointed Fiscal Agent and principal Paying Agent of this issue. On the date of this Offering Circular, the other Paying Agent is Banque Générale du Luxembourg S.A., 50 avenue J.-F. Kennedy L-2951 Luxembourg.

The issue has been underwritten jointly and severally by the banks (the "**Managers**") specified on the cover page pursuant to an Underwriting Agreement dated 1 September 2004.

The Issuer will pay a combined management, underwriting and selling Commission of 2% of the aggregate principal amount of the issue.

The Managers are entitled to terminate, and to be released and discharged from their obligations under, the Underwriting Agreement in certain circumstances (such as, non execution of the issue documents, force majeure, adverse change in the condition of the Issuer or the Guarantor) prior to payment to the Issuer in which case the issue can be cancelled.

Selling Restrictions

The distribution of this Offering Circular and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Managers to inform themselves about and to observe any such restrictions.

Save for the public offering in Belgium, no action has been or will be taken by the Issuer, the Guarantor or the Managers that would permit a public offering of the Notes or the distribution of this Offering Circular or any offering material in any country or jurisdiction where action for that purpose is required.

The Notes are not and will not be registered under the Securities Act 1933 (as amended) of the United States of America (the "Securities Act") and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, dependencies and possessions, in any State of the United States and in the District of Columbia or to "US Persons" (as defined in Regulation S under the Securities Act). The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Manager has agreed that (i) it has not offered or sold and, prior to the date six months after the date of issue of the Notes, will not offer or sell any Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and (iii) it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

Tax treatment

The information below is not intended as tax advice and it does not purport to describe all the tax consequences that may be relevant to a prospective purchaser. Prospective purchasers are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Notes.

Tax treatment in Belgium

Please refer to the “Résumé du prospectus” / “Samenvatting van het prospectus”, which has been published for the purpose of the public offering in Belgium.

Proposed EU Savings Directive

On 3 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by Member States from 1 July 2006, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

The following is the text of the Terms and Conditions of the Notes which will be endorsed on each Note in definitive form. By subscribing to or otherwise acquiring the Notes, the holders of the Notes are deemed to have knowledge of all the Terms and Conditions of the Notes hereafter described and to accept the said Terms and Conditions.

Terms and Conditions of the Notes

Minimum EUR 100,000,000 and maximum EUR 300,000,000
4.75% Guaranteed Notes due 3 September 2014 (the "Notes")
issued by
FORTIS LUXEMBOURG FINANCE S.A. (the "Issuer")
unconditionally and irrevocably guaranteed on a subordinated basis by
FORTIS BANK (the "Guarantor")

1. PRINCIPAL AMOUNT

The aggregate principal amount of the Notes is minimum EUR 100,000,000 and maximum EUR 300,000,000, the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union (hereinafter referred to as "EUR" or "euro"). The Notes are issued in bearer form, with coupons attached (the "Coupons") in the denominations of EUR 1,000, EUR 10,000 and EUR 100,000.

Title to the Notes will pass by delivery. Subject to compliance with all applicable laws and regulations, the holder of any Note and the holder of any Coupon pertaining to it, shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payments thereon or on account thereof and for all other purposes, whether or not such Note or Coupon shall be due.

2. INTEREST

The Notes bear interest at the rate of 4.75 % per annum from 3 September 2004, payable annually in arrear on 3 September of the years 2005 to 2014. The first Coupon will be payable on 3 September 2005.

The Notes will cease to bear interest from the due date for redemption thereof unless, upon due presentation, payment of principal thereof is improperly withheld or refused or unless default is otherwise made in respect of such payment.

In such event, interest will continue to accrue (both before and after judgment in respect of any legal action or proceedings for the recovery thereof) until which ever is the earlier of (i) the day on which all sums due in respect of the relevant Note up to that day are received by or on behalf of the bearer of the relevant Note, and (ii) the second day after notice is duly given in accordance with Condition 15 below to the holders of the Notes (the "Noteholders") that sufficient funds for such payment have been deposited with the Fiscal Agent (as defined below).

Should interest be payable for a period of less than one year, it shall be calculated on the basis of the actual number of days elapsed in the period, using as denominator in the calculation of the interest the actual number of calendar days in the coupon period.

3. REDEMPTION

Unless previously purchased or redeemed as provided under Condition 5, the Notes will be redeemed by the Issuer at par on 3 September 2014.

Early redemption in the case of change of tax status: see Condition 5 headed "Tax Status" below.

The Issuer may at any time purchase Notes in the open-market or by private treaty at any price, subject to the prior written consent of the Belgian Banking, Finance and Insurance Commission.

4. PAYMENT OF INTEREST AND REIMBURSEMENT OF PRINCIPAL

Payments of principal and interest shall be made to the bearer upon presentation and surrender of the Notes and Coupons, as the case may be, at the offices of the Fiscal Agent and of the Paying Agent (both as defined below), subject to any applicable laws and regulations in effect in the country of payment.

Fortis Bank or any other duly appointed fiscal agent (the "Fiscal Agent") shall act as fiscal agent and principal paying agent pursuant to a fiscal agency agreement dated 3 September 2004 (the "Fiscal Agency Agreement") between the Issuer, the Fiscal Agent and Banque Générale du Luxembourg S.A. (the "Paying Agents"), copies of which are available at the principal offices of the Fiscal Agent and of the Paying Agents during normal business hours.

Additional paying agents may be appointed and the appointment of any paying agent may be terminated in accordance with the provisions of the Fiscal Agency Agreement provided that notice thereof be published in accordance with the provision under Condition 15 "Notices" below and that, as long as the Notes are listed on the Euronext Brussels, the Issuer shall maintain a paying agent in Belgium.

Each Note presented for redemption is to be presented accompanied by all Coupons appertaining thereto which are due after the date fixed for redemption. The aggregate face amount of all missing Coupons due after such date shall be deducted from the principal to be paid on redemption and the amount so deducted will be paid upon surrender of the relevant missing Coupons at any time before the expiration of a period of five years after its due date.

If the due date, or any later date on which a Note or Coupon could otherwise be presented for payment of any amount of principal or interest, is not a Business Day, then the holder thereof shall not be entitled to payment of the amount due until the next following business day nor to any further interest or other payment in respect of such delay. In this Condition 4, “Business Day” means a day on which banks are open for business in any place of presentation and a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System is open.

Neither the Issuer, nor the Fiscal Agent, nor the Paying Agents shall be required to verify the capacity or title of any holder of any Note or Coupon and all payments will be made without discrimination as to nationality or domicile of the holder thereof or the fulfillment of any formality, except as may be prescribed by applicable laws or regulations in the country where such payment is made.

5. TAX STATUS

(a) All payments of principal and interest in respect of the Notes and the Coupons will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other charges of whatever nature, imposed or levied by or on behalf of the Grand-Duchy of Luxembourg or the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of such taxes, duties, assessments or other charges is required by law.

In that event, the Issuer or the Guarantor, as the case may be, will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes and Coupons after such withholding or deduction shall be not less than the respective amounts of principal or interest which would have been receivable in respect of the Notes or, as the case may be, the Coupons in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or coupon presented for payment:

(i) by, or on behalf of, a holder who is liable to such taxes, duties, assessments or other charges by reason of his having some connection with the Grand-Duchy of Luxembourg, or with the Kingdom of Belgium, other than the mere holding of such Note or Coupon or the receipt of income therefrom; or

(ii) by, or on behalf of, a holder who is able to avoid such withholding by making a claim for exemption to the relevant tax authority; or

(iii) in Belgium;

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

(v) more than 30 days after the Relevant Date.

As used herein, the “Relevant Date” in respect of any payment means whichever is the later of (x) the date on which such payment first becomes due, and (y), if the full amount of the moneys payable has not been unconditionally received by the Fiscal Agent on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect shall have been duly published in accordance with the provisions under Condition 15 below.

References in this Condition 5 to principal and/or interest on the Notes shall be deemed to include any additional amounts which may be payable under the present Condition.

(b) If at any time as a result of any change in, or amendment to, the laws or regulations of the Grand-Duchy of Luxembourg, or the Kingdom of Belgium, or any political subdivision or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, the Issuer or the Guarantor, as the case may be, becomes obliged to pay additional amounts pursuant to the provisions under paragraph (a) above of this Condition 5, and such obligation cannot be avoided by reasonable measures available to the Issuer or the Guarantor, the Notes may be redeemed at the option of the Issuer, or the Guarantor, but subject to the prior written consent of the Belgian Banking, Finance and Insurance Commission, in whole but not in part, at any time (but not earlier than 15 days before the effective date of such change or amendment), at par together with accrued interest to the date set for redemption upon notice being given in accordance with the provisions under Condition 15 below not later than 30 days before the date fixed for redemption.

6. STATUS OF THE NOTES

The Notes and Coupons constitute (subject to Condition 7) and will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu*, without any preference or priority by reason of date of issue, currency of payment or otherwise, among themselves and equally, with all other unsecured and unsubordinated obligations of the Issuer, whether outstanding on the date hereof or hereafter save for those preferred by mandatory provisions of law.

7. NEGATIVE PLEDGE

The Issuer has undertaken that, as long as any of the Notes remain outstanding, it will not create, incur or suffer to subsist any mortgage, charge, pledge, lien or other encumbrance of any kind upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any obligations, now or hereafter existing, of the Issuer unless such security is at the same time extended equally and rateably to the Notes or such other security not materially less beneficial to the Noteholders is provided in respect of the Notes.

8. GUARANTEE ON A SUBORDINATED BASIS

The due payment of the principal and interest in respect of the Notes (including any additional amounts as referred to in Condition 5 and all other moneys payable in respect of the Notes) is unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis in the manner set forth below.

The claims of the holders of Notes or Coupons under the terms of such guarantee shall, upon the occurrence of a Subordination Event (as defined below), be subordinated in right of payment to the claims of depositors and all other unsubordinated creditors of the Guarantor, whether the obligations of the depositors and other unsubordinated creditors are outstanding on the date hereof or hereafter.

The subordinated creditors agree to be treated, upon the occurrence of a Subordination Event, *pari passu* with all other subordinated creditors, if any, without any preference or priority by reason of date of issue.

As used herein, any event creating a concursus of all the creditors on the patrimoine of the Guarantor, including *inter alia*, *faillite/faillissement, concordat judiciaire/gerechtigd akkoord, liquidation volontaire ou forcée/vrijwillige of gedwongen vereffening*, under the laws of the Kingdom of Belgium shall be referred to as a “Subordination Event”.

9. SUBSTITUTION

The Issuer may, provided that the conditions referred to below are fulfilled, procure that another corporation is substituted for the Issuer as the debtor under the Notes and the Terms and Conditions by assigning all its rights and obligations to such other corporation (the “**New Issuer**”).

As soon as practicable after the Fiscal Agent has been notified of the proposed substitution it will arrange for a notice to be published in accordance with the provisions of Condition 15. Each holder of Notes or Coupons by subscribing to or purchasing any Notes or Coupons expressly consents to such substitution and assignment and, upon the New Issuer assuming all the rights and obligations of the Issuer under the Terms and Conditions as fully and effectively as though it has been the original issuer of the Notes, the Issuer shall be released from all liabilities under the Terms and Conditions and the holders of Notes and Coupons expressly consent thereto and the Terms and Conditions shall thereafter be deemed to be modified as set out below.

The said conditions are that:

- (a) no payment of principal or interest on the Notes is overdue;
- (b) the New Issuer is authorised to transfer, in freely transferable euro all amounts which are required to satisfy all payment obligations arising out of the Terms and Conditions hereof;
- (c) the New Issuer shall have obtained all relevant authorisations, permissions, agreements and approvals in the jurisdiction in which the New Issuer is incorporated and resident to effect such transfer and duly to perform all of the obligations to be assumed by it;
- (d) the Issuer or the Guarantor shall (1) own, directly or indirectly, a controlling interest of at least 50% of the voting capital of the New Issuer, and (2) the obligations of the New Issuer in respect of the Notes shall be irrevocably and unconditionally guaranteed on a subordinated basis by the Guarantor; and
- (e) the New Issuer shall agree to indemnify the holder of each Note and Coupon against:
 - all tax, duty, fee or governmental charge which is imposed on such holder by the jurisdiction of the country of the New Issuer’s residence for tax purposes and, if different of its incorporation or any political sub-division or taxing authority thereof or therein with respect to such Note and which would not have been so imposed had such substitution not been made, except when the holder of the Note or Coupon to which such payment relates is subject to such taxation thereon by reason of such holder being connected with such new jurisdiction, otherwise than solely by his holding of such Note or Coupon or the receipt of income therefrom;
 - any costs or expenses incurred in connection with any such substitution.

If such substitution takes place the said modifications are that:

- all references to the Issuer in these Terms and Conditions shall be deemed to be references to the New Issuer; and
- the references in Condition 5 above to the Grand-Duchy of Luxembourg shall be deemed to be references to the jurisdiction in which the New Issuer is incorporated and resident.

10. PRESCRIPTION

Claims against the Issuer or the Guarantor, for the payment of principal of and interest on the Notes shall be prescribed ten years after the due date thereof as regards principal and five years after the due date thereof as regards interest.

11. REPLACEMENT OF NOTES

In case of theft, loss or other involuntary dispossession or mutilation of any Note, application for replacement thereof is to be made to the Fiscal Agent or to the Paying Agents. Any such Note shall be replaced by the Issuer on such terms as to evidence and indemnification as the Issuer may require and in accordance with applicable legal requirements. Subject to applicable laws and regulations regarding the loss or involuntary dispossession of bearer notes, all such costs as may be incurred in connection with the replacement of any Note shall be borne by the applicant. Mutilated Notes must be surrendered before new ones will be issued.

12. REPRESENTATION OF THE NOTEHOLDERS

Pursuant to the provisions of the law of 9 April, 1987 (the “Law”) of the Grand-Duchy of Luxembourg relating to the representation of noteholders, amending articles 86 to 95 of the Luxembourg Company Law of 10 August, 1915, as amended, one or more noteholder-representative(s) representing the interests of the Noteholders vis-à-vis the Issuer may be appointed in accordance with the procedures set out in the Law.

13. LISTING

Application has been made for the listing of the Notes on Euronext Brussels.

14. FINANCIAL INFORMATION

As soon as they are available after the close of each fiscal year during the life of the Notes, the Issuer and the Guarantor shall provide the Fiscal Agent and the Paying Agents with copies of their annual reports and interim reports in the case of the Guarantor relating to such fiscal year. Copies of such annual reports will be made available to holders of Notes at the principal office of the Fiscal Agent and the Paying Agents during the life of the Notes during normal business hours.

15. NOTICES

Any notices to holders of Notes and Coupons will be validly given if published in two leading daily newspapers having general circulation in Belgium (“De Tijd” and “L’Echo”) or, if said newspapers shall cease to be published or publication therein shall not be practicable, in such other newspapers as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the holders of Notes and Coupons. Notices convening meetings of Noteholders will also be published in the Mémorial, Journal Officiel du Grand-Duché de Luxembourg, Recueil Spécial des Sociétés et Associations.

16. FURTHER ISSUES AND CONSOLIDATION

The Issuer may from time to time, without the consent of the holders of the Notes and Coupons, create and issue further notes or amend the terms and conditions of other notes so as to be consolidated and form a single issue with the Notes.

17. APPLICABLE LAW

The Notes are governed by and shall be interpreted in accordance with the laws of the Grand-Duchy of Luxembourg. The holders of Notes and Coupons shall be free to enforce their rights against the Issuer and/or the Guarantor in the courts of the Grand-Duchy of Luxembourg or Belgium, to the jurisdiction of which the Issuer and the Guarantor irrevocably submit. For the purpose of any action or proceedings brought in the Grand-Duchy of Luxembourg in connection with the Terms and Conditions, the Guarantor hereby elects domicile at the registered office of the Issuer for all acts, formalities or procedures.

Guarantee of Fortis Bank

FORTIS BANK nv-sa (the "Guarantor") unconditionally and irrevocably guarantees to the holder of this Note and Coupons appertaining hereto the due and punctual payment, in accordance with the Terms and Conditions of the Notes (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein and any reference herein to the "Terms and Conditions" is to the Terms and Conditions of the Notes endorsed on this Note, of the principal of, interest (if any) on, and any other amounts payable under, this Note upon the following terms:

In the event of any failure by the Issuer to pay punctually any such principal, interest (if any) or other amount, the Guarantor agrees to cause each and every such payment to be made as if the Guarantor instead of the Issuer were expressed to be the primary obligor of this Note or, as the case may be, of any Coupons appertaining hereto to the intent that the holder shall receive the same amounts in respect of principal, interest (if any) or such other amount as would have been receivable had such payments been made by the Issuer.

The Guarantor agrees that its obligations under this Guarantee shall be unconditional and irrevocable, irrespective of the validity, regularity or enforceability of any Note or any Coupon, the absence of any action to enforce the same, the recovery of any judgment against the Issuer or any action to enforce the same or any other circumstance which might otherwise constitute a discharge or defence of a guarantor and, in general, waives the benefit of Article 2037 of the Belgian Civil Code to the extent applicable.

The Guarantor confirms with respect to each Note and Coupon and the indebtedness evidenced thereby, that it does not have and will not assert as a defence to any claim hereunder any right to require any proceeding first against the Issuer nor will it assert as a defence to any claim hereunder any lack of diligence, presentment to the Issuer or the Paying Agents, any demand for payment from the Issuer or the Paying Agents, any filing of claims with any court in the event of merger, insolvency or bankruptcy of the Issuer, any protest, notice or any other demand whatsoever (other than a demand for payment of this Guarantee) and the Guarantor covenants that this Guarantee will not be discharged except by complete performance of the obligations contained in each Note and Coupon and in this Guarantee.

This Guarantee constitutes a direct, unconditional, irrevocable, subordinated and unsecured obligation of the Guarantor.

The rights and claims of the holder of this Note and the Coupons appertaining hereto under or pursuant to this Guarantee shall in the event of a *concourse de tous les créanciers sur l'ensemble de patrimoine/samenloop van alle schuldeisers op het geheel van het vermogen* (competition between all creditors over all assets) (including *faillite/faillissement* (bankruptcy)), *concordat judiciaire/gerechelijk akkoord* (composition of creditors) or *liquidation volontaire ou forcée/vrijwillige of gedwongen vereffening* (voluntary or compulsory liquidation)) of the Guarantor or any other event under the Belgian Law having equivalent or similar effect (each a "Subordination Event"), be irrevocably subordinated in right of payment to the claims of the depositors and the Senior Creditors and by the holding of this Note, the holder hereof hereby irrevocably waives its right to equal treatment with such depositors and Senior Creditors.

Accordingly, in any Subordination Event, the liabilities of the Guarantor under or pursuant to this Guarantee shall not be required to be satisfied until satisfaction of all indebtedness of the Guarantor to the depositors and the Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment.

For the avoidance of doubt, the rights and claims of the holder of this Note and of the Coupons appertaining hereto under or pursuant to this Guarantee shall rank at least *pari passu* and shall not be subordinated to other claims against the Guarantor which are subordinated (or expressed by their terms to be subordinated) in right of payment;

For the purpose of this Guarantee, "Senior Creditors" means creditors (whether secured or unsecured) of the Guarantor, the claims of which against the Guarantor are not subordinated in right of payment within the meaning set forth in this Guarantee regardless of whether such claims existed at the date hereof or arose subsequent hereto and regardless of whether such claims pertain to indebtedness with fixed or undetermined maturity date.

The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Terms and Conditions of the Notes.

The Guarantor shall be subrogated in all rights of the holder of this Note and the Coupons against the Issuer in respect of any amounts paid or other performance by the Guarantor pursuant hereto; provided that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation unless and until this Note or, as the case may be, the Coupons appertaining hereto shall have been paid in full.

This Guarantee is governed by and shall be construed in accordance with the laws of Belgium.

In witness whereof the Guarantor has caused this Guarantee to be duly executed.

Dated 3 September 2004

FORTIS BANK nv-sa

Fortis Luxembourg Finance S.A.

(the Issuer)

1. GENERAL DESCRIPTION

Fortis Luxembourg Finance S.A. (the “Company”) was incorporated in Luxembourg on 24th September, 1986 for a limited duration of thirty years in the form of a “Société Anonyme” and its registered number is B 24784. Until 12 November 2001, the legal denomination of Fortis Luxembourg Finance S.A. was “Genfinance Luxembourg S.A.”

The Articles of Association of the Company have been amended several times, most recently by notarial deed in Luxembourg on 12 November 2001 and the duration of the Company is now unlimited. According to Luxembourg Act of 12 December, 1998, the capital of the Company has been converted into euro on 20 July, 2001.

The Articles of Association were published in the “Mémorial, Recueil Spécial des Sociétés et Associations” on 29th November, 1986 (C Nr332) and amendments thereto were published in the “Mémorial, Recueil Spécial des Sociétés et Associations” on 29th September, 1987 (C Nr 241), on 30th December, 1987 (C Nr 385), on 19th March, 1988 (C Nr 71), on 26th May, 1988 (C Nr 140), on 28th August, 1989 (C Nr 236), on 13th June, 1990 (C Nr 194), on 10th January, 1991 (C Nr 9), on 15th June, 1992 (C Nr 258), on 19th July, 1996 (C Nr 346) and on 20 March 2002 (C Nr 445).

The Company’s registered office is at 14, rue Aldringen, Luxembourg.

The Company’s object is to grant loans to the Fortis Bank Group’s companies. For that purpose the Company may issue bonds or similar securities, raise loans, with or without a guarantee and in general have recourse to any sources of finance.

The Company’s share capital is EUR 500,000 represented by 20,000 ordinary shares with a nominal value of EUR 25 each. The Company has no other classes of shares.

Fortis Bank holds 99.999% of the Company’s shares.

The Articles of Association are filed with the Chief Registrar of the District Court of Luxembourg (Greffier en Chef du Tribunal d’Arrondissement de et à Luxembourg) and on written request a copy is available to any interested person.

The fiscal year starts on 1st January and ends on 31st December.

The Issuer has a Board of Directors. The Managing Directors of the Issuer are:

Bas Schreuders, Director of BGL-Meespierson Trust (Luxembourg) S.A.
Edward Bruin, Director Commercial Relations & Fiscal Affairs of BGL-MeesPierson Trust
Jean Thill, Treasury Manager of Banque Générale du Luxembourg S.A.
Matthijs van der Want, Manager of Fortis Bank nv-sa
Christian Pithsy, Manager of Fortis S.A./N.V.

No members of the Board of Directors works on a full-time basis for the Issuer.

The Auditor to the Issuer is Ernst & Young, BP 780, L-2017 Luxembourg.

2. CAPITALISATION AND INDEBTEDNESS OF FORTIS LUXEMBOURG FINANCE S.A. AS AT 31 DECEMBER 2003

The capitalisation and indebtedness of Fortis Luxembourg Finance S.A. (extracted from Fortis Luxembourg Finance S.A.'s unaudited accounts) as at 31 December 2003, is as set out below:

					As at 31 December 2003
					(In EUR)
Shareholders' Equity					
Share capital					500,000.00
Legal reserve					50,000.00
Retained earnings					10,389,810.82
Total Shareholders' Equity					10,939,810.82
Long Term Debt					
Notes with unsubordinated guarantee					
LUF2,000,000,000	7 ⁵ / ₈ %	1995/2001 9%	2001/2004 ⁽¹⁾⁽⁴⁾⁽⁷⁾		49,578,704.95
LUF2,000,000,000	7 ¹ / ₄ %	1995/2005 ⁽¹⁾⁽⁴⁾			49,578,704.95
LUF5,000,000,000	6 ¹ / ₂ %	1995/2001 7 ¹ / ₂ %	2001/2004 ⁽¹⁾⁽⁴⁾⁽⁷⁾		123,946,762.39
LUF3,000,000,000	5%	1996/1999 7%	1999/2002 9%	2002/2005 ⁽¹⁾⁽⁴⁾⁽⁷⁾	74,368,057.43
LUF4,000,000,000	5 ¹ / ₂ %	1996/2000 7%	2000/2003 9%	2003/2006 ⁽¹⁾⁽⁴⁾⁽⁷⁾	99,157,409.91
LUF4,000,000,000	5 ¹ / ₈ %	1996/2000 8 ¹ / ₈ %	2000/2004 ⁽¹⁾⁽⁴⁾⁽⁷⁾		99,157,409.91
LUF3,000,000,000	4 ¹ / ₄ %	1996/1999 6%	1999/2002 8%	2002/2005 ⁽¹⁾⁽⁴⁾⁽⁷⁾	74,368,057.43
EUR2,000,000			3 May 2002	3 May 2012	2,000,000.00
EUR5,000,000			10 January 2003	10 January 2004	5,000,000.00
EUR20,000,000			24 March 2003	24 March 2004	20,000,000.00
EUR10,000,000			7 April 2003	7 April 2004	10,000,000.00
EUR25,000,000			22 April 2003	22 April 2004	25,000,000.00
EUR10,000,000			28 April 2003	7 April 2004	10,000,000.00
EUR10,000,000			10 June 2003	10 December 2004	10,000,000.00
EUR12,000,000			12 June 2003	7 July 2004	12,000,000.00
EUR5,000,000			24 June 2003	7 July 2004	5,000,000.00
EUR5,000,000		Credit Linked Notes		30 July 2004	5,000,000.00
EUR5,000,000		Credit Linked Notes		29 December 2004	5,000,000.00
EUR5,000,000		Credit Linked Notes		30 July 2004	5,000,000.00
EUR5,000,000		Credit Linked Notes		29 December 2004	5,000,000.00
USD2,500,000		Floating Rate Notes		8 February 2008 ⁽⁴⁾	1,982,081.98
USD10,000,000		Floating Rate Notes		22 August 2004 ⁽⁴⁾⁽⁹⁾	7,928,327.92
USD20,000,000		Floating Rate Notes		21 February 2005 ⁽⁴⁾⁽⁹⁾	15,856,655.83
USD5,000,000		Accrual Floating Rate Notes		12 August 2004 ⁽⁴⁾⁽⁹⁾	3,964,163.96
USD5,000,000	7.1%	Accrual Fixed Rate Notes		16 August 2009 ⁽⁴⁾⁽⁹⁾	3,964,163.96
USD2,000,000			14 February 2003	14 February 2006	1,585,665.58
USD4,800,000			17 March 2003	17 March 2008	3,805,597.40
USD5,000,000			25 March 2003	25 March 2008	3,964,163.96
USD10,000,000			15 April 2003	15 April 2013	7,928,327.92
USD5,000,000			15 April 2004	15 April 2008	3,964,163.96
USD18,000,000			25 April 2003	15 April 2006	14,270,990.25
USD5,000,000			16 June 2003	16 June 2008	3,964,163.96
HKD100,000,000			25 March 2003	25 March 2008	10,213,252.72
HKD50,000,000			15 April 2003	15 April 2006	5,106,626.36
USD4,000,000			15 July 2003	15 July 2008	3,171,331.17
USD10,000,000		Range Accrual Notes		25 July 2013	7,928,327.92

USD10,000,000		Range Accrual Notes	15 August 2013	XS0173627554	7,928,327.92
USD3,000,000		Bermudan Callable Fixed Rate Notes	26 August 2008	XS0174829639	2,378,498.37
USD2,000,000		Bermudan Callable Fixed Rate Notes	18 November 2010	XS0180133398	1,585,665.58
USD5,000,000		Callable Range Accrual Notes	18 November 2013	XS0180217498	3,964,163.96
Total					804,609,767.65

Reverse Convertible Notes⁽⁸⁾

EUR20,000,000.00	12.25%	Convertible into Siemens Shares		11 February 2004 ⁽⁴⁾	20,000,000.00
EUR20,000,000.00	11.25%	Convertible into Axa Shares		5 March 2004 ⁽⁴⁾	20,000,000.00
EUR35,000,000.00	11.25%	Convertible into ING Groep Shares		15 April 2004 ⁽⁴⁾	35,000,000.00
EUR25,000,000.00	11%	Convertible into Deutsche Bank Shares		7 May 2004 ⁽⁴⁾	25,000,000.00
EUR20,000,000.00	10%	Convertible into Unilever Shares		20 May 2004 ⁽⁴⁾	20,000,000.00
EUR15,000,000.00	11%	Convertible into Société Générale Shares		6 August 2004 ⁽⁴⁾	15,000,000.00
EUR20,000,000.00	12.5%	Convertible into ABN AMRO Shares		17 December 2004 ⁽⁴⁾	20,000,000.00
EUR30,000,000.00	13.5%	Convertible into ING Shares		23 May 2005 ⁽⁴⁾	30,000,000.00
EUR3,830,000.00	8.5%	Convertible into BBVA Shares		1 March 2004 ⁽⁴⁾	3,830,000.00
EUR2,100,000.00	10%	Convertible into BBVA Shares		16 April 2004 ⁽⁴⁾	2,100,000.00
EUR3,000,000.00	7.05%	Convertible into BSCH Shares		28 June 2004 ⁽⁴⁾	3,000,000.00
EUR15,000,000.00	11.125%	Convertible into ABN AMRO Holding NV Shares		25 July 2005	15,000,000.00
EUR15,000,000.00	10.25%	Convertible into Porsche AG Sharees		21 October 2005	15,000,000.00
EUR10,000,000.00		Exchangeable in OAT		12 January 2004	10,000,000.00
EUR20,000,000.00	0%	Exchangeable in Peugeot SA		10 November 2008	20,000,000.00
EUR30,000,000.00	11%	Convertible into ING Groep NV Shares		16 December 2005	30,000,000.00
Total					283,930,000.00

Index Linked Notes

EUR100,000,000.00			15 April 1999	15 April 2005	XS0095602545 ⁽⁴⁾	100,000,000.00
EUR75,000,000.00			10 May 1999	10 May 2004	XS0096930093 ⁽⁴⁾	75,000,000.00
EUR100,000,000.00			21 June 1999	21 June 2004	XS0098337149 ⁽⁴⁾	100,000,000.00
EUR100,000,000.00			31 August 1999	31 August 2004	XS0100592590 ⁽⁴⁾	100,000,000.00
EUR50,000,000.00			8 February 2000	8 February 2005	XS0106290710 ⁽⁴⁾	50,000,000.00
EUR50,000,000.00			15 February 2000	15 February 2008	XS0106569071 ⁽⁴⁾	50,000,000.00
EUR50,000,000.00			28 March 2000	28 March 2005	XS0108677039 ⁽⁴⁾	50,000,000.00
EUR70,000,000.00			20 April 2000	20 April 2005	XS0109552389 ⁽⁴⁾	70,000,000.00
EUR50,000,000.00			9 June 2000	9 June 2005	XS0111290564 ⁽⁴⁾	50,000,000.00
EUR25,000,000.00			4 October 2000	4 October 2005	XS0117447531 ⁽⁴⁾	25,000,000.00
EUR40,000,000.00			7 February 2001	7 February 2005	XS0123291303 ⁽⁴⁾	40,000,000.00
EUR25,000,000.00			28 February 2001	28 February 2005	XS0124841601 ⁽⁴⁾	25,000,000.00
EUR35,000,000.00	7%	Index Linked Notes			15 January 2007 ⁽⁴⁾	35,000,000.00
EUR25,000,000.00	7.5%			Index Linked Notes	15 March 2006 ⁽⁴⁾	25,000,000.00
EUR15,000,000.00	7.5%			Index Linked Notes	3 July 2006 ⁽⁴⁾	15,000,000.00
EUR50,000.00	7.5%			Inflation Linked Notes	17 June 2015 ⁽⁴⁾	50,000,000.00
Total						860,000,000.00

Notes with subordinated guarantee

LUF3,000,000,000	6%	1997/2007 ⁽¹⁾⁽³⁾			74,368,057.43
LUF3,700,000,000	5%	1997/2001 7 1/2% 2001/2005 ⁽¹⁾⁽³⁾⁽⁷⁾			91,720,604.17
LUF3,000,000,000	5 1/4%	1997/2002 7 1/4% 2002/2007 ⁽¹⁾⁽³⁾⁽⁷⁾			74,368,057.43
LUF2,000,000,000	6 1/8%	1997/2007 ⁽¹⁾⁽³⁾			49,578,704.95
NLG150,000,000	5 1/8%	1998/2005 ⁽¹⁾⁽³⁾			68,067,032.41
LUF2,000,000,000	4 1/2%	1998/2003 6.375% 2003/2008 ⁽¹⁾⁽³⁾⁽⁷⁾			49,578,704.95
LUF2,000,000,000	4 1/4%	1998/2003 6 1/4% 2003/2008 ⁽¹⁾⁽³⁾⁽⁷⁾			49,578,704.95

EUR100,000,000	5 1/8%	1999/2009 ⁽¹⁾⁽³⁾				100,000,000.00
EUR75,000,000	5.625%	1999/2009 ⁽¹⁾⁽³⁾				75,000,000.00
EUR100,000,000	6%	1999/2009 ⁽¹⁾⁽³⁾				100,000,000.00
EUR150,000,000	6 1/8%	1999/2009 ⁽¹⁾⁽³⁾				150,000,000.00
LUF1,000,000,000.00			25 February 1994	25 February 2004	XS0048428048 ⁽³⁾	24,789,352.48
EUR100,000,000.00			17 December 1999	17 December 2009	XS0104211957 ⁽³⁾	100,000,000.00
EUR200,000,000.00			11 May 2000	11 May 2010	XS0110173555 ⁽³⁾	200,000,000.00
EUR250,000,000.00			14 June 2000	14 June 2010	XS0111481403 ⁽³⁾	250,000,000.00
EUR50,000,000.00			20 October 2000	20 October 2010	XS0117512548 ⁽³⁾	50,000,000.00
EUR150,000,000.00			15 December 2000	15 December 2010	XS0120236269 ⁽³⁾	150,000,000.00
EUR50,000,000.00			27 December 2000	27 December 2010	XS0121176472 ⁽³⁾	50,000,000.00
EUR150,000,000.00			16 February 2001	16 February 2016	XS0122720732 ⁽³⁾	150,000,000.00
EUR100,000,000.00			16 May 2003	16 May 2013	XS0166164789 ⁽³⁾	100,000,000.00
Total						1,957,049,218.77

Notes in foreign currencies with subordinated guarantee

USD22,330,000	FRN	1995-undated ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾				17,703,956.24
GBP100,000,000	9%	1995-undated ⁽¹⁾⁽²⁾⁽⁵⁾⁽⁶⁾				141,103,428.81
DKK400,000,000	5%	1998/2003	6% 2003/2008 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁷⁾			53,593,440.16
DKK600,000,000	7%	1997/2006 ⁽¹⁾⁽³⁾⁽⁵⁾				80,390,160.24
DKK600,000,000	5 1/8%	1999/2007 ⁽¹⁾⁽³⁾⁽⁵⁾				80,390,160.24
SEK515,000,000			7%	1999/2007	(1) (3) (5)	26,719,935.68
Total						429,901,081.37

Total Long Term Debt

4,335,490,067.79

Short Term Debt (including Commercial Paper)

1,760,693,234.10

Total Long Term Debt and Short Term Debt

6,096,183,301.89

Total capitalisation⁽⁹⁾⁽¹⁰⁾

6,107,123,112.71

Notes:

- Redeemable early at 100% in the event of a change in tax regulations.
- Redeemable early at 100% from February 2000 onwards.
- Guaranteed on a subordinated basis by Fortis Bank.
- Guaranteed by Fortis Bank.
- Foreign currency amounts have been translated at the rates prevailing on 30 June 2003.

DKK	7.4636
GBP	0.7087
HKD	9.7912
SEK	9.0797
USD	1.2613
- Redeemable early at 100% or exchangeable for new Notes from 5 January, 2006 onwards.
- Step-up Notes.
- The Reverse Convertible Notes are booked at their nominal value.
- The following issues will be added to the Long Term Debt of the issuer:
 - EUR 1,300,000 Exchangeable Zero Coupon Notes in Peugeot SA due 10 November 2008 (series 157 tranche 2) XS01795455C
 - EUR 15,000,000 9.25% Reverse Convertible Notes into ABN AMRO Holding N.V. shares due 10 February 2006 XS0184245
 - EUR 150,000,000 4.50% Subordinated Notes 2004 due 19 March 2012 XS0186431895
 - EUR 4,720,000 0% Basket Linked Notes 2004 due 5 March 2007 (series 163) XS0187132096
 - EUR 5,000,000 Credit Linked Floating Rate Notes 2004 due 15 November 2007 (series 164) XS0187825459
 - EUR 3,000,000 Equity Index Linked Notes 2004 due 2 April 2012 (series 165) XS0189252736
 - USD 8,000,000 Credit Linked Notes 2004 due 1 October 2009 (series 166) XS0189310799
 - EUR 5,000,000 Credit Linked Notes 2004 due 5 July 2006 (series 167) XS0189850042
 - EUR 5,000,000 Notes with Floored Yearly Tec-10 Click due 20 April 2016 (series 168) XSS0190360734
 - EUR 20,000,000 Target Redemption Notes 2004 due 20 April 2012 (series 169) XS0190440841

EUR 10,000,000 Target Redemption Notes 2004 due 24 May 2014 (series 170) XS0192707775
 EUR 25,000,000 10% Reverse Convertible Notes into ING Groep N.V. shares due 12 May 2006 XS0191265957
 EUR 100,000,000 4.50% Subordinated Notes 2004 due 25 May 2012 XS0190917160
 EUR 10,000,000 "Five out of Five" Notes 2004 due 22 June 2009 XS0193721205
 EUR 10,000,000 Five Year Target Redemption Notes 2004 due 6 July 2009 XS0194459177

(10) Save as disclosed above there has been no material change in the capitalisation of Fortis Luxembourg Finance S.A. since 31 December 2003.

Fortis Luxembourg Finance S.A. has no notes cum warrants, nor convertible notes outstanding.

Fortis Luxembourg Finance S.A. has no subsidiaries and therefore its financial statements are produced on an unconsolidated basis. It does not publish interim financial statements.

3. SELECTED FINANCIAL INFORMATION OF FORTIS LUXEMBOURG FINANCE S.A.

Balance Sheet of Fortis Luxembourg Finance S.A.

	As at 31 December		
	2001	2002	2003
	(in EUR)	(in EUR)	(in EUR)
Assets			
Financial fixed assets	5,093,095,353.87	4,372,101,192.53	4,212,058,894.32
Current assets			
Loans	376,363,984.65	1,657,328,300.95	2,027,326,340.77
Bank deposit	11,948,675.00	6,567,637.85	15,425,959.83
Regularisation	53,844,667.23	41,917,159.56	35,978,839.60
Total Assets	5,535,252,680.75	6,077,914,290.89	6,290,790,034.52
Liabilities			
Issued capital	500,000.00	500,000.00	500,000.00
Non-distributable reserves	606,359.95	765,371.25	965,371.25
Profit brought forward	5,237,245.52	8,032,253.03	10,389,810.82
Accounts payable			
Debenture	5,296,669,756.73	5,866,656,349.06	6,096,183,301.89
Other accounts payable	179,362,411.82	161,327,368.29	146,147,714.91
Regularisation	49,922,887.92	38,075,391.47	32,850,469.47
Profit for the fiscal year/period	2,954,018.81	2,557,557.79	3,753,366.18
Total Liabilities	5,535,252,680.75	6,077,914,290.89	6,290,790,034.52

Profit and Loss Account of Fortis Luxembourg Finance S.A.

	For the year ended 31 December		
	2001	2002	2003
	(in EUR)	(in EUR)	(in EUR)
Gross results ⁽¹⁾	227,369,885.78	656,099,417.97	60,665,583.41
Interests and similar costs ⁽¹⁾	223,011,338.34	651,002,665.85	583,054,472.75
Other costs and taxes	1,404,528.63	2,539,194.33	16,857,744.48
Profit for the fiscal year	2,954,018.81	2,557,557.79	3,753,366.18

The above information for the years ended 31 December 2001, 2002 and 2003 is extracted from, and should be read in conjunction with, the audited financial statements (including the Notes thereto) of the Company. The audited and approved financial statements of the Company for the year ended 31 December 2003 are available free of charge at the head office of the Paying Agent in Luxembourg and at the office of the Fiscal Agent in Belgium.

The 2003 Financial Statements are set out on the following pages (in the original French language)

2003 Financial Statements

Balance Sheet (in EUR)

	Notes	2003	2002
ACTIF			
Actif immobilisé			
Immobilisations corporelles		553	842
Immobilisations financières			
Créances sur des entreprises liées	3	<u>4.212.058.341</u>	<u>4.372.100.350</u>
		4.212.058.894	4.372.101.192
Actif circulant			
Créances à moins d'un an			
Autres créances	4	2.027.326.341	1.657.328.301
Avoirs en banques		<u>15.425.960</u>	<u>6.567.638</u>
		2.042.752.301	1.663.895.939
Comptes de régularisation	5	35.978.840	41.917.160
		<u>6.290.790.035</u>	<u>6.077.914.291</u>
PASSIF			
Capitaux propres			
Capital souscrit	6	500.000	500.000
Réserves			
Réserve légale	7	50.000	50.000
Réserve indisponible	8	915.371	715.371
Résultats reportés	9	10.389.811	8.032.253
		<u>11.855.182</u>	<u>9.297.624</u>
Dettes			
Dettes à plus d'un an			
Emprunts obligataires	10	3.423.163.326	3.876.668.704
Dettes à moins d'un an			
Emprunts obligataires et et papiers commerciaux à court terme		2.675.019.976	1.989.987.645
Dettes envers les établissement de crédit		-	24
Autre dettes (dont dettes fiscales: EUR 2.744.267; (2002 EUR 1.008.192))	11	<u>144.147.715</u>	<u>161.327.344</u>
		6.242.331.017	6.027.983.717
Comptes de régularisation	5	32.850.470	38.075.392
Bénéfice de l'exercice		3.753.366	2.557.558
		<u>6.290.790.035</u>	<u>6.077.914.291</u>

Income Statement (in EUR)

	Notes	2003	2002
Frais généraux administratifs		(406.295)	(426.933)
Produits provenant d'autres valeurs mobilières et de créances de l'actif immobilisé	12	345.429.278	395.070.879
Bénéfice sur "reverse convertible"	13	15.072.442	244.673.545
Autre intérêts et produits assimilés	14	10.571.714	16.353.878
Intérêts et charges assimilées	15	(349.179.339)	(406.329.121)
Perte sur créances "reverse convertible"	13	(15.072.422)	(244.673.545)
Impôts sur le résultat provenant des activités ordinaires		(2.662.012)	(2.112.261)
Résultat provenant des activités ordinaires, avant impôts		3.753.366	2.556.442
Produits exceptionnels		-	1.116
Bénéfice de l'exercice		3.753.366	2.557.558

1. Généralités

Fortis Luxembourg Finance S.A. ("la Société") a été constituée le 24 septembre 1986 à Luxembourg sous forme d'une société anonyme sous le nom de GENFINANCE LUXEMBOURG S.A., changé en FORTIS LUXEMBOURG FINANCE S.A. le 12 novembre 2001.

La Société a pour objet l'octroi de prêts à des sociétés du groupe Fortis Banque ("le Groupe"), société anonyme. Pour réaliser son objet, la société pourra émettre des obligations ou titres analogues et contracter des emprunts avec ou sans garantie. La société peut faire toutes opérations qu'elle jugera utiles à l'accomplissement et au développement de son objet, en restant toutefois dans les limites tracées par la loi du 10 août 1915 telle que modifiée sur les sociétés commerciales.

Les prêts sont octroyés aux mêmes conditions que celles relatives aux emprunts, mis à part une marge d'intermédiation.

Suite à une restructuration des activités du Groupe au Grand Duché du Luxembourg, la société a repris de Fortis Lux Finance S.A. les dettes titrisées sous forme d'obligations et de papiers commerciaux existants au 30 novembre 2001, ainsi que les prêts octroyés au Groupe grâce à l'émission de ces papiers. Le prix de transfert s'est fait à la valeur comptable de ces actifs, dettes et éléments financiers y rattachés. La valeur comptable des dettes, créances et des éléments financiers y rattachés, le cas échéant résiduels (tels que les primes d'émission non amorties,...) reprise dans les livres de Fortis Lux Finance S.A. a été obtenue sur base des mêmes principes et méthodes comptables que ceux retenus par la société.

Les comptes annuels de la société sont consolidés dans les comptes de Fortis Banque. Les comptes consolidés et le rapport de gestion de Fortis Banque sont disponibles à son siège social: 3 Montagne du Parc, B-1000 Bruxelles.

2. Principales méthodes comptables

La Société prépare ses comptes conformément aux dispositions de la législation luxembourgeoise sur les sociétés commerciales.

Conversion de devises

La comptabilité de la Société est tenue en Euro (« EUR ») et les comptes annuels sont établis dans la même devise.

Durant l'exercice, les transactions, revenus et charges libellés dans une devise autre que l'EUR sont enregistrés sur base des cours de change en vigueur à la date de l'opération.

A la date de clôture, les avoirs et dettes exprimés en devises autres que l'EUR sont évalués sur base des cours de change en vigueur à cette date.

Depuis le 1er janvier 1999, lorsqu'il existe un lien économique entre deux opérations comptabilisées respectivement à l'actif et au passif et libellées dans la même devise, les postes du bilan sont réévalués aux cours de clôture sans que le compte de profits et pertes ne soit impacté.

Créances

Les créances sont évaluées au plus bas de leur valeur nominale ou de leur valeur estimée de réalisation. Une correction de valeur est enregistrée si, de l'avis du Conseil d'Administration, une dépréciation durable est constatée, sauf si la moins-value latente est liée économiquement à une plus-value latente sur dettes.

Primes sur emprunts

Les primes sur emprunts sont présentées en comptes de régularisation à l'actif ou au passif, distinctement des emprunts auxquels elles se rapportent. Elles sont imputées en compte de profits et pertes sur la durée des emprunts.

Dettes

Les dettes sont valorisées au plus haut de leur valeur nominale ou de remboursement.

Primes sur créances

Les primes sur créances sont amorties prorata temporis sur la durée des créances auxquelles elles se rapportent.

3.Immobilisations financières

Aucune correction de valeur n'a été constituée sur les prêts.

La structure des créances est la suivante :

	2003	2002
	EUR	EUR
Echéance à moins d'un an	833.402.230	499.996.679
Echéance à plus d'un an		
1-5 ans	2.340.950.253	2.118.832.321
5 ans et plus	1.037.705.858	1.578.206
A durée indéterminée	<u>-</u>	<u>175.065.694</u>
	3.378.656.111	3.872.103.671
Total	<u>4.212.058.341</u>	<u>4.372.100.350</u>

4.Créances à moins d'un an

Le poste « créances à moins d'un an » comprend essentiellement les prêts consentis à la maison-mère à raison des papiers commerciaux émis dans le cadre du programme « Euro Medium Term Notes » (voir Note 10), les intérêts à recevoir sur les prêts accordés ainsi que la partie non amortie des sous-primes d'émissions ou sur créances.

5.Comptes de régularisation

Le poste « comptes de régularisation » figurant à l'actif (ou au passif) du bilan comprennent essentiellement les commissions payées lors de l'émission de certains emprunts, déduction faite des amortissements pratiqués sur la durée de vie des emprunts concernés, ainsi que la partie non amortie des primes sur emprunts ou sur créances.

Ils comprennent également les frais d'émission tels que les frais de conseils et les frais d'impression.

6.Capital souscrit

Au 31 décembre 2003, le capital social autorisé, souscrit et entièrement libéré, s'élève à EUR 500.000 représenté par 20.000 actions nominatives d'une valeur nominale de EUR 25 chacune.

Durant l'exercice, la société n'a pas racheté ses actions propres.

7.Réserve légale

Selon la législation luxembourgeoise sur les sociétés anonymes, un prélèvement de 5% au moins est fait annuellement sur les bénéfices nets. Ce prélèvement est affecté à la constitution d'une réserve légale jusqu'à ce que celle-ci atteigne 10% du capital social. La distribution de cette réserve n'est pas permise.

8.Réserve disponible

Conformément à l'article 2, 12° de la loi du 21 décembre 2001 portant réforme de certaines dispositions en matière d'impôts directs et indirects, la Société impute l'impôt sur la fortune sur le montant de l'impôt sur la fortune lui-même, à concurrence d'au maximum le montant de l'impôt sur le revenu. A cet effet, l'assemblée générale des actionnaires de la Société inscrit, à une réserve non distribuable pendant cinq ans au moins, un montant correspondant au moins à cinq fois le montant de l'impôt sur la fortune imputé.

9. Résultats reportés

Les assemblées approuvant les comptes de 2002 et 2001 ont décidé de répartir les bénéfices relatifs à ces années comme suit, compte tenu des résultats reportés :

	2003 EUR	2002 EUR
Résultats reportés au début de l'exercice	8.032.253	5.237.245
Bénéfice de l'exercice précédent	<u>2.557.558</u>	<u>2.954.019</u>
Total distribuable	10.589.811	8.191.264
Dotation à la réserve légale	-	(421)
Dotation à la réserve indisponible	(200.000)	(158.590)
Résultats reportés à la fin de l'exercice	<u>10.389.811</u>	<u>8.032.253</u>

10. Emprunts obligataires à plus d'un an et papiers commerciaux

Au 31 décembre, la structure de la dette à plus d'un an est la suivante :

	2003 EUR	2002 EUR
Echéance de 1 à 5 ans	2.381.656.468	2.119.177.374
Echéance dans plus de 5 ans	1.041.506.858	1.582.425.636
A durée indéterminée	-	<u>175.065.694</u>
	<u>3.423.163.326</u>	<u>3.876.668.704</u>

11. Autres dettes

Au 31 décembre 2003 et 2002, le poste « autres dettes » se compose principalement des intérêts à payer sur les emprunts obligataires décrits ci-dessus ainsi que sur les contrats de swaps de taux d'intérêt relatifs à certains emprunts, des dettes fiscales ainsi que des commissions à payer.

12. Produits provenant d'autres valeurs mobilières et de créances de l'actif immobilisé – entreprises liées

Au 31 décembre 2003 et 2002, ce poste comprend essentiellement les intérêts reçus sur les prêts accordés.

13. Bénéfice sur les obligations « reverse convertible » / perte sur créance « reverse convertible »

Au 31 décembre 2003, les gains enregistrés sur les remboursements en actions des obligations « reverse convertible » arrivées à échéance s'élèvent à EUR 15.072.442 (en 2002 : EUR 244.673.545).

La société a subi des pertes d'un même montant sur les prêts faits à la maison mère.

14. Autres intérêts et produits assimilés

Au 31 décembre, ce poste comprend :

	2003 EUR'000	2002 EUR'000
Prorata des primes sur emprunts	10.230	16.241
Intérêts sur comptes bancaires	<u>342</u>	<u>113</u>
	<u>10.572</u>	<u>16.354</u>

15.Intérêts et charges assimilées

Au 31 décembre, ce poste comprend :

	2003	2002
	EUR'000	EUR'000
Intérêts sur emprunts, commercial papier et swaps de taux d'intérêt	337.167	388.461
Charges financières	103	24
Amortissements commissions syndicales et frais d'émission	10.881	17.145
Commissions d'agent payeur	628	265
Prorata des primes sur emprunts	65	140
Pertes de change	162	225
Divers	<u>173</u>	<u>69</u>
	<u>349.179</u>	<u>406.329</u>

Fortis Bank

(the Guarantor)

1. GENERAL DESCRIPTION

FORTIS BANK nv-sa ("Fortis Bank" or the "Bank") is a public company with limited liability (*société anonyme/naamloze vennootschap*) under Belgian law. The registered office of the company is located in 1000 Brussels, Montagne du Parc 3, where its headquarters are based. Fortis Bank was established for an indefinite period.

As stated in article 3 of its Articles of Association, Fortis Bank has as its purpose to conduct all banking operations, financial operations, brokerage and fee operations. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature to benefit the realization thereof. Fortis Bank is free to hold shares and share interests within the limits set by the legal framework for banks.

Fortis Bank is registered in the Registry of Commerce of Brussels under number 76.034.

Fortis Bank regroups the banking activities of Fortis, an integrated financial services provider active in the fields of banking, insurance and investment. The company offers its private, business and institutional customers a comprehensive package of products and services through its own distribution channels and in cooperation with intermediaries. Its multi-channel distribution strategy gives Fortis the flexibility to meet its customers' need to be reachable at all times and their demand for user-friendliness.

At the operational level Fortis consists of six businesses:

- Network Banking
- Merchant Banking
- Private Banking & Trust, Asset Management & Information Banking
- Insurance Netherlands
- Insurance Belgium and International
- Insurance United States.

The banking businesses offer a wide range of financial services (including bancassurance), mostly under the Fortis Bank name and via its own networks (including 1,800 branches in the Benelux countries). The insurance businesses provide services mainly through brokers.

Sustainable economic growth and social responsibility are important considerations for the way in which Fortis operates. Fortis's commitment to the welfare of its millions of customers means the company is deeply rooted in the local community.

2. HISTORICAL OVERVIEW

1720 Rotterdam: the Mees family developed a trade financing business that developed into MeesPierson

1817 Establishment of the "*Maatschappij tot Nut 't Algemeen*", the first of the savings banks which merged in 1983 to become VSB

1822 William I, King of the United Netherlands, set up the "*Algemeene Nederlandsche Maatschappij ter begunstiging van de Volksvlijt*" in Brussels, out of which grew Generale Bank

1865 The reorganisation of the Belgian financial world led to the establishment of the Algemene Spaar- en Lijfrentekas (ASLK-CGER)

1989 In the Netherlands, the merger of the insurer AMEV and the savings bank group VSB resulted in AMEV-VSB

1990 Fortis grew out of the merger between the Belgian insurer AG and the Dutch company AMEV-VSB

1993 The government institution ASLK-CGER was privatised: Fortis first obtained half the shares and subsequently took full control

1995 Generale Bank took over Credit Lyonnais Bank Nederland: Generale Bank Nederland came into being

1997 Fortis took over MeesPierson from ABN-AMRO

1998 Generale Bank joined the Fortis Group.

1999 Fortis Bank resulted from the merger of Generale Bank and ASLK-CGER in Belgium and Generale Bank Nederland, VSB Bank and MeesPierson in the Netherlands

2000 - Closer strategic links between Fortis and Banque Générale du Luxembourg through a public offer of exchange on their shares;

- Acquisition of the remaining stake in Beta Capital in Spain
- Acquisition of ASR, a Dutch insurance group. This operation makes Fortis the largest insurance company in the Benelux countries

2001 - Signing of a joint venture agreement between Fortis and Maybank (Malaysia), whereby Fortis is to acquire a 30 per cent. share in Maybank's life and general insurance business

- Acquisition, in the United States, of Core, a large independent supplier of absentee management at national level, a provider of invalidity reinsurance and management services for insurance companies
- Acquisition of the Spanish insurance portfolio of Bâloise (Switzerland).

2002 - In April 2002 Fortis sold TOP Lease.

- In April 2002 Fortis AG strengthened its property investment portfolio by acquiring Bernheim Comofi in Belgium.
- In July 2002 Fortis acquired 100 per cent. of Intertrust Group. Intertrust Group is active in trust and company management.

2003 - January: Fortis Bank takes over some of KBC Bank's retail activities in the Netherlands. (Fortis Bank had already taken over the majority of their corporate banking operations in November 2002).

- August: Fortis sells subsidiary Theodoor Gilissen Bankiers.
- November: Fortis Insurance International reaches agreement with Grupo Catalana Occidente on the sale of Seguros Bilbao, a Spanish subsidiary of Fortis.
- At the same time CaiFor-subsiidiary Vida Caixa concludes the takeover of Swiss Life (Espana).
- And Fortis and Bank Austria Creditanstalt AG (BA/CA) reach agreement on the sale of BA/CA Asset Finance Ltd., BA/CA's lease operation, to Fortis Lease.

2004 - January: Fortis and ICBC (Asia) sign an agreement to merge the consumer and commercial banking activities of Fortis Bank Asia HK and ICBC (Asia).

3. ACTIVITIES

Fortis Bank operates on a cross border basis with offices in the Benelux Countries and it co-ordinates its operations from Brussels, Amsterdam, Rotterdam and Luxembourg.

The Fortis Bank organisation is centred around 3 businesses which are integrated in the Fortis structure:

- Network Banking, providing financial services to retail customers, the independent professions and to small and medium sized enterprises
- Merchant Banking, providing financial markets, corporate and investment banking, onshore fund and private equity services to institutional customers, financial institutions, large companies and multinationals.
- Private Banking & Trust, Asset Management and Information Banking

Each business comprises several business lines which, in turn, group together activities focusing on a specific customer segment.

In parallel to the organisation of Fortis Bank on the basis of its businesses, the Fortis Bank structure also includes operational and support functions which provide back-up for all the businesses. Fortis Bank's operational activities ('Operations'), such as securities handling, accounts and payments and standardized credits for retail customers, are combined into one general national and cross-border activity. This should lead to enhanced quality of service, greater cross-border synergy and improved cost control.

Network Banking

In its home market, the Benelux countries, Fortis Bank offers advice on all forms of saving, investment, credit and insurance through a variety of distribution channels, including the branch network, phone banking, "self-banking" and on-line banking. Fortis also provides retail banking services in France and Poland.

Medium-sized enterprises receive a uniform service offering from the integrated network of specialized business centres throughout Europe, with the same products and services and via the same online channels. Each business centre offers a team of experts specialized in commercial banking and familiar with the local policies and business community

Merchant Banking

Merchant Banking brings together Fortis's banking activities aimed at the institutional and professional market. These activities include financial transactions, corporate finance, advisory services and global specialist services. Merchant Banking concentrates primarily on medium-sized and international enterprises and on banks and institutional investors.

The activities of Merchant Banking focus on the institutional customers and have adopted a multi-service approach. Merchant Banking is composed of 4 business lines:

Global Markets

Global Markets covers the whole range of products and services in Fixed Income, Money Market, Foreign Exchange, Credit and Equity. In addition to basic bond trading, FX, Repo, deposit and swaps, Fortis offers extensive derivatives capabilities as well as market and company research. Global Markets structures nearly all cash-flow patterns and provides coverage against unfavourable market developments.

Fortis also has an extensive experience in securitisation and can offer outstanding expertise in pricing all sorts of asset & mortgage backed securities. Finally, the New Issues desk fills funding and investment needs, as it can issue bonds that range from "plain vanilla" to structured notes.

Corporate and Investment Banking

By pooling its extensive knowledge of specific sectors and niche markets, **Corporate & Investment Banking (CIB)** offers customized and specialist services to large and international companies. The division is organized around a number of commercial sectors and specialisms and includes the activities of Corporate Finance & Capital Markets. The international network covers the European Continent (Benelux, France, Spain, Italy), the United Kingdom, the United States (Stamford, Dallas) and Asia (Singapore, Shanghai, Sydney, Hong Kong).

Global Private Equity

Global Private Equity supplies venture capital, growth capital and buyout capital to companies in both traditional and innovative sectors, with a view to achieving capital growth. The investments are effected among others by entities which are wholly owned by Fortis Bank. In innovative sectors, Fortis is playing an important role in the formation of university spin-off companies. Investments are also made through participation in funds managed by independent management teams in which Fortis Bank seeks synergy both within the business line and with other parts of the bank. Finally, investments may be based on the 'fund of funds' approach. With a view to maximizing profitability, this business line is looking to analyze and manage its private equity portfolio in a dynamic way.

Institutional Banking and OnShore Fund Services

The **Institutional Banking & Funds** unit is responsible, at worldwide level, for the institutional clients sector (banks, insurance companies, international organisations, asset managers, funds, brokers etc). The main objective is to make the Merchant Banking range of products and services more suitable for meeting our institutional clients' needs.

- IBF oversees all the commercial aspects of relations with institutional clients, as well as the risks therein.
- Onshore Funds, which handles all European funds covered by the various UCITS directives of the EU, complements the range of Merchant Banking products by offering administrative and fund distribution services. Onshore Funds offers its clients a "one-stop shopping" service by combining GMK products with its own.

Private Banking & Trust, Asset Management and Information Banking

The three activities of Private Banking & Trust, Asset Management and Information Banking are all key elements in Fortis's asset building strategy.

Fortis's international private banking activities are branded as 'MeesPierson, the Private Bankers of Fortis', while its trust and corporate services operations are pursued worldwide under the name 'MeesPierson Intertrust'. The relationship between the two activities and cooperation with Network Banking, Asset Management and Merchant Banking further bolster the potential for integrated services. All this has enabled MeesPierson to go on expanding its service offering and to provide an even better service to more clients. Other operational priorities capable of boosting performance and efficiency include quality management, cost control, upscaling, restructuring of operations and continuous training.

Fortis Investments - Fortis's autonomous asset manager - offers international expertise in the field of asset management. The company is consolidating its position as a leading European asset manager with niche markets in Asia and the United States. Fortis Investments is structured around fourteen specialist investment centres, each focused on one asset class and based in eight locations worldwide. These centres, supported by a highly experienced team of some 170 investment professionals, share their information but are autonomous and fully accountable for their investment performance. Fortis Investments aims to maintain a diversified customer base and fund mix.

Information Banking has built up a unique position in fully-integrated investment services, specifically in portfolio financing, transaction processing, financial logistics, risk management, performance measurement and asset optimization. These services are offered in the areas of global cash and derivatives clearing, securities borrowing and lending as well as financing and administrative services for offshore investment funds. Information Banking intends to capitalize on its strong international position by supporting its customers in optimizing their investment administration and by constantly refining the services it provides.

4. STRATEGY AND POLICY

As for Fortis, the bank's strategy is based on the following objectives:

- Improve home market performance in distribution/relationship intensive businesses covering a broad range of financial services
- European leadership in skill-based activities
- Continue to grow selective businesses with a global reach

5. CAPITAL ADEQUACY - RATING

The Basle Committee on Banking Regulations and Supervisory Practices (the "Basle Committee") has developed guidelines for the measurement of capital adequacy of international banking organisations. These guidelines set minimum capital adequacy ratios of 4 per cent. for Tier 1 capital and 8 per cent. for total capital (Tier 1 and 2).

	31-Dec-2001	31-Dec-2002	31-Dec-2003
	Fortis Bank	Fortis Bank	Fortis Bank
Tier 1 capital ratio	8.50%	8.2%	7.4%
Total capital ratio	13.50%	13.0%	11.68%

As the statutory minimum for the Tier 1 capital ratio is 4 per cent., the group is in a comfortable position. The current ratings of Fortis Bank regarding its senior unsecured debt are the following:

	Long-Term Debt	Short-Term Debt
Moody's	Aa3	P-1
Standard & Poor's	AA-	A-1+
Fitch IBCA	AA-	F1+

6. MANAGEMENT, DECISION-MAKING AND SUPERVISION

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

The management of Fortis Bank is exclusive responsibility of the Management Committee, which consists of a number of managing directors and operates within the framework of the general policy outlined by the Board of Directors.

The Board of Directors is responsible for the supervision of the management and control of the financial position of the Bank, and for defining the general policy and holds the power to nominate and discharge the members of the Management Committee within the limits of the Protocol on the banking autonomy.

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

Management of the Bank

Board of Directors

Anton van Rossum	Chairman
Herman Verwilt	Chairman of the Management Committee
Jean-Pierre Cardinael	Managing Director
Karel De Boeck	Managing Director
Filip Dierckx	Managing Director
Patrick Evrard	Managing Director
Joop Feilzer	Managing Director
Gilbert Mittler	Managing Director
Christian Schaack	Managing Director

Jozef De Mey	Director
Jacques van Ek	Director
Victor Goedvolk	Director
Walter Mersch	Director
Jean Meyer	Director
Jean Stephenne	Director
Robert van Oordt	Director
Michel van Pée	Director
Jean-Jacques Verdickt	Director
Luc Vansteenkiste	Director

Management Committee

Herman Verwilt
Jean-Pierre Cardinael
Karel De Boeck
Filip Dierckx
Patrick Evrard

Joop Feilzer
 Gilbert Mittler
 Christian Schaack

Accredited Statutory Auditors

PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C., represented by Luc Discry Partner.

Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., represented by Virgile Nijs, Partner.

7. RECENT DEVELOPMENTS OF FORTIS GROUP FROM THE PRESS RELEASE DATED 26 MAY 2004

Strong operating performance in first quarter of 2004 Net profit EUR 1,275 million; best ever quarterly result

First quarter of 2004 (versus first quarter of 2003)

- **Net Operating Profit rose by EUR 1,477 million to EUR 1,024 million.** Net operating profit before realized capital gains increased with 41% to EUR 541 million and by 65% excluding Seguros Bilbao and Assurant (previously Fortis, Inc.). Stock markets contributed EUR 181 million, compared with a loss of EUR 1,249 million in the first quarter of 2003. Net realized capital gains were reduced by 27% to EUR 302 million.
- **Net Profit increased by EUR 1,728 million to EUR 1,275 million,** benefiting from EUR 251 million of non-operating items representing the realized gain on the sale of Seguros Bilbao and of 65% of Assurant.
- **Net Operating Profit in the Banking business increased by 82% to EUR 653 million.** Excluding realized capital gains the net operating profit increased by 94% to EUR 342 million due to higher revenues, lower value adjustments and lower operating expenses.
- **Net Operating Profit in the Insurance business increased by EUR 1,123 million to EUR 417 million.** Stock markets contributed EUR 151 million, compared with a loss of EUR 1,089 million in the first quarter of 2003. Net operating profit before realized capital gains increased 14%, excluding Seguros Bilbao and Assurant, owing to better results in Non-life and lower operating costs.

Key figures (in EUR million)

Quarterly results

	Q1 2004	Q1 2003	% change	% change ¹⁾	Q4 2003	% change
Net operating profit before realized capital gains	541	383	41	65	548	(1)
Banking	342	177	94		343	0
Insurance	239	252	(5)	14	246	(3)
General	(40)	(46)	(13)		(41)	(4)
<i>Net realized capital gains</i> ²⁾	302	413	(27)		49	*
Net operating profit before value adjustments on the equity portfolio	843	796	6	11	597	41
<i>Net value adjustments on the equity portfolio</i>	181	(1,249)	*		274	(34)
<i>Realized</i>	(93)	(33)	*		(191)	(51)
<i>Unrealized</i>	274	(1,216)	*		465	(41)
Net operating profit	1,024	(453)	*		871	18
Banking	653	359	82		307	*
Insurance	417	(706)	*	*	586	(29)
General	(46)	(106)	*		(22)	*
Non-operating items	251	0	*		(22)	*
Net profit	1,275	(453)	*		849	50

¹⁾ Excluding Seguros Bilbao and Assurant.

²⁾ Excluding equity portfolio.

Fortis CEO Anton van Rossum:

“Fortis delivered a strong operating performance in the first quarter of 2004, building on the performance improvement in both the banking and the insurance activities achieved during the latter half of last year.

Our performance to-date confirms that we have adapted our group to deliver attractive results even in a difficult economic environment. Fortis is therefore well positioned to benefit from improved market conditions, as and when they occur.

Our focus remains on improving our customer service and growing our core businesses in the Benelux, while keeping our costs flat. At the same time, we will seek to further expand certain businesses in which we have a competitive advantage on a European or a global basis. These include commercial banking, selected merchant banking activities, investor services and bancassurance.

The first-quarter performance gives us confidence that our original expectations for the current year results will be met. As we said earlier, the ongoing operating improvements in the businesses together with the value adjustments on our equity portfolio, barring unforeseen circumstances, should compensate for the reduction in net operating profit due to the sale of Seguros Bilbao and Assurant and with the stock markets at today’s levels, will result in a higher net operating profit for Fortis as a whole in 2004.”

First quarter of 2004 (versus fourth quarter of 2003)

- **Net operating profit rose by 18% to EUR 1,024 million.** Net operating profit before realized capital gains was stable at EUR 541 million. Net realized capital gains on bonds were higher, but were partially offset by lower positive value adjustments on the equity portfolio.
- **Net profit increased by 50% to EUR 1,275 million,** including the capital gains realized on the sale of Seguros Bilbao and of 65% of Assurant.
- **Net operating profit in the Banking business more than doubled to EUR 653 million.** Net interest income and commissions were stable and net realized capital gains were higher during the first quarter. Net operating profit before realized capital gains remained stable at EUR 342 million.
- **Net operating profit in the Insurance business decreased by 29% to EUR 417 million,** largely due to lower positive value adjustments on the equity portfolio and realized capital gains on bonds. Net operating profit before realized capital gains, excluding Seguros Bilbao and Assurant, increased by 17%.

	Q1 2004	Q1 2003
Net equity (in EUR billion)	13.4	10.3
Return on Equity (in %) ¹⁾	33	(6)
Per Share:		
• Net Operating Profit	0.79	(0.35)
• Net profit	0.98	(0.35)
• Net equity	10.34	7.97
Weighted average shares (in thousands)	1,298,200	1,295,380

¹⁾ Annualized

Banking activities

Net operating profit increased by 82% to EUR 653 million, compared to the first quarter of 2003. Net operating profit before realized capital gains advanced 94% to EUR 342 million. Total revenues, net of interest expense, rose by 2% as a result of strong improvements in net interest income (+10%) and commissions (+16%), offset by a lower trading result. Net realized capital gains on bonds remained stable. Value adjustments were down 44%. Operating expenses remained tightly managed and went down 2% compared with the first quarter of 2003, resulting in a cost / income ratio of 55.4%. Value adjustments on the equity portfolio contributed EUR 37 million compared with a loss of EUR 95 million last year.

Key figures ¹⁾

Total revenues, net of interest expense	2,244	2,205	2	1,776	26
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In EUR million

Quarterly results

	Q1 2004	Q1 2003	% change	Q4 2003	% change
Net interest income	1,157	1,049	10	1,164	(1)
Commissions	493	426	16	486	1
Realized capital gains	416	405	3	(74)	*
Other income	178	325	(46)	200	(11)
Value adjustments	(108)	(192)	(44)	(190)	(43)
Operating expenses	(1,285)	(1,313)	(2)	(1,253)	3
Operating profit before taxation	851	700	22	333	*
Net operating profit before realized capital gains	342	177	94	343	0
<i>Net realized capital gains ²⁾</i>	274	277	(1)	(6)	*
Net operating profit before value adjustments on equity portfolio	616	454	36	337	83
<i>Net Value adjustments on equity portfolio</i>	37	(95)	*	(30)	*
<i>Realized</i>	1	(12)	*	(49)	*
<i>Unrealized</i>	36	(83)	*	19	82
Net operating profit	653	359	82	307	*

¹⁾ Excluding FB Insurance.²⁾ Excluding equity portfolio.

- **Net interest income** for the first quarter of 2004 was EUR 1,157 million, 10% higher than in the first quarter of last year. This was mainly the result of higher volumes of savings accounts and slightly improved deposit margins. Net interest income came down slightly compared with the fourth quarter of 2003, as the negative impact of realized capital gains on bonds and flatter yield curves on average outweighed the rise in customer volumes.
- **Net commission** income was up 16% to EUR 493 million as a result of higher stock market levels and increased activity. Assets-under-management fees rose by 21% to EUR 187 million and net brokerage fees increased by 19% to EUR 106 million. Net commissions remained stable compared with the last quarter of 2003.
- **Net realized capital gains** were at the same high level as the first quarter of last year, benefiting from the low-yield environment.
- **Other income went down by 46% to EUR 178 million.** This was mainly due to lower results on financial transactions as a result of losses incurred in the proprietary trading activity of Global Markets, while trading results in the first quarter of 2003 were particularly strong.
- **Value adjustments** were sharply lower (-44%) than last year, amounting to EUR 108 million in the first quarter of 2004 (first quarter of 2003: EUR 192 million).
- **Operating expenses** continued to be controlled tightly, decreasing by 2% compared with the first quarter of 2003. Compared with the average cost level in 2003, operating expenses remained stable in the first quarter of 2004. Staff costs decreased 3% and the number of FTE's decreased by 2,083 to 36,951 compared to the end of the first quarter of 2003. The cost / income ratio came to 55.4%.
- **Risk-weighted commitments** increased by 7% to EUR 173 billion in the first quarter of 2004 on the back of an EUR 18 billion increase in loans to customers.

	Q1 2004	Q1 2003	Q4 2003
Cost / income ratio	55.4	57.4	64.7
RWC (EUR billion) ¹⁾	173.1	150.5	161.5
Credit loss ratio (in bp)	24 ²⁾	40 ²⁾	47 ³⁾
Tier 1 ratio	7.7	8.2	7.9
Capital adequacy ratio	12.0	13.0	12.4

¹⁾ End of period.

²⁾ Annualized.

³⁾ Full year.

Insurance activities

Net operating profit in the Insurance business increased by EUR 1,123 million to EUR 417 million compared with the first quarter of 2003. Excluding Seguros Bilbao and Assurant net operating profit increased by EUR 1,180 million. Net operating profit before realized capital gains, excluding Seguros Bilbao and Assurant, increased by 14%, owing to better results in Non-life and lower operating costs. The combined ratio stood at 99%. Value adjustments on the equity portfolio contributed EUR 163 million compared with a loss of EUR 1,098 million in the first quarter of last year. Net realized capital gains came down by EUR 106 million to EUR 28 million.

Key figures (Excluding Seguros Bilbao and Assurant)

In EUR million

	Quarterly results				
	Q1 2004	Q1 2003	% change	Q4 2003	% change
Net premiums	3,321	3,678	(10)	3,155	5
<i>Life</i>	2,362	2,768	(15)	2,167	9
<i>Non-life</i>	959	910	5	988	(3)
Operating expenses	(653)	(642)	2	(759)	(14)
<i>Commissions</i>	(284)	(285)	0	(264)	8
<i>Operating costs</i>	(322)	(329)	(2)	(350)	(8)
Technical results					
<i>Life</i>	172	168	2	194	(11)
<i>Non-life</i>	83	81	2	24	*
Net operating profit before realized capital gains	197	172	14	169	17
<i>Net realized capital gains ¹⁾</i>	28	134	(79)	63	(55)
Net operating profit before value adjustments to equity portfolio	225	306	(27)	232	(3)
<i>Net value adjustments to equity portfolio</i>	163	(1,098)	*	282	(42)
<i>Realized</i>	(100)	(20)	*	(142)	(29)
<i>Unrealized</i>	263	(1,078)	*	424	(38)
Net operating profit	388	(792)	*	514	(25)
Net operating profit Seguros Bilbao/ Assurant	29	86	(66)	72	(59)
Net operating profit – Total	417	(706)	*	586	(29)

¹⁾ Excluding equity portfolio.

- **Net Life premiums, excluding Seguros Bilbao and Assurant**, decreased by 15% to EUR 2,362 million compared with the first quarter of 2003.

In the Netherlands, gross Life premiums dropped as a result of a shift towards more profitable products. Single premiums came down by 21% as a result of an increase in rates but were partially offset by a 6% rise in more profitable regular premiums. Group life increased by 17%.

In Belgium, gross Life premiums dropped as a result of the lower interest rate environment compared with the first quarter of last year when premiums reached exceptional levels in anticipation of reductions in rates. Traditional and universal individual life premiums declined significantly, offset by an improvement in unit-linked premiums. Regular premiums in Belgium were maintained at the same level as last year. At Fortis AG, employee benefits rose by 22%.

- **Technical results of Life, excluding Seguros Bilbao and Assurant**, improved by 2% due mainly to better results at Fortis Assurances in France and FB Insurance.
- **Net Non-life premiums, excluding Seguros Bilbao and Assurant**, increased by 5% to EUR 959 million as all product lines and all entities benefited from rate increases and new business.

In the Netherlands, net Non-life premiums increased by 3% mainly as a result of an improvement in Accident & Health premiums, where we benefited from legislation amendments relating to sick leave.

In Belgium, net Non-life premiums increased by 7%, driven mainly by healthcare and new underwriting in motor.

- **Technical results of Non-life, excluding Seguros Bilbao and Assurant**, improved by 2% to EUR 83 million. Except FB Insurance, all companies posted better results. Technical results in Accident & Health and Fire improved owing to higher premiums and lower claims. Motor and Other lines recorded lower technical results, due to higher claims ratios.
- **Operating expenses, excluding Seguros Bilbao and Assurant**, increased by 2%. Commissions remained stable. The 2% decrease in operating costs was largely accounted for by Fortis ASR, which benefited from the first results of the integration process announced last year.
- **Excluding Seguros Bilbao and Assurant, the combined ratio was 99%**, compared with 98% in 2003, due mainly to higher claims in Property and Casualty.

Excluding Seguros Bilbao and Assurant	Q1 2004	Q1 2003	Q4 2003
Combined ratio	99	98	102
Cost ratio	35	35	33
Claims ratio	64	63	69
Assets under Management	70,416	56,635	65,193
FTEs	13,014	13,188	12,874

Solvency

Net core capital is calculated conservatively. It excludes any unrealized capital gains on the bond portfolio, goodwill, and any elements of Embedded Value.

in EUR billion	31 March 2004	31 December 2003
Net core capital	19.6	18.5
Legally required minimum	10.2	10.1
Surplus above legally required minimum	9.4	8.4
Surplus above legally required minimum (as %)	92	83
Fortis's floor	16.1	16.1
Surplus above Fortis's floor	3.5	2.4
Surplus above Fortis's floor (as %)	22	15

Developments per business

I. NETWORK BANKING

- **Net Operating Profit up from EUR 54 million to EUR 567 million**
- **Ongoing cost savings, continuing decrease in FTEs**
- **Continued strong results in Commercial Banking**

Network Banking's net operating profit improved from EUR 54 million to EUR 567 million. This improvement was largely due to the good performance of FB Insurance, which saw a EUR 314 million in unrealised and realised capital gains. The total revenues of Network Banking's core businesses (Retail Banking, FB Insurance and Commercial Banking) went up by 11%. This was largely due to higher interest income, increased commissions and lower value adjustments to the loan portfolio. Costs remained under control and FTEs dropped from 18,560 at year-end 2003 to 18,110.

Retail Banking Belgium achieved better results than last year. Total income rose by 16% thanks to higher net interest income and increased commissions. The rise in net interest income was primarily due to savings accounts where both margins and volumes improved significantly. Value adjustments declined substantially. Operating costs remained under control. The reduction in the number of branches is on schedule. Twenty-one branches were merged in the first quarter. Fortis Bank now has 1,323 branches in Belgium. The number of FTEs decreased by 680 to 9,898 compared to the first quarter of last year. Staff costs fell accordingly.

The electronic banking service continued to expand. More than 620,000 customers now use the PC Banking services intensively. Customer retention remained very high.

Retail Banking Netherlands performed well in the first quarter of 2004. Total income increased by 14%. Net interest income came in higher thanks to better mortgage volumes with enhanced margins. Commission income benefited from improved market conditions, which boosted income from securities and funds under management. Value adjustments were in line with last year.

At **Retail Banking Luxembourg**, total income benefited from a better market environment, but this was offset by a small rise in operating costs. Value adjustments were higher than last year, when they were low as a result of some exceptional releases of provisions.

At **FB Insurance**, Life net earned premiums decreased by 30% to EUR 566 million, owing to anticipation in the first quarter of 2003 of the reduction in guaranteed interest rates in April and July 2003. Non-life net earned premiums increased by 4% to EUR 42 million as a result of higher premiums at Motor and Fire.

Commercial Banking continued its very strong performance in the first quarter. Total income increased by 7% compared to the first quarter of 2003. Interest income came in higher and value adjustments remained stable. Operating expenses decreased.

Commercial Banking outside the Benelux continued its strong performance. This endorsed the decision taken three years ago to adopt the 'Act as One' strategy, by which the unique European network of more than 100 business centres provides medium-sized companies with the same services throughout Europe. Business centres were opened recently in Munich, Marseilles, Turin and Seville.

Leasing and factoring activities are performing very well. Fortis Lease Group has opened a subsidiary in Milan. The Italian market has grown rapidly to become Europe's second-largest leasing market, after Germany. It is Fortis Lease's ambition to be one of the top five cross-border leasing companies in terms of net operating profit. Fortis Lease Group as a whole currently ranks sixth among leasing companies with European coverage.

II. MERCHANT BANKING

- **Net operating profit up 13% to EUR 97 million**
- **Good business activity across Merchant Banking**
- **Significant fall in loan loss provisions**
- **Regulatory approval of the new Value-at-Risk model**
- **RMB licence granted to Fortis Bank Shanghai Branch**

Merchant Banking results for the first quarter of 2004 were on target, driven by the recovery in Corporate & Investment Banking activities. At the same time, loan loss provisions came in at EUR 29 million, well below expectations. Net operating profit totalled EUR 97 million compared to EUR 86 million last year. Merchant Banking had a workforce of 2,745 FTEs at the end of March, a 5% increase on the first quarter of last year, due to some changes between the businesses within the bank.

All areas of expertise within global market activities benefited from increasing business volumes, especially foreign exchange, credit derivatives and equity activities. The derivatives section drove the results of fixed income, whereas futures' trading results were disappointing. New Issue activity was rather low due to slower retail demand. Nevertheless, Merchant Banking lead-managed interesting deals for Umicore, Daimler Chrysler and General Electric Capital Corp.

All parts of Corporate & Investment Banking benefited from the pick-up in economic activity and increased customer focus. The best results were achieved in shipping finance, trade & commodity finance and export and project finance. Institutional Banking & Funds took advantage of the improved investment environment to increase both business with its core customers and assets under management and custody.

Private equity activity has picked up and contributed positively to the Merchant Banking result.

Fortis Bank has received approval from the Belgian banking regulator for its newly developed Value-at-Risk model. The model will be used not only for internal risk monitoring but also for external solvency reporting.

The China Banking Regulatory Commission has granted Fortis Bank Shanghai Branch an RMB licence, which will enable the branch to extend RMB banking facilities to, and accept RMB deposits from, both foreign invested and Chinese enterprises, as well as to accept foreign currency deposits from all customers. It will considerably help Fortis to expand its Merchant Banking activities in China (corporate banking, commodity finance etc).

III. INVESTMENT SERVICES

Private Banking & Trust

- **Net operating profit up by 56% to EUR 39 million compared with the first quarter of 2003**
- **Assets under management up 4% from December 2003, to EUR 52 billion**
- **Costs flat compared with the first quarter of 2003**

Net operating profit for the first quarter of 2004 was 56% higher than the first quarter 2003. Net operating profit came to EUR 39 million. This increase was driven both by increased revenues and flat costs. The latter is the consequence of cost control initiatives launched in 2003.

Revenues increased due to four factors: ongoing implementation of the new service offering in the different MeesPierson entities, which attracted new clients; the introduction of a wider service and product offering to existing and new clients; a higher asset base; and the pickup of the markets.

Leveraging last year's successful integration of Intertrust and sharpening the focus on client acquisition resulted in a higher net intake of new trust arrangements and a healthy growth of trust revenues during the first quarter of 2004 compared with the same period in 2003. To consolidate its position as a leading firm in Trust & Corporate Services, MeesPierson Intertrust took over the accountancy, tax and business advisory services of Mathew Edwards & Co on the Isle of Man and in London with effect from 1 January 2004.

New product and service development efforts launched in 2003 were continued intensively. Major milestones of the MeesPierson Service Offering in the first quarter included the successful launch of Charity Management in Asia and Private

Insurance in Belgium. MeesPierson also took over fund management of Innocap private equity fund (a former NIB Capital affiliate), incorporating it into its BOAZ fund.

Finally, a survey conducted by *Euromoney* magazine among industry peers rated MeesPierson the best global bank in servicing clients with inherited wealth as well as number one in succession planning and in managing charitable activities.

Fortis Investments

- **Net operating profit down 9% to EUR 10 million**
- **Assets under management increased by 4% to EUR 81 billion**
- **Record breaking mutual fund launch in China**
- **Acquisition and integration of Japanese Equity capability from WestAM**
- **First pan-European co-operation agreement signed for corporate social responsibility (CSR) proxy voting**

Assets under management at Fortis Investments increased by EUR 3 billion to EUR 81 billion (+4%), while net operating profit came at EUR 10 million in the first quarter of 2004. In the Distribution Partners business, net new cash stood at EUR 0.4 billion. Net new cash in the Institutional business amounted to EUR 0.7 billion. Costs remained firmly under control, but the integration of West AM Japan and a writedown on a participating interest in the US led to EUR 5 million increase in costs relative to the first quarter of last year.

Fortis Investments' joint venture, Fortis Haitong Investment Management Co. Ltd., concluded the launch of its second mutual fund in the Chinese domestic market in March, setting a milestone for the fund management industry and the securities market in China. Supported by the strong brand name of the company and the superior performance of its first fund, this second fund attracted subscriptions of RMB 13.15 billion (EUR 1.3 billion), becoming the single largest mutual fund and the largest IPO for all mutual funds in China to date. The Fortis Haitong office in Shanghai has now become a fully-fledged investment centre for Fortis Investments, specializing in Chinese equities.

Together with Deminor Rating, a provider of comprehensive corporate governance services, Fortis Investments signed the first pan-European co-operation agreement of its kind in relation to corporate social responsibility (CSR) proxy voting. With this agreement, Fortis Investments believes itself to be the first fund management company to systematically use its voting rights, on a pan-European basis, to approve or disapprove individual companies' reports and accounts on the basis of CSR disclosure adequacy.

Information Banking

- **Net operating profit up 27% to EUR 14 million**
- **Strong performance in securities lending and arbitrage**
- **Commissions and fees were depressed due to increased competition and the weak US dollar**

Net operating profit for the first quarter went up 27% to EUR 14 million. Results were positively influenced by securities lending & borrowing services as well as by fund administration and banking services, which compensated for a decline in income of our clearing activities. The increase of securities lending and arbitrage income outweighed the adverse effects of lower commissions and fees which were depressed due to the increase in competition and to the weak US dollar. FTEs declined by 2% to 1,033.

Both total revenues and operating costs remained stable compared to the first quarter of 2003. Prime Fund Solutions now manages over 1,400 funds and subfunds with total net assets in excess of EUR 52 billion. Fortis Information Banking currently holds assets worth EUR 431 billion in global custody (+11%).

Information Banking has established a partnership with Ordina for outsourcing activities in the field of securities transactions. The partnership will enable both parties to offer an all-in concept. Fortis Bank's global brokerage, clearing and custody services will be combined with Ordina's solutions for securities and banking administration. This will enable financial institutions and asset managers to achieve significant savings and to focus on their core activities.

In January 2004 Prime Fund Solutions Dublin obtained a banking licence from the Irish Central Bank. Clients have responded positively, many of whom have started up businesses after taking their banking business to Fortis. Clients can use Prime Fund Solutions as a one-stop shop rather than having to approach external banks.

Information Banking has been working closely with SecFinex and Société Générale to develop and launch a transparent marketplace for securities lending trades. Building on this relationship, Fortis Bank and Société Générale have agreed to invest in SecFinex in order to ensure the continued development of the electronic marketplace.

IV. FORTIS ASR

- **Net operating profit up by EUR 609 million to EUR 173 million**
- **Gross Life premiums down 7% to EUR 990 million**
- **Gross Non-life premiums up 6% to EUR 838 million**
- **Operating costs down 9%**
- **Combined ratio stable at 99%**

Net operating profit in the first quarter of 2004 rose to EUR 173 million from a loss of EUR 435 million in the comparable period of last year. The main reason for the turnaround is the recovery in the equity markets from their low in March 2003. Net operating profit before realized capital gains increased 16% to EUR 74 million.

Gross premium income in the first quarter remained virtually unchanged at EUR 1,827 million (-1%) compared to the first quarter of 2003.

Gross premium income at Life fell by 7% to EUR 990 million. The 21% decline in the single-premium segment to EUR 392 million is mainly due to the pursued policy of focussing sales on more profitable products. Regular premium policies showed a positive trend generating premium income of EUR 598 million (+6%). At EUR 51 million, net operating profit before capital gains in Life is amply above last year's level (+11%).

Gross premium income at Non-life rose by 6% to EUR 838 million, with Accident & Health (+8% to EUR 537 million) and Fire (+6% to EUR 92 million) showing healthy growth. The rise in Health is mainly attributable to the impact of the Extended Compulsory Sick Pay Act, which came into force on 1 January, and an increase in health insurance. Gross premium income from Motor increased 1% to EUR 129 million. Net operating profit before capital gains in Non-life increased 28% to EUR 23 million, with AOV (occupational disability insurance) and Fire making a strong contribution.

In the first quarter of this year the number of FTEs dropped to 4,707. Fortis ASR benefited from the first results of the integration process announced last year. Operating costs decreased by 9% to EUR 134 million compared to the first quarter of 2003. The combined ratio for Accident & Health decreased to 95% due to lower costs, while the combined ratio for Property & Casualty increased to 103% as a result of higher claims.

V. FORTIS AG AND FORTIS INSURANCE INTERNATIONAL

Fortis AG

- **Net operating profit up by EUR 292 million to EUR 110 million**
- **Net Life premiums down 14% to EUR 429 million**
- **Net Non-life premiums up 7% to EUR 218 million**
- **Operating costs stable**
- **Combined ratio decreased to 93%**

Net operating profit was up by EUR 292 million to EUR 110 million. The rise was almost entirely attributable to realized and unrealized capital gains on the equity portfolio. Operating costs remained stable relative to the first quarter of 2003. FTEs fell 1% to 4,493. Fortis AG's net operating profit before realized capital gains remained unchanged at EUR 60 million (Life -8% to EUR 29 million; Non-life +9% to EUR 31 million).

Total net premiums fell 8% to EUR 647 million, compared with EUR 704 million last year. Net Life premiums dropped 14% to EUR 429 million and net Non-life premiums climbed 7% to EUR 218 million.

Gross premium income in Life fell 14% in the first quarter of 2004. Premiums in Individual Life dropped 29%. This was due to strong sales in the first quarter of 2003 of fixed-interest products geared to the low level of interest rates at that time. In the first quarter of this year sales of unit-linked products advanced 13%, but these products still account for a small proportion of total premium income. Sales of products with tax benefits soared 42%, owing to the successful launch of the Vrij Aanvullend Pensioen voor Zelfstandigen (Voluntary Supplementary Pension for the Self-employed).

Premiums at Employee Benefits increased 22% on the first quarter of 2003. Additional growth was generated mainly by the new bridge pension plan, additional one-off premiums in the public sector and the success of the evolulife flexible product

range. Premium income in Health advanced 18%, owing to ongoing improvements in the product range of the past few years and the related after sales care.

On 1 January 2004 the new *Wet op de Aanvullende Pensioenen* (Supplementary Pensions Act) came into force. Last year, Fortis Employee Benefits started reviewing its products, processes, and communications and making related adjustments to its IT systems. The majority of the work has been completed and attention has been shifted to conforming all pension plans in the portfolio to the new legislation.

Following a lengthy selection procedure, employers and unions in the Food industry appointed Fortis Employee Benefits as manager of its sector pension plan (50,000 participants).

Compared to the first quarter of 2003 gross premium income in **Non-life** climbed 5% to EUR 266 million. The increase is attributable to both continuous growth of the portfolio itself and the measures taken to increase the average premium. Non-life results improved mainly owing to the retail market's good performance; results in the small and medium-sized business market were on a par with last year's. Motor and Fire performed particularly well. The claims ratios in both segments are low and comparable to last year's level.

The combined ratio of Accident & Health decreased to 96% from 103% as a result of lower claims. The combined ratio of Property & Casualty increased slightly to 91% from 90%.

Fortis Insurance International (excluding Seguros Bilbao)

- **Net operating profit increased by EUR 33 million to EUR 31 million due to better results across the board**
- **CaiFor takes the lead in the Spanish Employee Benefits market by integrating recent acquisitions (Swiss Life (España) and Santander Central Hispano Previsión)**
- **Positive impact of focussed restructuring in France**
- **Important new joint venture agreement with Muang Thai represents next step in Asian strategy**

Fortis Insurance International recorded net operating profit before capital gains of EUR 23 million, well above the first quarter of 2003 (+126%). Net operating profit increased by EUR 33 million to EUR 31 million due to better results across the board. FTEs numbered 2,797 at the end of the first quarter, a 4% increase since last year.

Spain

Individual risk premiums at CaiFor are growing rapidly (27% increase), due to the success of life-risk, health, accident and household insurances, whereas unit-linked production slowed down. Managed funds in individual pension plans increased by 28% thanks to the successful launch of new products. The integration of Swiss Life (España) and Santander Central Hispano Previsión will position CaiFor as a leading player in the Spanish Group Life market.

UK

Fortis UK had an encouraging start of the year, with 16% year-on-year gross written premium growth (in local currency), establishing Fortis as one of the largest private car insurers in the country. Sound margins in Motor insurance and higher premiums account for profitability. The strategy of broadening the product mix continues to deliver year-on-year growth in Household and Travel and significant increases in income from the Commercial Lines products targeted at small entrepreneurs and self-employed.

Luxembourg

The bancassurance agreement between Fortis Assurances Luxembourg and Banque Générale du Luxembourg, introduced in 2002, is now up to speed. Mortgage-related Life and Pension products were successfully introduced in the bank network and increased assets under management. Results are in line with expectations. Third-party intermediaries are developing favourably by using the Freedom of Services Directive of the European Union. The domestic distribution network performed well in both the Traditional and Unit-Linked Group products.

France

Last year's major reorganization resulted in significantly reduced overhead and acquisition costs. The new strategy focuses on the pension market and writing more profitable business. Unit-linked contracts already represent 60% of the new business, largely due to the growing success of the new product "*Erinis*". Productivity of the salaried sales force is strongly increasing thanks to improved underwriting. The company aims to benefit from the tax incentives recently offered by the French government to promote life insurance ("*PERP*").

Malaysia

Gross written premiums in Life almost tripled compared with the first quarter of 2003, thanks to the successful launch of investment-linked products with capital guarantee and mortgage-related life insurance. In Non-life, the company benefits from a 76% combined ratio.

China

Taiping Life has been rapidly building brand awareness and was able to grow above average market levels, thanks mainly to the agency and group business. The focus is on delivering high-quality service and enhancing product profitability. Recent products introduced were 'Wonderful' (a 5-year endowment life product without profit sharing) and Unit-linked products supported by a dedicated and specially trained sales force. The company is further consolidating its bancassurance partnerships and is well positioned to gain market share in the next few years. Taiping Life is actively involved in the government-sponsored pillar II pension scheme development programme.

Thailand

Fortis and Muang Thai Group are entering into a strategic bancassurance partnership to expand insurance activities in Thailand together with the third largest bank. Fortis is acquiring 25% of Muang Thai Life Assurance, market leader in life insurance, and 25% of Muang Thai Insurance, as well as 20% of Muang Thai Holding.

Fortis Corporate Insurance (FCI)

FCI sustained the excellent performance it delivered in 2003. Gross written premiums increased by 12% compared with the first quarter of 2003, and net operating profit before capital gains grew by 53%. This can be explained by lower claims in Fire and Liability in the Netherlands, as well as better results in Fleets and Marine in Belgium.

Press Contacts:

Brussels: 32 (0)2 565 35 84 Utrecht: 31 30 257 65 49

Investor Relations:

Brussels: 32 (0)2 510 52 28 Utrecht: 31 30 257 65 46

8. CAPITALISATION OF THE GUARANTOR

The unaudited capitalisation and indebtedness of Fortis Bank as at 30 June 2003 and 31 December 2003, and the audited capitalisation and indebtedness of Fortis Bank as at 31 December 2002, are set forth below on a consolidated basis:

	As at 31 December 2002 (in millions of EUR)	As at 30 June 2003 (in millions of EUR)	As at 31 December 2003 (in millions of EUR)
Shareholders' Equity			
Share capital ⁽¹⁾	3,112	3,112	3,112
Share premium account	4,875	4,875	4,875
Reserves and accumulated profit	891	1,551	1,332
Translation differences	4	-13	2
Total Shareholders' Equity	8,881	9,525	9,320
Contingency Reserve	1,739	1,737	1,766
Long Term Debt (2)			
Subordinated liabilities	9,976	9,941	10,267
Unsubordinated liabilities	39,094	35,856	37,939
Total Long Term Debt	49,070	45,797	48,206
Total capitalisation	59,690	57,059	59,292

Notes

- (1) As at date of this Offering Circular, the issued and paid-up share capital amounted to EUR 3,111,838,861 and was represented by 160,404,065 no-par-value ordinary shares.
- (2) Since 31 December 2003, the Bank guaranteed the following new issues made by Fortis Luxembourg Finance S.A.:
EUR 1,300,000 Exchangeable Zero Coupon Notes in Peugeot SA due 10 November 2008 (series 157 tranche 2) XS017954550
EUR 15,000,000 9.25% Reverse Convertible Notes into ABN AMRO Holding N.V. shares due 10 February 2006 XS0184245099
EUR 150,000,000 4.50% Subordinated Notes 2004 due 19 March 2012 XS0186431895
EUR 4,720,000 0% Basket Linked Notes 2004 due 5 March 2007 (series 163) XS0187132096
EUR 5,000,000 Credit Linked Floating Rate Notes 2004 due 15 November 2007 (series 164) XS0187825459
EUR 3,000,000 Equity Index Linked Notes 2004 due 2 April 2012 (series 165) XS0189252736
USD 8,000,000 Credit Linked Notes 2004 due 1 October 2009 (series 166) XS0189310799

EUR 5,000,000 Credit Linked Notes 2004 due 5 July 2006 (series 167) XS0189850042
EUR 5,000,000 Notes with Floored Yearly Tec-10 Click due 20 April 2016 (series 168) XSS0190360734
EUR 20,000,000 Target Redemption Notes 2004 due 20 April 2012 (series 169) XS0190440841
EUR 25,000,000 10% Reverse Convertible Notes into ING Groep N.V. shares due 12 May 2006 XS0191265957
EUR 10,000,000 Target Redemption Notes 2004 due 24 May 2014 (series 170) XS0192707775
EUR 100,000,000 4.50% Subordinated Notes 2004 due 25 May 2012 XS0190917160
EUR 10,000,000 "Five out of Five" Notes 2004 due 22 June 2009 XS0193721205
EUR 10,000,000 Five Year Target Redemption Notes 2004 due 6 July 2009 XS0194459177

(3) The Guarantor has no notes cum warrants, nor convertible notes outstanding.

Save as disclosed in the notes above, there has been no material change in the capitalisation of the Bank since 31 December 2003. There has neither been a material change in the off-balance sheet items since 31 December 2003.

9.SELECTED FINANCIAL INFORMATION: EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTS OF THE GUARANTOR

The Consolidated Financial Statements and Accounts of the Guarantor are available in printed form and on the website (www.fortis.com). The Fortis group Annual Report 2003 is available in printed form and on the website (www.fortis.com).

Audited consolidated 2003 accounts of FORTIS BANK nv-sa

V.A.T. : BE 403.199.702

		Codes	Financial year 2003	Financial year 2002	Financial year 2001
			(in thousands EUR)		
1. BALANCE SHEET AFTER APPROPRIATION					
ASSETS					
I.	Cash in hand, balances with central banks and giro offices	101.000	1,178,378	1,086,432	1,274,637
II.	Government securities eligible for refinancing at the central bank	102.000	2,481,204	2,709,852	5,462,317
III.	Amounts receivable from credit institutions	103.000	83,692,486	83,783,497	65,403,669
	A. At sight	103.100	4,664,522	10,416,934	6,033,441
	B. Other amounts receivable (at fixed term or period of notice)	103.200	79,027,964	73,366,563	59,370,228
IV.	Amounts receivable from customers	104.000	174,304,909	151,880,681	158,377,169
V.	Bonds and other fixed-income securities	105.000	117,390,440	94,208,876	99,459,858
	A. Of public issuers	105.100	82,178,031	67,987,235	71,121,409
	B. Of other issuers	105.200	35,212,409	26,221,641	28,338,449
VI.	Corporate shares and other variable-income securities	106.000	5,043,488	5,045,126	8,722,655
VII.	Financial fixed assets	107.000	2,657,898	2,321,468	2,841,567
	A. Companies valued by equity method				
	1. Participating interests	107,100	1,054,989	889,395	1,252,404
	2. Subordinated loans	107,200	100,000		17
	B. Other companies				
	1. Participating interests and shares	107,300	1,476,885	1,412,651	1,571,881
	2. Subordinated loans	107,400	26,024	19,422	17,265
VIII.	Formation expenses and intangible fixed assets	108.000	175,280	140,839	158,436
IX.	Consolidation differences	109.000	478,716	200,094	
X.	Tangible fixed assets	110.000	3,791,187	3,625,189	4,131,100
XI.	Own shares	111.000			
XII.	Other assets	112.000	6,892,675	6,235,015	7,186,320
XIII.	Deferred charges and accrued income	113.000	26,996,718	26,491,028	18,540,530
	TOTAL ASSETS	199.000	425,083,379	377,728,097	371,558,258

			Codes	Financial year 2003	Financial year 2002	Financial year 2001
				(in thousands EUR)		
	LIABILITIES					
I.	Amounts payable to credit institutions		201.000	109,036,175	94,200,507	94,465,741
	A.	At sight	201.100	9,228,883	6,772,752	5,347,427
	B.	Resulting from refinancing by rediscounting of trade bills	201.200	701	56,606	80,004
	C.	Other amounts payable at fixed term or period of notice	201.300	99,806,591	87,371,149	89,038,310
II.	Amounts payable to clients		202.000	219,001,437	188,173,733	187,843,058
	A.	Savings deposits	202.100	40,708,637	33,455,345	31,142,477
	B.	Other amounts payable	202.200	178,292,800	154,718,388	156,700,581
	1.	At sight	202.201	67,531,809	62,699,613	62,340,673
	2.	at fixed term or period of notice	202.202	110,760,338	92,017,075	94,356,946
	3.	resulting from refinancing by rediscounting of trade bills	202.203	653	1,700	2,962
III.	Amounts payable represented by a security		203.000	37,938,507	39,094,156	40,870,311
	A.	Bills and bonds in circulation	203.100	17,841,465	22,201,704	24,862,352
	B.	Other	203.200	20,097,042	16,892,452	16,007,959
IV.	Other amounts payable		204.000	9,060,808	8,184,772	6,188,348
V.	Accrued charges and deferred income		205.000	26,629,235	24,965,568	18,063,770
VI.	Provisions for risks and charges, deferred taxes		206.000	1,141,376	1,573,084	2,249,968
	A.	Provisions for risks and charges	206.100	1,023,527	1,429,880	2,082,978
	1.	<i>Pensions and similar obligations</i>	206.101	182,844	270,647	484,880
	2.	<i>Fiscal charges</i>	206.102	17,328	17,784	22,262
	3.	<i>Other risks and charges</i>	206.103	823,355	1,141,449	1,575,836
	B.	Deferred taxes	206.200	117,849	143,204	166,990
VII.	Fund for general banking risks		207.000	1,766,306	1,738,609	1,740,348
VIII.	Subordinated amounts payable		208.000	10,266,657	9,975,778	10,437,247
	SHAREHOLDERS' EQUITY			9,320,022	8,881,136	8,923,373
IX.	Capital		209.000	3,111,839	3,111,839	3,111,838
	A.	Subscribed capital	209.100	3,111,839	3,111,839	3,111,838
	B.	Uncalled capital	209.200			
X.	Share premiums		210.000	4,874,776	4,874,776	4,874,776
XI.	Revaluation surpluses		211.000			
XII.	Reserves and profit brought forward		212.000	1,331,861	890,735	888,839
XIII.	Consolidation differences		213.000			
XIV.	Exchange differences		214.000	1,546	3,786	47,920
XV.	THIRD PARTY INTERESTS		215.000	922,856	940,754	776,094
	TOTAL LIABILITIES		299.000	425,083,379	377,728,097	371,558,258

				Codes	Financial year 2003	Financial year 2002	Financial year 2001
					(in thousands EUR)		
OFF-BALANCE SHEET ITEMS							
I.	Contingent liabilities			301.000	37,777,951	41,897,711	42,779,382
	A.	Unnegotiated acceptances		301.100	500,309	195,361	235,679
	B.	Guarantees in the nature of credit substitutes		301.200	3,290,535	3,895,650	2,073,090
	C.	Other guarantees		301.300	29,994,901	33,677,537	37,455,950
	D.	Documentary credits		301.400	3,992,206	4,129,163	3,002,782
	E.	Assets pledged by secured guarantees on behalf of third parties		301.500			11,881
II.	Commitments which can give rise to a credit risk			302.000	89,523,934	69,915,029	85,767,031
	A.	Firm commitments to make funds available		302.100	11,967,658	4,773,415	10,495,038
	B.	Commitments in respect of spot purchases of transferable securities or other assets		302.200	711,173	1,215,594	846,827
	C.	Available margin under confirmed credit lines		302.300	76,741,727	63,504,691	74,161,313
	D.	Commitments to underwrite and place securities		302.400	103,376	421,329	263,853
	E.	Repurchase commitments resulting from imperfect repurchase agreements		302.500			
III.	Assets entrusted to the consolidated institutions			303.000	393,265,564	416,762,975	469,258,117
	A.	Assets held on an organized trusteeship basis		303.100	4,167,545	4,301,180	4,505,688
	B.	Assets in safe custody and under similar arrangements		303.200	389,098,019	412,461,795	464,752,429
IV.	To be paid upon corporate shares and units			304.000	126,886	75,335	72,090

		Financial year 2003	Financial year 2002	Financial year 2001
		(in thousands EUR)		
2. INCOME STATEMENT				
I.	Interest and similar revenues	13,465,052	15,606,733	17,498,014
	of which : from fixed-income securities	4,190,212	4,492,678	5,019,731
II.	Interest and similar charges	(9,193,161)	(11,304,097)	(13,257,590)
III.	Income from variable-income securities	47,628	145,944	149,382
	A. Corporate shares and units and other variable-income securities	23,822	55,215	29,501
	B. Participating interests in affiliated enterprises	23,806	90,729	119,881
IV.	Commission received	2,281,768	2,344,243	2,547,181
V.	Commission paid	(497,490)	(483,153)	(,572,974)
VI.	Profit from (loss on) financial operations	923,160	874,898	1,049,875
	A. Foreign exchange transactions and transactions in securities and other financial instruments	392,587	441,709	576,844
	B. Realization of investment securities	530,573	433,189	473,031
VII.	General administrative expenses	(4,157,412)	(4,327,809)	(4,687,795)
	A. Wages and salaries, social charges and pensions	2,640,254	2,744,470	2,953,881
	B. Other administrative expenses	1,517,158	1,583,339	1,733,914
VIII.	Depreciation of and amounts written off on formation expenses and intangible and tangible fixed assets	(682,278)	(644,762)	(703,365)
IX.	Write-back of amounts written off (Amounts written off) on amounts receivable and provisions for headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section	(701,965)	(599,674)	(563,662)
X.	Write-back of amounts written off (Amounts written off) on the investment portfolio of bonds, shares and other fixed-income or variable-income securities	(25,107)	(113,649)	22,511
XI.	Uses and write-back of provisions for risks and charges other than those referred to by heading "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section	192,971	185,116	246,528
XII.	Provisions for risks and charges other than those covered by headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section	(370,310)	(290,094)	(220,528)
XIII.	Transfers from (Appropriation to) the fund for general banking risks			(166,742)
XIV.	Other operating income	619,753	605,079	658,016
XV.	Other operating charges	(194,558)	(187,534)	(178,189)
XVI.	Current profit (Current loss) before taxes	1,708,051	1,811,241	1,840,662

			Financial year 2003	Financial year 2002	Financial year 2001
			(in thousands EUR)		
XVII.	Extraordinary income		240,843	281,875	94,881
	A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets			926	239
	B. Write-back of amounts written off on financial fixed assets		14,856	23,658	9,890
	C. Write-back of provisions for exceptional risks and charges		316	1,312	250
	D. Capital gains on disposal of fixed assets		113,122	253,229	81,311
	E. Other extraordinary income		112,549	2,750	3,191
XVIII.	Extraordinary charges		(218,287)	(262,110)	(426,607)
	A. Extraordinary depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets		12,642	1,484	55,640
	B. Amounts written off on financial fixed assets		57,375	77,989	62,347
	C. Provisions for extraordinary risks and charges		20,205	26,424	241,064
	D. Capital losses on disposal of fixed assets		55,048	85,945	59,240
	E. Other extraordinary charges		73,017	70,268	8,316
XIX.	Consolidated profit (Loss) for the year before taxes		1,730,607	1,831,006	1,508,936
XX.	A. Transfers to deferred taxes		(122,091)	(197,408)	(143,431)
	B. Transfers from deferred taxes		68,310	365,812	134,651
XXI.	Taxes on result		(329,567)	(693,745)	(479,272)
	A. Taxes		(397,021)	(737,292)	(596,697)
	B. Adjustment of income taxes and write-back of tax provisions		67,454	43,547	117,425
XXII.	Consolidated profit (Loss) of the year		1,347,259	1,305,665	1,020,884
XXIII.	Part of the results of participating interests valued by equity method		(30,266)	(219,973)	141,796
	A. Profits		47,939	40,200	159,798
	B. Losses		(78,205)	(260,173)	(18,002)
XXIV.	Consolidated profit		1,316,993	1,085,692	1,162,680
XXV.	Third party interests		51,023	60,583	61,674
XXVI.	Group profit		1,265,970	1,025,109	1,101,006

NOTES

CRITERIA FOR FULL CONSOLIDATION, PROPORTIONAL CONSOLIDATION AND VALUATION BY EQUITY METHOD AND EXCLUSIONS.

The consolidated accounts are prepared in accordance with the Royal Decree of 23 September 1992 concerning the consolidated accounts of credit institutions. This decree largely refers to the Royal Decree of 6 March 1990 concerning the consolidated accounts of companies.

LIST OF CONSOLIDATED COMPANIES

1. Changes to the consolidation scope in 2003

1.1. Modifications within the group of fully consolidated companies :

- Robertsau Gestion has been transferred from Banque Générale de Luxembourg to Fortis Bank ;

1.2. Modifications within the group of companies reported using the full consolidation :

1.2.1. Entries in the consolidation scope :

- Beta Bolsa SA, MeesPierson Corporate Finance (BE), Nazca Capital, Nazca Inversiones, FCM Private Equity, Fortis Lease Holdings UK Ltd. (in 2002 named Fortis Lease UK Ltd), Victory Ultramax and Eight Vessels Company Ltd. were previously consolidated under equity method and are now fully consolidated;
- Fortis Proprietary Investment (Ireland) Ltd is founded by Fortis Bank Belgium;
- Fortis Lease Holding UK Ltd has earned all the shares in BA/CA Asset Finance Ltd; the name of the company changed afterwards in Fortis Lease UK Ltd;
- GIE Immobilier Groupe Fortis Paris has been established by Fortis Banque France;
- Fondo Nazca FCR, 100 % daughter of Nazca Inversiones, is fully consolidated;
- Fortis Lease Italy has been established by Fortis Lease (B);
- Courtage Hausonville, Générale de Conseil, Hidayat Participaties NV, International Mezzanine Capital BV, Sicomi Rhone Alpes, Socariv en Triviaal III BV were not consolidated before ;
- Building Automation Investment BV, Fortis Commercial Finance UK, Fortis Prime Fund Solutions Bank (Ireland) Limited, Jurrian SA, Moeara Enim Investeringsmaatschappij I BV, Moeara Enim Investeringsmaatschappij II BV, Moeara Enim Investeringsmaatschappij III BV, Moeara Enim Investeringsmaatschappij IV BV and Moeara Enim Investeringsmaatschappij V BV were established by Fortis Bank Nederland;
- Banque Générale du Luxembourg acquired in 2003 the control over The Bank of TDW & BGL (in 2002 reported using the proportional consolidation);
- ASR Bank, who acquired in 2003 all the shares in AMEV Hypotheekbedrijf N.V. and AMEV Praktijkvoorziening N.V., has been acquired by Fortis Bank Nederland.

1.2.2. Exits from the consolidation scope :

- Calamander, ES-Investment, ES-Capital, Belu Capital, Bel Capital, Short Capital, Panel Capital, Gammafund Capital, G-Equity Fund Conseil, G-Bond Fund Conseil, G-short Term Fund Conseil, G-Equity Fix Conseil, G-Strategy Conseil, G-DistriFix Conseil, G-Treasury International Conseil, G-Treasury Conseil, Generale Advisory Company, G-rentifix Conseil, Interselex Europa Conseil, Interselex Equity and Investissement Selecta have been wound up;
- Administratiekantoor van Gebroeders Boissevan and Gebroeders Teixeira de Mattos B.V., Administratiekantoor van Gebroeders Boissevan and Kerckhoven and Compagnie B.V., Administratiekantoor van Theodoor Gilissen B.V., Administratiekantoor voor Handel and Nijverheid B.V. and the Administratiekantoor Interland B.V. have been sold;
- FMN Lease BV is merged with Generale Bank Lease;
- ES-Finance Luxembourg is merged with Eurolease Factor;

- Following companies within Fortis Bank Nederland (Holding) NV are sold : Albatrans B.V., Alspan Marketing S.A., American Biomed, Anginor Corporation NV, Arma Alphen Beheer B.V., Assto B.V., Assurantiekantoor West-Friesland B.V., Astragal Corporation NV, Athena B.V., B & R Internationale Handelsonderneming B.V., B.G.T. Strik Beleggingen B.V., Baluster Holding B.V., Barenboim Holding BV, Barleycorn NV, BéGé Holding BV, Beleggings- en beheersmaatschappij Ypma BV, Beleggingsinstelling Tilia II BV, Beleggingsmaatschappij Achthoven BV, Beleggingsmaatschappij At Home BV; Beleggingsmaatschappij H.J. Gorter BV; Beleggingsmaatschappij Ipendaal BV; Beleggingsmaatschappij J.D. Pruijssers; Berebijt B.V., Bernal Holding BV, Bertrans B.V.; BioQuest General Partner Interest, BioQuest Limited Partner Interest, Biotransplant, BOC Options & Futures B.V., Bookshell Holding BV, Bordex NV, Bos Holding B.V., Brideshead B.V., Bull's Eye N.V., Canarie Geel BV, Canteen Holding BV, Carmagnole BV, Carthage Ltd, Casket Holding BV, Centaco Corporation BV, Chemical Venture Partners BV, Club Mobimar S.A., Coldec Beheer BV, Compaster Holding BV, Coppermount Ltd, Coreopsis BV, Corsham Holding BV, Cotoneaster Holding BV, Currin Holding BV, Darlin Investments BV, Darter Investment BV, DB Secretaries Ltd, De Dalen BV, Delenda Beheer BV, Dinex BV, Dinvest Holding BV, Doelle NV, Domaca BV, Dornleigh Ltd, Drafin Holding BV, Eagan NV, Ebbecon Holding BV, Elinar Corporation NV, Elisir Corporation NV, Ellenville NV, Embarca Ltd, Emmeska Beleggingsfonds BV, Entertainment Participaties Amsterdam BV, Erdoli BV, Essef BV, Eurodis Film Production BV, European Pictures BV, Fallriver NV, Faringdon Company Ltd, Fax International, Finn Finance BV, Flint Properties Inc, Folkertsma BV, Fumerolia BV, Fundacre Ltd, Galena BV, General Derivatives Services BV, Genesis Invest, Gosi BV, Goudsmit Holding BV, Groot Boerlo BV, Hamerico Int. Hold., Hammack International BV, Harbourgate BV, Harmonium Corporation BV, HC Nijs Beheer BV, Hekata NV, HIG Investment Group, HIG Partners, Houdstermaatschappij De Slangenbrug BV, Incorman Investments Inc, Inspiras BV, Intangible Property Investment BV, International Cash Management Programm SA, Jagisu Beheer B.V., Jobo Beleggingen BV, Judaal Holding BV, JW Fakkert Beheer BV, Kadushi BV, Kajani Holding BV, Kalticof Holding BV, Karuard Edu Beleggingsmaatschappij BV, Kastanjedaal Beleggingsmaatschappij BV, Kesshan NV, Konraad BV, Kustlijn Beheer BV, Linskens Aannemersbedrijf BV, Louwers Beheer BV, Lovo Isle of Man Ltd, Maatschappij “De Vest” tot expl. Van onroerende goed. BV, Marigold Holding BV, Matebel Beleggingsmaatschappij BV, Matila Investments Pte Ltd, Meereboer Beleggings- en beheersmaatschappij BV, MeesPierson Accounting Services Ltd, MeesPierson Advisory Company SA, MeesPierson AIS Holding Luxembourg SA, MeesPierson International Money Market Fund Inc., MeesPierson Investment Finance (UK) Ltd, MeesPierson Management Services Ltd, MeesPierson Management Agents Ltd, MeesPierson MARS Advisory Company SA, Middlestead NV, MM Driesen Beheer BV, Monam Holding BV, Nantore Invest Ltd, Nederlandse Financieringsmaatschappij BV, New Horizon, Norfin Investments BV, Nugro BV, NV Beleggingsmaatschappij Aeneas, NV Beleggingsmaatschappij Zeus, OCA Clearing BV, OCA POM BV, Ockeloen Beleggingsmaatschappij BV, Octrooi Hold Folk BV, Old Parc Lane, Pacific Administratiekantoor BV, Philemon NV, PJ Geelen BV, Plashof Holding BV, Platium Invest BV, Popoval Holding, Pretoe BV, Pyracantha BV, Quinta da Bela Vista N.V., Rackham Invest Ltd, Rantaka Ltd, Redson NV, Ridiculous Holding BV, Rijkeboer Holding BV, Rilex Handelsmaatschappij BV, Rilex Kledingindustrie B.V., Sabater Holding BV, Satis Habeo BV, SCA Beleggingsmaatschappij BV, Scalpel NV, Scelsi Beheer BV, Schiekas Beheer BV, Seacolumn Invest NV, Seimora BV, Seweran B.V., Shaw & Co Ltd., Shaw & Co Nominees Ltd., Shinishi BV, Snieder Beleggingen BV, Société Privée Services BV, Sonambula Corporation NV, Sphenodon Holding BV, Spica Alba BV, Sternlan Holding BV, Suurd J; Holding BV, T.G. Derivatives VOF, TG Fund Management BV, TG Ventures BV, Theodoor Gilissen Bewindvoering en Trust BV, Theodoor Gilissen Bankiers N.V., Theodoor Gilissen Global Custody N.V., Tiebreaking International BV, Toelon Holding N.V., Trust-en administratiemaatschappij Interland BV, Tulipwood Corporation NV, Ultimo Tact BV, Van Dien Holding BV, Van Kollem & Broekman Effekten B.V., Van Rhijn Pensioen BV, Vengeris Holding BV, Vijverduin Beheer BV, Vincent Verhoog Beheer B.V., Wabelma Beheer B.V., Wellink Intertrade Ltd, Weststar Ltd, Zebra-Wood Corporation NV, Zeevisserij Maatschappij Holland BV;
- Following companies within Fortis Bank Nederland (Holding) BV have been wound up : Basement Holding BV, Beleggingsmaatschappij Cohafrene BV, Lanxide, Lunenburg Shipping Company Inc, Plaudit Holding.

1.3. Changes in the consolidation scope of proportional consolidated companies :

1.3.1 Entry into the consolidation scope :

- Alsabail
- AES ICS Nominees Ltd., BSL ICS Nominees Ltd, Pershing ICS Nominees Ltd, Pritchard ICS Nominees Ltd, WICS ICS Nominees Ltd and Zantingh Greenlease BV were fully consolidated before;

- Betafin and CF Leasing were not consolidated before, are reported by the proportional consolidation method;
- Diana Shipping Investment Corporation Ltd and Leamaat Alpha BV is no longer consolidated using the equity method but is reported using the proportional consolidation method;

1.3.2. No longer included in the consolidated accounts :

- IL participaties BV.

1.4. Change in consolidation method using the equity method:

1.4.1. Entry into the consolidation scope :

- Demetris Sud-Ouest and Comptoir du Hainaut have been reported using the equity method;
- Within FBN's subconsolidation, International Mezzanine Investment NV, Nesbic Holdings I BV en Nesbic Holdings III BV, Asian Pacific Growth Fund Investment NV, ClearWater BV, CommonWealth Investment BV, Nimbus B.V., T.C.H. Investment NV "A", T.C.H. and Investment NV "B" are reported using the equity method;
- Tarapaca Investment NV previously consolidated proportionally, is reported using the equity method;
- Nesbic Investment Fund II Partners B.V.

1.4.2. No longer included in the consolidated accounts :

- Grand Generale Asia, Xplanation Language Services, ACG Acquisition 28, Sitca Mutual Fund Company Ltd and Le Crédit Plus have been sold;
- CIG Intersys Group, Selecta I, Isanet, BGL Finance Asia, Discontokantoor van Hasselt en Euro Traveller Cheque Belgium S.C. were fully wound up;
- Comptoir d'Escompte de Wallonie have merged with Demetris;

1.5. Name changes :

- Fortis Lease Holding UK Ltd was previously Fortis Lease UK Ltd;
- ALFAM Holding BV was previously FBN Intermediate Bedrijven BV;
- Fortis Bank Global Clearing NV was previously Fortis Clearing International;
- Fortis Equipment Leasing XI BV was previously MeesPierson Equipment Leasing XI BV;
- Fortis Equipment Leasing XV BV was previously MeesPierson Equipment Leasing XV BV;
- Fortis Equipment Leasing XXII BV was previously MeesPierson Equipment Leasing XXII BV;
- Fortis Equipment Leasing XXX BV was previously MeesPierson Equipment Leasing XXX BV;
- Fortis Global Market Holding was previously Leamaat Jota B.V.;
- Fortis Investment Management Luxembourg was previously Fortis Investment Finance Luxembourg;
- Quion 9 BV was previously Hypotrust 9 BV;
- Alfam Nederland BV was previously J. Gerstner BV;
- Defam Totaal B.V. was previously Defam Select B.V.;
- Alpha Credit Nederland BV was previously Kragten Holding B.V.;
- FB Acquisition Finance Holding B.V. was previously MeesPierson Acquisition Finance Holding BV;
- FB Asset Based Finance B.V. was previously MeesPierson Asset Based Finance B.V.;
- FB Corporate Participaties B.V. was previously MeesPierson Corporate Participaties B.V.;
- FB Energy Holding B.V. was previously MeesPierson Energy Holding B.V.
- Saltory B.V. was previously Nordisk Aluminat B.V.;
- Beta Capital MeesPierson SA was previously Beta Capital S.A;
- Petroleum Maatschappij Moeara Enim B.V. was previously Petroleum Maatschappij Moeara Enim N.V.;

2. The Decree requires the consolidation of all subsidiaries, defined as enterprises in which the parent company has the right – directly or indirectly through a subsidiary – to exercise a dominant influence on the appointment of the majority of the board of directors or on the latter's conduct of its management.

Excluding subsidiaries from the consolidation is permitted under Article 5 of the Royal Decree of 23 September 1992 which refers to Articles 12 -18 of the Royal Decree of 6 March 1990.

- Companies with insurance activities are reported using the equity method, in accordance with the periodic reporting of credit institutions related to their financial position;

- Companies managing real estate and real estate certificates are excluded from the consolidated accounts in accordance with Article 13.2° of the Royal Decree of March 1990 ;
- In order to respect the true and fair view, the participating interest of Fortis Bank in Fortis Insurance NV is not reported using the equity method pursuant to Article 23 of the Royal Decree of 6 March 1990. The participation is reported in the consolidated accounts under the heading *VII.B.1.Financial fixed assets: other companies – participating interests*;
- Under the terms of Article 13.1° of the Royal Decree of 6 March 1990, the following subsidiaries are of minor importance and are excluded from the consolidated accounts :

Aerochange SARL, ASLK-CGER Services ESV, AVISA sa, BGL International NL, BGL Trustees (GB), BPC Courtages, BPC développement, Channel Corporate Services, Clinical Innovations Ltd., Comcolux SA, Commerce Holdings, Commonwealth Administratie BV, Commonwealth Informatie BV, Commonwealth Private Equity BV, Ecoreal SA, Elimmo, Est-Developpement, Eurl Gourville, FB Brokerage Luxembourg, Finalpi Lenzerheide, Fortis L Capital, Fortis Services Monétiques, Genconsultoria LTDA, Generale Branch Nominees LTD, Genfimo SA, Geschäftsführungs GmbH der Generale Bank, Isep Medical Research, KVG Options BV, LINC Financial Services, MeesPierson Intereast Finance Co. Ltd., Monterey Management, Monterey Services, Northumberland Group Limited, Parisienne d'Acquisition Foncière, Prominter Curacao nv, SAFE, SCI Norlum, Svenson, Sybeta sa, Universal Management Services, VIV Management Services, Wa Pei Nominees Ltd.

The joint subsidiaries Caso ESV et Legibel ESV are excluded from the consolidated accounts for the same reason;

- The following subsidiaries are reported using the equity method because of their minor importance to the consolidated statements:

Asian Pacific Growth Fund Investment NV, B.I.A.O. Côte d'Ivoire, Commonwealth Investment BV, Comptoir Agricole de Wallonie, Comptoir du Hainaut, Coppefis, Credissimo, Demetris Sud-Ouest, Discontokantoor van Turnhout, Explotaciones Industriales de Optica, Fortis Securities Polska, International Mezzanine Investment N.V., Krediet voor Sociale Woningen Watermaal Bosvoorde, Landbouwkantoor Vlaanderen, Maison Sociale Tournai Ath, Mijn Huis Edouard Pecher, Mine.Be, NBM Bank Nigeria, NeSBIC Holdings III BV, NeSBIC Buy out Fund Invest VI BV, T.C.H. Investment NV "A", T.C.H. Investment NV "B", Titrisation Belge SA;

- The following associated companies are not reported using the equity method as they are not significant for the purposes of a true and fair view (Article 68 of the Royal Decree of 6 March 1990) :

Altsys, Anaxis, Baekeland Fonds, Bedrijvencentrum Zaventem, Bexco, Brussels I3 Fund, C-CAM Technologies, CDM, Cetrel Lux sc, Composite Damping Material, Conticlina, Coolstar, Dibag-Diproteg, Etna, Europay Lux sc, European Fund Administration, Flanders Engineering, G.B.M, Gemma Frisius-Fonds K.U. Leuven NV, Gemma Frisius-Fonds K.U. Leuven II, Gudrun Xpert, Guka Delicatessen, Hemag (Atlantic), IMEC Incubatie Fonds, Immo Royal Conseil, Immo Regenboog, Impact Logistics Ltd., L.C.H. Investment NV, Lesire Software Engineering, Meta Holding, N&V, Nova Electro int., P.X.L., Polysto, Prisme, Q-Face B.V., Rodilla Sanchez, Rovast Real Estate Fund Management bv, Salyp NV, Sophis System, Synes, Unipost, Valofin, Visalux, Xenics;

- The participation in the subsidiary IDBP will be disposed of in the future and is therefor not consolidated (Article 13.4°) but valued using the equity method.
- The participation in Petrochem UK Limited will be disposed of in the future and is therefor not consolidated (artikel 13,4°);
- Under the terms of Article 13,3°, Belgolaise's African participating interests, including the subsidiaries A.M.B. – West Africa, Allied Bank International Uganda, Banque Internationale pour l'Afrique au Togo, Eurafrikan Bank Tanzania and the participations in Banque Commerciale du Congo, Banque Crédit de Bujumbura, Banque de Kigali, Banque Internationale Afrique au Niger, Banque Internationale pour Centrafrique, Middle East Bank and The Trust Bank are not included in the consolidation because of the risk of an unacceptable delay in reporting and because of the minor importance to the consolidated statements.
- Pursuant to Article 14 (diversity of activities), the following companies are not consolidated :

Bene Pretium Ltd, Fagus.

SUMMARY OF VALUATION RULES FOR THE CONSOLIDATED ACCOUNTS

GENERAL PRINCIPLES

Fortis Bank's valuation rules comply with the rules laid down in the Royal Decree of 23 September 1992 on the non-consolidated and consolidated annual accounts of credit institutions, except for a number of points for which the Banking, Finance and Insurance Commission has exempted the bank, based on article 18 of the said Royal Decree. Fortis Bank applied for these exemptions in order to harmonise its valuation rules with those of Fortis as far as possible.

Fortis continued working on the project for the conversion of the current valuation rules to IAS/IFRS (International Accounting Standards/International Financial Reporting Standards). The European Parliament and the European Commission approved on March 12th, 2002 and June 7th 2002 respectively the regulation concerning the implementation of the international accounting standards.

The valuation rules of Fortis Bank are the same as the previous year.

The following summary gives further details of the valuation rules used for the major captions in the balance sheet and income statement.

ASSETS

LOANS AND ADVANCES TO CREDIT INSTITUTIONS AND CUSTOMERS

Loans and advances to credit institutions and customers are posted in the balance sheet for the initial amount paid less subsequent repayments and related allowances. All expenses paid to third parties bringing transactions with customers are immediately recognised in the income statement.

Any difference between the redemption value of the loans and advances and the amounts originally granted is posted on an accrual basis as interest income or expense in the income statement.

Other receivables are recognised at their nominal value.

Allowances for doubtful loans and for loans with an uncertain future are provided for, if a portion is considered as unrecoverable based on objective sources of information. Once a loan has been classified as doubtful or uncertain, related interests are normally no longer included in the income statement.

The required allowances are recorded for countries listed by the Banking, Finance and Insurance Commission. These are based on Fortis Bank Group rules, corresponding for a minimum to the rules set out by the Banking, Finance and Insurance Commission. In addition, the bank sets up allowances for other countries with risk exposure.

The valuation rules provide for the possibility to set up an internal security fund up to cover well-defined risks, possibly arising in the future, but which cannot be individualised.

BONDS AND SHARES

Securities or receivables represented by marketable securities are included in the trading portfolio if they are acquired with the intention to sell them back based on their return over a period which normally does not exceed six months.

Trading securities are valued at market value if traded on a liquid market. In absence of a liquid market, they are valued at the lower of cost (all costs included, provisions received deducted) or market value.

For bonds in the investment portfolio, the difference between the acquisition cost (all costs included, provisions received deducted) and the redemption value is recognised in the income statement, on basis of its yield-to-maturity.

The gains and losses realised on the sale of fixed-income securities are immediately recognised in the income statement. If however they are realised on arbitrage transactions, they may be accrued, in accordance with the provisions of article 35ter §5 of the Royal Decree of 23 September 1992.

Shares in the investment portfolio are valued at the lower of cost all costs included, provisions received deducted) or market value, with all differences recognised in the income statement.

If the debtor presents a risk of non-payment, write-downs are made as for doubtful loans or loans with an uncertain future.

FINANCIAL FIXED ASSETS

Equity accounting is used for investments with significant influence.

Investments with significant influence are rights in the capital of other companies, whether or not represented in the form of securities that are intended, through the creation of a lasting relationship, to contribute to the activity of the investing company. In absence of evidence to the contrary, a significant influence is presumed if the voting rights (on Fortis Bank Group level) attached to the holding represents one fifth or more of the total voting rights of the shareholders or partners of the company.

Under the equity method :

- the book value of the holding is replaced by the net asset value of the enterprise multiplied by the participating interest percentage
- the dividends received are replaced with the share of the parent company in net income of the enterprise.

The other financial fixed assets are recognised at cost. A write-off is recorded to the extent that the decrease in value presents a permanent change. When financial fixed assets are financed with borrowed funds, the translation differences on the borrowed funds are not recognised in the income statement.

Incremental costs are immediately expensed in the income statement.

FORMATION EXPENSES AND INTANGIBLE FIXED ASSETS

Capital increase and start-up costs are activated and depreciated on a straight-line basis over 5 years.

The issuing costs of subordinated loans are depreciated on a straight-line basis over the duration of the loan. The issuing costs of perpetual loans are depreciated on a straight-line basis over 5 years, or over the length of the period before the date of the first call, if this date is earlier.

If a consolidated subsidiary or an equity accounted affiliate is acquired for a price different from its net asset value; this difference is set off against the appropriate captions in the balance sheet. As from 1 January 2002, a remaining positive difference (goodwill) is reported in the balance sheet as an intangible asset and amortised using the straight-line method over its estimated useful life. In determining the period of amortisation, the expected period of benefits to be received from the acquired company is considered. A negative difference (badwill) is not depreciated. Consolidation differences relating to acquisitions prior to 2002 are charged to equity.

Costs relating to software developed by the bank itself or relating to standard or specific software acquired from third parties are booked directly to the results as general expenses. If it is certain that the economic life of specific software purchased from a third party is more than one year, the economic life being determined mainly on the risk of technological changes and commercial developments, the said software may be booked to assets and depreciated on a straight-line basis over the estimated useful life, with a maximum of five years.

The other intangible fixed assets are depreciated over maximum 10 years.

The option to capitalise is not used for the following :

- research and development costs
- commissions paid to third parties bringing transactions with clients with a contractual period exceeding one year.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognised on the assets side of the balance sheet at cost, including ancillary cost and non-recoverable indirect taxes, less depreciation.

Depreciation occurs on a straight-line basis over the estimated economic life.

Revaluation of tangible fixed assets is allowed, provided that the value clearly and durably exceeds their carrying value.

OTHER ASSETS

This account includes, amongst other items, the deferred tax assets, based on an exemption granted by the Banking, Finance and Insurance Commission following article 18 of the Royal Decree of 23 September 1992, and calculated in accordance with international accounting practice, as for instance the US GAAP Financial Accounting Standard 109 "Accounting for Income Taxes".

LIABILITIES

AMOUNTS OWED TO CREDIT INSTITUTIONS AND CUSTOMERS

The debts to credit institutions and customers are posted in the balance sheet for the initial amount received, less subsequent repayments. All expenses paid to third parties bringing deposits are immediately recognised in the income statement.

DEBT SECURITIES ISSUED

Debt securities issued with fixed capitalisation are posted for the original amount plus capitalised interests.

OTHER DEBTS

This account includes, amongst other items, all debts to personnel related to salaries and other social security charges incurred during the present accounting period and paid in the next accounting period.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are accumulated to cover probable or certain losses and expenses that have a cost that can be reasonably estimated and have a due date in the future that, in general, is not clearly defined.

Provisions for pensions and similar social obligations are calculated using a methodology based on the international accounting practice, as for instance the USGAAP FAS87 Standard "Employers Accounting for Pensions". The main difference of using this approach is the effective booking of any differences that may arise between the projected benefit obligations and the fair value of plan assets.

Provisions are also recorded for various risks and charges, e.g. pending litigation, restructuring, etc.

Also included are the deferred tax liabilities resulting from timing differences or differences from losses that could be carried forward. These are calculated in accordance with international accounting practice, for instance the US GAAP Financial Accounting Standard 109 "Accounting for Income Taxes". Deferred taxes can also be generated from consolidation adjustments.

FUNDS FOR GENERAL BANKING RISKS

Setting up the fund for general banking risks is based on a defined method, approved by the Board of Directors, applied systematically and based on the weighted volume of credit and market risks for the banking business.

INCOME STATEMENT

INTEREST REVENUES AND CHARGES

Interest revenues and charges are recognised when earned or due. Once a loan has been classified as doubtful or uncertain, related interests are normally reserved and no longer included in the income statement. The actuarial depreciation of the difference between the acquisition cost and the redemption price of fixed-income securities from the investment portfolio is also included in the interest revenues.

INCOME FROM VARIABLE-INCOME SECURITIES

Revenues on shares and financial fixed assets are recognised as from the moment the dividend distribution is communicated to the bank.

DERIVATIVES

The derivatives results are recorded differently depending on the type of transaction.

a) Hedging Transactions

Transactions that protect against the risk of fluctuation in exchange rates, interest rates or prices. Gains and losses are recorded in the income statement symmetrically; whereby the gains and losses on the hedged instruments are recorded in order to neutralise, entirely or partially, their impact. To be considered as a hedge, transactions must comply with the following conditions:

The hedged component or the hedged homogeneous set should expose the bank to a fluctuation risk of exchange rates, interest rates or prices.

The hedge transactions must be specifically indicated from inception, as well as the hedged components.

Sufficient correlation is required between the value fluctuations of the hedged component and the hedging transaction (or the underlying instrument).

As soon as a transaction does not meet the conditions to be considered as a hedge, then it should be recorded at its fair value.

b) Trading Transactions

All transactions made in connection with the current trading activities that do not meet the requirements to be classified as hedging, are valued at market prices, with both gains and losses recognised in the income statement. If the market is not liquid, only the losses are posted to the income statement.

c) Some forward interest rate transactions are valued in accordance with other valuation methods, based on derogation from the Banking, Finance and Insurance Commission, in conformity with article 18 of the Royal Decree of 23 September 1992 :

Transactions concluded in the framework of the treasury management, with an initial maturity of a maximum of 1 year;

Transactions concluded in the framework of balance sheet and off-balance sheet transactions, conducted with the objective of reducing the interest rate risk and documented as such;

Transactions concluded in the framework of strategic ALM-transactions in BEF, euro or a currency belonging to the European Monetary Union.

These 3 categories are valued by recording the related result on an accrual basis.

Transactions concluded in the framework of a global management, and do not have the objective of reducing the interest rate risk.

These transactions are valued by recording the related result on an accrual basis, with the condition that the potential losses resulting from the valuation at market value is recorded in the income statement.

FOREIGN CURRENCIES

When valuing foreign currencies, a distinction is made between the monetary and non-monetary items.

Monetary items are assets and liabilities, including accruals and deferrals, rights and commitments that represent a specific amount of money, as well as shares and other non-fixed income securities in the trading portfolio. Monetary items are converted at the average rate (average of bid and ask rate on the spot exchange market) at the closing date. Items settled at specific currency rates must be valued at those specific average rates. The resulting exchange differences are posted in the income statement (with the exception of exchange gains on foreign currencies for which no liquid market exists).

Tangible, intangible and financial fixed assets are considered to be non-monetary items and are recorded at cost based on the exchange rate at the date of acquisition. When non-monetary items, exposed to a foreign exchange risk, are financed on a permanent basis with borrowed funds in the same currency, the translation differences on the borrowed funds are not recognised in the income statement.

Profit and loss components in foreign currencies are converted into euro in the income statement, at the spot exchange rate at the time of recognition as income or expense.

STATEMENT OF THE AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS

(in thousands EUR)

(heading III of the assets)

Codes	05	10
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A. For the heading as a whole :

1. - amounts receivable from affiliated enterprises, not consolidated

	Financial year	Previous financial year
010	138,467	33,503
020	40,459	16,386

- amounts receivable from other enterprises linked by participating interests

2. subordinated amounts receivable

	Financial year	Previous financial year
030	596,658	746,215

B. Other amounts receivable (with a term or period of notice) on credit institutions

(heading III B. of the assets)

1. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution

	Financial year	Previous financial year
040	34,233	178,928

2. Breakdown of these amounts receivable by residual term :

. up to 3 months

. over 3 months and up to one year

. over one year and up to 5 years

. over 5 years

. of indeterminate duration

	Financial year
050	56,541,402
060	16,603,172
070	770,137
080	308,690
090	4,804,563

STATEMENT OF THE AMOUNTS RECEIVABLE FROM CLIENTS

(heading IV of the assets)

1. Amounts receivable

- from affiliated enterprises, not consolidated

- from other enterprises linked by participating interests

Codes	05	10
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	Financial year	Previous financial year
110	1,036,809	1,426,525
120	64,400	98,699

2. Subordinated amounts receivable

	Financial year	Previous financial year
130	88,177	72

3. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution

	Financial year	Previous financial year
140	823,926	842,252

4. Breakdown of amounts receivable by residual term :

. up to 3 months

. over 3 months and up to one year

. over one year and up to 5 years

. over 5 years

. of indeterminate duration

	Financial year
150	53,140,308
160	16,264,859
170	21,963,687
180	73,376,174
190	9,559,881

STATEMENT OF BONDS AND OTHER FIXED-INCOME SECURITIES

(in thousands EUR)

(heading V of the assets)

Codes	05	10
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1. Bonds and other securities issued by :

- affiliated enterprises, not consolidated

	Financial year	Previous financial year
010		
020		

- other enterprises linked by participating interests

2. Bonds and securities representing subordinated loans

	Financial year	Previous financial year
030	351,345	176,775

3. Geographical breakdown of the following headings :

V.A. - public issuers

V.B. - other issuers

	Belgium	Foreign countries
040	20,943,977	61,234,054
050	830,269	34,382,140

4. Quotations and durations

a) . Listed securities

. Unlisted securities

	Book value	Market value
060	93,566,775	95,059,015
070	23,823,665	

b) . Residual term up to one year

. Residual term over one year

	Financial year
080	26,588,075
090	90,802,365

5. Bonds and securities belonging to the :

a) commercial portfolio

b) investment portfolio

	Financial year
100	16,845,686
110	100,544,754

6. For the commercial portfolio :

. positive difference between the higher market value and the acquisition value for bonds and securities valued at their market value

. positive difference between the market value, when higher, and the book value for bonds and securities valued in accordance with Article 35 ter §2 (2) of the Royal Decree of 23rd september 1992 on the annual accounts of credit institutions

	Financial year
120	71,430
130	11,186

7. For the investment portfolio

. positive difference in respect of all securities combined whose redemption value is higher than their book value

. negative difference in respect of all securities combined whose redemption value is lower than their book value

	Financial year
140	891,313
150	2,140,173

8. Details of the book value of the investment portfolio

(heading V of the assets - continued)

a) ACQUISITION VALUE

At the end of the previous financial year
 Changes during the financial year :
 . acquisitions
 . transfers
 . adjustments made in accordance with article 35 ter
 § 4 and 5 of the Royal Decree of Sept. 23, 1992 on the
 annual accounts of credit institutions
 . exchange differences
 . consolidation scope
 . other changes
 At the end of the financial year

Codes	Financial year
010	85,859,813
020	68,105,934
030	(51,178,531)
040	(304,724)
050	(1,796,883)
	(78,292)
060	(9,415)
099	100,597,902
110	
120	
130	

b) TRANSFERS BETWEEN PORTFOLIOS

1. Transfers

- . from the investment portfolio to the commercial portfolio
- . from the commercial portfolio to the investment portfolio

2. Impacts of these transfers on the result

c) WRITE-OFFS

At the end of the previous financial year
 Changes during the financial year :
 . charged
 . taken back because surplus
 . cancelled
 . transferred from one heading to another
 . exchange differences
 . consolidation scope
 . other differences
 At the end of the financial year

200	52,208
210	50,720
220	(20,147)
230	(12,155)
240	(773)
250	(16,705)
260	
299	53,148
399	100,544,754

d) BOOK VALUE AT THE END OF THE FINANCIAL YEAR

(a) + b)1. - c)

STATEMENT OF CORPORATE SHARES, UNITS AND OTHER VARIABLE-INCOME SECURITIES

(heading VI of the assets)

(in thousands EUR)

Codes	05	10
	Financial year	Previous financial year
1) Geographical breakdown of the issuers of the securities		
. Belgian issuers	010	577,553
. foreign issuers	020	4,467,573
2) Quotations		
. Listed securities	030	4,633,121
. Unlisted securities	040	456,245
3) Shares and securities belonging to the :		
. commercial portfolio	050	4,158,334
. investment portfolio	060	885,154
4) For the commercial portfolio :		
. positive difference between the acquisition value and the market value for securities valued at their market value	070	109,403
. positive difference between the market value, when higher, and the book value for securities valued in accordance with article 35 ter § 2 (2) of the Royal Decree of 23rd september 1992 on the annual accounts of credit institutions	080	551
5) Details of the book value of the investment portfolio		
a) ACQUISITION VALUE		
At the end of the previous financial year	100	1,598,876
Changes during the financial year		
. acquisitions	110	348,161
. transfers	120	(473,460)
. exchange differences	130	(33,411)
. consolidation scope		(384,531)
. other changes	140	(32,807)
At the end of the financial year	199	1,022,828

b) TRANSFERS BETWEEN PORTFOLIOS		
Transfers		
. from the investment portfolio to the commercial portfolio	200	(35,888)
. from the commercial portfolio to the investment portfolio	210	
Impact of these transfers on the result	220	
c) WRITE-OFFS		
At the end of the previous financial year	300	185,992
Changes during the financial year :		
. charged	310	8,073
. taken back because surplus	320	(12,562)
. cancelled	330	(46,265)
. transferred from one heading to another	340	773
. exchange differences	350	(5,265)
. consolidation scope		(18,407)
. other changes	360	(10,553)
At the end of the financial year	399	101,786
d) BOOK VALUE AT THE END OF THE FINANCIAL YEAR	499	885,154
		(a) + b)1. - c)

STATEMENT OF THE FINANCIAL FIXED ASSETS

(in thousands EUR)

(heading VII of the assets)

A. Breakdown of the headings VII A.1 and VII B.1

a) economic sector of :

- participating interests valued by equity method

- other companies

Codes	05	10	15	20
	Credit institutions		Other enterprises	
	Financial year	Previous financial year	Financial year	Previous financial year
100	19,282	31,190	1,035,707	858,205
110	20,650	20,542	1,456,235	1,392,109

b) quotation

- participating interests valued by equity method

- other companies

	Listed	Unlisted
200	107,228	947,761
210	315,640	1,161,245

c) Details on the book value at the end of the financial year

(VII A.1 and VII B.1)

	Codes	Enterprises	
		linked by equity method	Other
A. ACQUISITION VALUE			
At the end of the previous financial year	300	889,395	1,586,335
Changes during the financial year			
. acquisitions	310	274,878	146,934
. transfers	320	(23,671)	(69,194)
. transfers from one heading to another	330	8,045	59,999
. profit of the year		(27,659)	
. dividends paid		(33,107)	
. exchange differences	340	(16,576)	(8,296)
. consolidation scope		(30,974)	(5,185)
. other changes	350	14,658	7,231
At the end of the financial year	399	1,054,989	1,717,824
B. REVALUATIONS			
At the end of the previous financial year	400		33,084
Changes during the financial year			
. charged	410		
. acquired from third parties	420		
. cancelled	430		
. transferred from one heading to another	440		
. exchange differences	450		
. consolidation scope			
. other changes	460		
At the end of the financial year	499		33,084

C. WRITE-OFFS

At the end of the previous financial year
 Changes during the financial year
 . charged
 . taken back because surplus
 . acquired from third parties
 . cancelled
 . transferred from one heading to another
 . exchange differences
 . consolidation scope
 . other changes

At the end of the financial year

D. UNCALLED AMOUNTS

At the end of the previous financial year
 Changes during the financial year
 At the end of the financial year

E. NET BOOK VALUE AT THE FINANCIAL YEAR (A+B-C-D)

Codes	05	10
	Enterprises	
	linked by equity method	Other
100		171,563
110		56,222
120		(14,457)
130		
140		(5,129)
150		34,753
160		(1,858)
170		
199		241,094
200		35,205
210		(2,276)
299		32,929
300	1,054,989	1,476,885

B. Breakdown of the heading VII A.2 AND VII B. 2 Subordinated loans to :

- enterprises linked by equity method
 - other enterprises

Codes	Credit institutions		Other enterprises	
	Financial year	Previous financial year	Financial year	Previous financial year
400			100,000	
410	3,771	3,771	22,253	15,651

Amount of subordinated amounts receivable represented by listed securities

500	
-----	--

Details of the subordinated loans

NET BOOK VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR
 Changes during the financial year
 . Additions
 . Repayments
 . Amounts written off recorded
 . Amounts written off taken back
 . Exchange differences
 . Other changes
 NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR
 CUMULATED WRITE-OFFS AT THE CLOSE OF THE FINANCIAL YEAR

	Enterprises linked by equity method	Other Enterprises
600		19,422
610	100,000	9,514
620		(1,036)
630		(955)
640		
650		
660		(921)
700	100,000	26,024
800		

STATEMENT OF FORMATION EXPENSES AND INTANGIBLE FIXED ASSETS

(heading VIII of the assets)

(in thousands EUR)

A. Detail of the formation expenses

Net book value at the end of the previous financial year

Changes during the financial year :

. New expenses incurred

. Depreciation

. Exchange differences

. consolidation scope

. Other changes

Net book value at the end of the financial year

including :

- formation and capital - increase expenses

issuing expenses for loans and other

start-up expenses

- reorganization expenses

Codes	05
	Financial year
010	18,628
020	5,452
030	(17,309)
040	327
	292
050	39,890
099	47,280
110	47,280
120	

B. Intangible fixed assets

a) ACQUISITION VALUE

At the end of the previous financial year

Changes during the financial year :

. acquisitions including production shown as

. transfers and disposals

. transfers from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

b) DEPRECIATIONS AND AMOUNTS WRITTEN OFF

At the end of the previous financial year

Changes during the financial year :

. charged

. taken back because surplus

. acquired from third parties

. cancelled

. transferred from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

c) NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR

(a) - b)

Codes	05	10	15
	goodwill	other intangible fixed assets	including commissions for the operations of art. 27 Bis *
210	77,231	203,292	
220	4,155	18,124	
230		(2,808)	
240		5,792	
250	(1,221)	(2,923)	
		(3,862)	
260	10,376	5,800	
299	90,541	223,415	
310	33,830	124,482	
320	7,986	23,252	
330			
340			
350		(3,976)	
360		4,938	
370	(578)	(1,010)	
		(3,095)	
380		127	
399	41,238	144,718	
499	49,303	78,697	

* If this heading contains an important amount

STATEMENT OF THE TANGIBLE FIXED ASSETS
(heading IX of the assets) (in thousands EUR)

a) ACQUISITION VALUE

At the end of the previous financial year

Changes during the financial year :

. acquisitions including own production of fixed assets

. transfers and disposals

. transfers from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

b) REVALUATIONS

At the end of the previous financial year

Changes during the financial year :

. recorded

. acquired from third parties

. cancelled

. transferred from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

c) DEPRECIATIONS AND AMOUNTS WRITTEN OFF

At the end of the previous financial year

Changes during the financial year :

. charged

. taken back

. acquired from third parties

. cancelled because surplus

. transferred from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

d) NET BOOK VALUE AT THE CLOSE OF
THE FINANCIAL YEAR (a) + b) - c)

including . land and buildings

. installations, machines and tools

. furniture and vehicles

Codes	05	10	20	25	30
	Land and buildings	Installations, machines and tools	Leasing and similar rights	Other tangible fixed assets	Fixed assets under construction and advance payments
010	2,234,742	1,346,478	5,829	2,640,293	57,305
020	108,754	144,971	218	1,622,582	3,810
030	(123,746)	(151,220)	(234)	(701,223)	(25,598)
040	40,094	2,746	(1,613)	(589,753)	(2,119)
050	(26,945)	(16,977)	(18)	(12,478)	(151)
	(2,729)	(5,506)		13,763	
060					
070	2,230,169	1,320,493	4,182	2,973,183	33,247
100	377,407	73	2,900	77,324	1
110					
120					
130	(15,162)	(48)	(441)	(1,812)	
140	59,323	(732)		(57,843)	(1)
150	(15)	(44)			(0)
	(8,350)	776			
160					
170	413,203	25	2,460	17,669	0
200	1,279,668	968,392	1,172	867,930	
210	117,233	151,424	218	325,731	
220		(0)			
230	303	1,739		1,004	
240	(89,483)	(143,085)	(0)	(268,508)	
250	58,853	1,438	(1,381)	(39,244)	
260	(12,576)	(8,320)		(3,574)	
	(1,715)	(3,749)		(810)	
270		785			
280	1,352,284	968,623	8	882,529	
300	1,291,088	351,895	6,634	2,108,324	33,247
310			6,634		
320					
330					

STATEMENT OF AMOUNTS PAYABLE TO CREDIT INSTITUTIONS

(heading I.B. and C. of the liabilities)

(in thousands EUR)

A. For the heading as a whole :

- amounts payable to affiliated enterprises, not consolidated
- amounts payable to other enterprises linked by participating interests

Codes	05	10
	Financial year	Previous financial year
010	31,916	129,132
020	85,893	67,564

B. Breakdown of the amounts payable other than at sight according to their residual term (heading I.B. and C. of the liabilities)

- . up to three months
- . over three months and up to one year
- . over one year and up to five years
- . over five years
- . of indeterminate duration

Codes	Financial year
110	86,581,226
120	12,442,657
130	304,386
140	468,734
150	10,289

STATEMENT OF AMOUNTS PAYABLE TO CLIENTS

(heading II of the liabilities)

1. Amounts payable to :

- affiliated enterprises, not consolidated
- other enterprises linked by participating interests

Codes	05	10
	Financial year	Previous financial year
210	10,382,482	1,804,314
220	3,338	22,717

2. Geographical breakdown of the amounts payable to:

- Belgium
- foreign countries

Codes	Financial year
310	90,094,650
320	128,906,787

3. Breakdown by residual term :

- . at sight
- . up to 3 months
- . over 3 months and up to one year
- . over one year and up to 5 years
- . over 5 years
- . of indeterminate duration

Codes	Financial year
410	71,224,620
420	57,904,560
430	22,090,115
440	11,284,816
450	8,498,391
460	47,998,935

STATEMENT OF AMOUNTS PAYABLE REPRESENTED BY A SECURITY

(heading III of the liabilities)

(in thousands EUR)

1. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable :

- affiliated enterprises, not consolidated
- other enterprises linked by participating interests

Codes	Financial year	Previous financial year
010		
020		

2. Breakdown according to the residual term :

- . up to 3 months
- . over 3 months and up to one year
- . over one year and up to 5 years
- . over 5 years
- . of indeterminate duration

	Financial year
110	14,805,517
120	9,766,159
130	11,853,760
140	1,513,071
150	

STATEMENT OF SUBORDINATED AMOUNTS PAYABLE

(heading VIII of the liabilities)

- A. For the heading as a whole :

- amounts payable of the parent company
- amounts payable of the other consolidated companies

	Financial year	Previous financial year
010	5,440,614	5,225,531
020	4,826,043	4,750,247

- B. For the heading as a whole

- amounts payable to affiliated enterprises, not consolidated
- other enterprises linked by participating interest

	Financial year	Previous financial year
100	379,746	1,821,136
110		

- C. Charges in respect of subordinated loans

	Financial year
200	563,478

C. Mentions concerning subordinated loans : (heading VIII of the liabilities)				
Reference n°	Currency	Amount	Maturity or method of determining repayment date	a) Early redemption conditions (1) b) Subordination conditions (2) c) Convertibility conditions (3)
				TIER 1
				Issued by Fortis Bank
BE	EUR	995,405	2001 / perp.	If the issuer so wishes, as from the 10 th year
				TIER 2
				Issued by Fortis Bank
BE	EUR	700,000	2000 / perp.	Redeemed at maturity
BE	EUR	760,000	1999 / perp.	If the issuer so wishes
BE	NLG	40,000	1995 / perp.	In the event of a change in tax regulations
BE	NLG	25,000	1995 / perp.	If the issuer so wishes, as from the 10 th year
BE	NLG	20,000	1995 / perp.	If the issuer so wishes, as from the 10 th year
BE	NLG	10,000	1995 / perp.	If the issuer so wishes, as from the 10 th year
BE0061263082	JPY	20,000,000	1995 / perp.	If the issuer so wishes, as from the ...
BE0061894316	JPY	5,000,000	1995 / perp.	If the issuer so wishes, as from the 20 th year
BE	BEF	27,465,413	Each certificates	
				Issued by Banque Belgoise
BE	BEF	1,041	1998 / 2007	Redeemed at maturity
				Issued by Banque De La Poste
BE	BEF	24,789	1998 / 2008	Redeemed at maturity
				Issued by Fortis Luxembourg Finance sa
LUGENFINANCE	GBP	100,000	1995 / 2006	Redeemed at maturity
LUGENFINANCE	USD	22,330	1995 / 2013	Redeemed at maturity
LU	EUR	100,000	2003 / 2013	Redeemed at maturity
LUFLUXF	USD	2,000	2002 / 2012	Redeemed at maturity
LU99.63EUR	EUR	100,000	1999 / 2009	Redeemed at maturity
LUE.O.200MIO	EUR	200,000	2000 / 2010	Redeemed at maturity
LU250MIOS	EUR	250,000	2000 / 2010	Redeemed at maturity
LUeo	EUR	50,000	2000 / 2010	Redeemed at maturity
LU50MIOS6%	EUR	50,000	2000 / 2010	Redeemed at maturity
LUEO 00/10	EUR	150,000	2000 / 2010	Redeemed at maturity
LU515 SEK	SEK	515,000	1999 / 2007	Redeemed at maturity
LU	EUR	68,067	1998 / 2005	Redeemed at maturity

LU	EUR	74,368	1997	/	2007	Redeemed at maturity
LU	EUR	91,721	1997	/	2005	Redeemed at maturity
LU	EUR	49,579	1998	/	2008	Redeemed at maturity
LU	EUR	49,579	1998	/	2008	Redeemed at maturity
LUFLF 25/2/94	EUR	24,789	1994	/	2004	Redeemed at maturity
LU	EUR	74,368	1997	/	2007	Redeemed at maturity
LU361627	DKK	600,000	1997	/	2006	Redeemed at maturity
LU	EUR	49,579	1997	/	2007	Redeemed at maturity
LU9017020	DKK	400,000	1998	/	2008	Redeemed at maturity
LUGENFINANCE	EUR	100,000	1999	/	2009	Redeemed at maturity
LUGENFINANCE	EUR	150,000	1999	/	2009	Redeemed at maturity
LU	DKK	600,000	1999	/	2007	Redeemed at maturity
LUGENFINANCE	EUR	75,000	1999	/	2009	Redeemed at maturity
LUGENFINANCE	EUR	100,000	1999	/	2009	Redeemed at maturity
LULU	EUR	150,000	2001	/	2016	Redeemed at maturity
						Issued by GenFinance N.V.
GB	GBP	7,250	1983	/	2007	Redeemed at maturity
GB285967/11	GBP	7,250	1983	/	2007	Redeemed at maturity
						Issued by Banque Générale Luxembourg
LU	USD	36,000	1990	/	perp.	Redeemed at maturity
LU	DEM	25,000	1998	/	2008	Redeemed at maturity
LU	EUR	5,000	1998	/	2008	Redeemed at maturity
LU	FRF	60,000	1998	/	2006	Redeemed at maturity
LU	LUF	692,400	1994	/	2004	Redeemed at maturity
LU	LUF	1,000,000	1994	/	2004	Redeemed at maturity
LU	LUF	2,000,000	1994	/	2004	Redeemed at maturity
LU	LUF	2,000,000	1996	/	2004	Redeemed at maturity
LU	LUF	2,000,000	1997	/	2007	Redeemed at maturity
LU	LUF	2,000,000	1997	/	2005	Redeemed at maturity
LU	LUF	2,000,000	1997	/	2005	Redeemed at maturity
LU	LUF	2,000,000	1998	/	2008	Redeemed at maturity
LU	LUF	2,000,000	1998	/	2008	Redeemed at maturity
LU	LUF	2,000,000	1998	/	2008	Redeemed at maturity
LU	LUF	2,000,000	1998	/	2008	Redeemed at maturity
LU	LUF	2,000,000	1998	/	2008	Redeemed at maturity
LU	EUR	75,000	1999	/	2009	Redeemed at maturity
LUXS118166577	LUF	100,000	2000	/	2010	Redeemed at maturity
LU	USD	100,000	2001	/	2011	Redeemed at maturity
						Issued by Fortis Bank Nederland
NLFBN	NLG	56,001	1994	/	2009	Redeemed at maturity
NLFBN	NLG	5,000	1996	/	2005	Redeemed at maturity
NLFBN	NLG	2,499	1999	/	2004	Redeemed at maturity
NLFBN	NLG	12,499	1996	/	2004	Redeemed at maturity
NLFBN	NLG	15,001	1999	/	2019	Redeemed at maturity
NLFBN	NLG	20,000	1999	/	2009	Redeemed at maturity
NLFBN	NLG	5,000	1999	/	2003	Redeemed at maturity
NLFBN	NLG	15,001	1989	/	2004	Redeemed at maturity
NLFBN	NLG	15,001	1993	/	2008	Redeemed at maturity
NLFBN	NLG	2,269	2002	/	2007	Redeemed at maturity
NLFBN	NLG	170,000	2001	/	2031	Redeemed at maturity
NLFBN	NLG	250,000	1997	/	2007	Redeemed at maturity
NLFBN	NLG	59,366	1996	/	2008	Redeemed at maturity
NLFBN	NLG	5,758	1999	/	2014	Redeemed at maturity
NLFBN	NLG	1,000	1997	/	2007	Redeemed at maturity
NLFBN	NLG	1,000	1997	/	2007	Redeemed at maturity
NLFBN	NLG	4,000	1997	/	2007	Redeemed at maturity
NLFBN	NLG	1,000	1997	/	2007	Redeemed at maturity
NLFBN	NLG	1,000	1997	/	2007	Redeemed at maturity

NLFBN	NLG	1,000	1988	/	2008	Redeemed at maturity
NLFBN	NLG	130	1986	/	2004	Redeemed at maturity
NLFBN	NLG	1,050	1990	/	2010	Redeemed at maturity
NLFBN	NLG	167	1986	/	2004	Redeemed at maturity
NLFBN	NLG	525	1990	/	2010	Redeemed at maturity
NLFBN	NLG	750	1988	/	2008	Redeemed at maturity
NLFBN	NLG	75,000	1997	/	2007	Redeemed at maturity
NLFBN	NLG	75,000	1997	/	2010	Redeemed at maturity
NLFBN	NLG	90,000	2000	/	2009	Redeemed at maturity
NLFBN	NLG	60,000	1997	/	2012	Redeemed at maturity
NLFBN	NLG	5,000	1994	/	2004	Redeemed at maturity
NLFBN	NLG	50,000	1993	/	2005	Redeemed at maturity
NLFBN	NLG	35,000	1994	/	2008	Redeemed at maturity
NLFBN	NLG	25,000	1994	/	2007	Redeemed at maturity
NLFBN	NLG	10,000	1997	/	2010	Redeemed at maturity
NLFBN	NLG	10,000	1997	/	2004	Redeemed at maturity
NLFBN	NLG	10,000	1995	/	2008	Redeemed at maturity
NLFBN	NLG	12,000	1991	/	2006	Redeemed at maturity
NLFBN	NLG	10,000	1994	/	2009	Redeemed at maturity
NLFBN	NLG	450	1986	/	2006	Redeemed at maturity
NLFBN	NLG	334	1989	/	2004	Redeemed at maturity
NLFBN	NLG	1,350	1989	/	2009	Redeemed at maturity
NLFBN	NLG	2,000	1994	/	2019	Redeemed at maturity
NLFBN	NLG	1,050	1986	/	2006	Redeemed at maturity
NLFBN	NLG	600	1989	/	2009	Redeemed at maturity
NLFBN	NLG	600	1989	/	2009	Redeemed at maturity
NLFBN	NLG	600	1989	/	2009	Redeemed at maturity
NLFBN	NLG	600	1989	/	2009	Redeemed at maturity
NLFBN	NLG	525	1995	/	2010	Redeemed at maturity
NLFBN	NLG	450	1989	/	2009	Redeemed at maturity
NLFBN	NLG	60,000	1997	/	2009	Redeemed at maturity
NLFBN	NLG	40,000	1997	/	2012	Redeemed at maturity
NLFBN	NLG	125,000	1997	/	2007	Redeemed at maturity
NLFBN	NLG	125,000	2000	/	2010	Redeemed at maturity
NLFBN	NLG	101,371	1999	/	2014	Redeemed at maturity
						Issued by FORTIS IFICO
KYIFICO	JPY	15,000,000	1994	/	perp.	Redeemed at maturity
KYIFICO	JPY	5,000,000	1995	/	perp.	Redeemed at maturity
KYIFICO	JPY	5,000,000	1996	/	perp.	Redeemed at maturity
KYIFICO	NLG	20,000	1995	/	perp.	Redeemed at maturity
KYIFICO	NLG	15,000	1995	/	perp.	Redeemed at maturity
KYIFICO	NLG	50,444	1995	/	perp.	Redeemed at maturity
KYIFICO	NLG	15,000	1995	/	perp.	Redeemed at maturity
KYIFICO	NLG	10,000	1995	/	perp.	Redeemed at maturity
KYIFICO	USD	35,040	1996	/	perp.	Redeemed at maturity
KYIFICO	USD	99,868	2000	/	2010	Redeemed at maturity
KYIFICO	EUR	51,340	2000	/	2010	Redeemed at maturity
KYIFICO	EUR	5,814	2000	/	2012	Redeemed at maturity
KYIFICO	DEM	80,000	1992	/	2007	Redeemed at maturity
KYIFICO	EUR	11,741	2000	/	2012	Redeemed at maturity
KYIFICO	EUR	99,800	2000	/	2010	Redeemed at maturity
KYIFICO	EUR	30,000	2001	/	2031	Redeemed at maturity
KYIFICO	EUR	4,887	2001	/	2010	Redeemed at maturity

STATEMENT OF RESERVES AND PROFIT BROUGHT FORWARD

(heading XII of the liabilities)

	Codes	Financial year
At the end of the previous financial year		890,735
Changes during the financial year		
- group profit	010	1,265,970
- dividends	020	(866,182)
- consolidation difference		(26,950)
- provisions for pensions		68,619
- deferred taxes		
- director's entitlements		(260)
- other		(71)
At the end of the financial year	040	1,331,861

CONSOLIDATION DIFFERENCES DUE TO FULL CONSOLIDATION AND TO VALUATION BY EQUITY METHOD

	Codes	Positive differences	Negative differences
A. Differences due to full consolidation			
Net book value at the end of the previous financial year	100	200,094	
Changes during the financial year			
- due to increase of the percentage held	110	319,371	
- due to decrease of the percentage held	120		
- depreciations	130	(46,556)	
- differences transferred to the income statement (art. 52 § 2 Royal Decree 06/03/90)	140		
- other changes	150	(321)	
Subtotal of changes	199	272,494	
Net book value at the end of the financial year	200	472,588	
B. Differences due to valuation by equity method			
Net book value at the end of the previous financial year	300		
Changes during the financial year			
- due to increase of the percentage held	310	7,210	
- due to decrease of the percentage held	320		
- depreciations	330	(1,082)	
- differences transferred to the income statement (art. 52 § 2 Royal Decree 06/03/90)	340		
- other changes	350		
Subtotal of changes	399	6,128	
Net book value at the end of the financial year	400	6,128	

**BREAKDOWN OF TOTAL ASSETS AND TOTAL LIABILITIES
BETWEEN EURO & FOREIGN CURRENCIES**

(in thousands EUR)

	Codes	05	10
		in euro	in foreign currencies (exchange value in EUR)
TOTAL ASSETS	010	330,796,529	94,286,850
TOTAL LIABILITIES	020	331,575,195	93,508,184

TRUSTEE OPERATIONS REFERRED TO IN ARTICLE 27ter, § 1 paragraph 3, ROYAL DECREE 23/09/92

Concerned headings of the assets and liabilities	Codes	05
		Financial year
.....	110	
.....	120	
.....	130	
.....	140	
.....	150	
.....	160	
.....	170	
.....	180	
.....	190	
.....	200	
.....	210	
.....	220	
.....	230	

STATEMENT OF THE GUARANTEED LIABILITIES AND COMMITMENTS

Secured guarantees provided or irrevocably promised by the credit institution on its own assets

- (1) Amount registered or book value of the real estate encumbered if the latter is lower
- (2) Amount registered
- (3) Book value of the assets pledged
- (4) Amount of the assets in question

Codes	05	10	15	20
	Mortgages	Pledging of goodwill	Pledges on other assets	Guarantees established on future assets
	(1)	(2)	(3)	(4)
i) As security for liabilities and commitments of the consolidated entity				
<u>1. Headings of the liabilities</u>				
debts for mobilization and advances	010		76,705,864	
Receivables Banque de France pledged	020		61,995	
Guarantees repo/reverse repo transactions	030		3,730	
under repurchase agreements in respect of government	040		89,835	
Current accounts from clients	050		486,870	
<u>2. Off-balance sheet headings</u>				
Margin account financial futures	110			7,213
	120			
	130			
	140			
	150			
ii) As security for liabilities and commitments of third parties				
<u>1. Headings of the liabilities</u>				
.....	210			
.....	220			
.....	230			
.....	240			
.....	250			
<u>2. Off-balance sheet headings</u>				
.....	310			
.....	320			
.....	330			
.....	340			
.....	350			

STATEMENT OF THE CONTINGENT LIABILITIES AND OF COMMITMENTS

WHICH MAY GIVE RISE TO A CREDIT RISK

(in thousands EUR)

(headings I and II of the off-balance sheet)

	Codes	05	10
		Financial year	Previous financial year
Total of contingent liabilities on account of affiliated non-consolidated companies	010	53,358	66,308
Total of contingent liabilities on account of other enterprises linked by participating interests	020	41,549	47,339
Total of the commitments to affiliated non-consolidated enterprises	030	16,401	275,971
Total of the commitments to other enterprises linked by participating interests	040	14,119	153,228

STATEMENT OF THE FORWARD OFF-BALANCE SHEET OPERATIONS IN SECURITIES, FOREIGN CURRENCIES AND OTHER FINANCIAL INSTRUMENTS WHICH DO NOT CONSTITUTE COMMITMENTS WHICH MAY GIVE RISE TO A CREDIT RISK WITHIN THE MEANING OF HEADING II OF THE OFF-BALANCE SHEET

(in thousands EUR)

TYPES OF OPERATIONS	Codes	AMOUNT AT FINANCIAL YEAREND	OF WHICH TRANSACTIONS NOT CONSTITUTING HEDGING TRANSACTIONS (4)
		05	10
1. ON TRANSFERABLE SECURITIES forward purchases and sales of transferable securities and negotiable instruments	010	891,577	891,577
2. ON CURRENCIES (1) forward exchange operations	110	149,987,276	139,269,673
interest-rate and currency swaps	120	16,219,552	14,028,983
currency futures	130	54,741	54,741
currency options	140	28,377,371	27,676,016
forward exchange rate contracts	150	3,764,634	1,791,235
3. ON OTHER FINANCIAL INSTRUMENTS ON INTERESTS (2)			
1. interest-rate swaps	210	1,257,333,236	616,842,338
interest-rate futures	220	22,706,922	22,706,922
forward interest-rate contracts	230	53,237,789	35,082,166
interest-rate options	240	701,702,547	701,445,223
2. OTHER FORWARD PURCHASES AND SALES (3)			
other option contracts	310	73,806,268	66,278,687
other futures operations	320	4,166,738	4,166,738
other forward purchases and sales	330	402,496	402,496
TOTAL (1. + 2. + 3.1 + 3.2)	499	2,312,651,147	1,630,636,795

(1) Amounts to be delivered

(2) Nominal/notional reference amount

(3) Agreed buying/selling price

(4) Transactions which do not strictly meet the criteria for hedge accounting as specified in the Royal Decree of 23 September 1992 (articles 35c § 1. 36 § 1. And 36a § 1). For the most part, notional amounts given in this column do not represent open positions but are valued at the market price.

DETAILS CONCERNING THE OPERATING RESULTS

(in thousands EUR)

A. Breakdown of operating income according to origin

	Codes	05	10	15	20
		Financial year		Previous financial year	
		Belgian establishments	establishments abroad	Belgian establishments	establishments abroad
I. Interests and similar revenues	010	8,390,838	5,074,214	9,817,320	5,789,412
III. Income from variable-income securities					
- Corporate shares and units and other variable-income securities	110	8,074	15,748	36,455	18,760
- Participating interests and other corporate shares and units constituting financial fixed assets	120	4,390	19,416	62,257	28,472
IV. Commissions received	210	1,137,591	1,144,177	1,114,103	1,230,140
VI. Profit from financial operations					
- from exchange transactions and transactions in securities and other financial instruments	310	169,255	223,332	317,626	124,083
- from realization of investment securities	320	466,905	63,668	431,004	2,185
XIV. Other operating income	410	206,537	413,216	217,057	388,022

B. 1. Personnel

(unities)

	Codes	05	10
		fully consolidated enterprises	proportionally consolidated enterprises
Manual workers	500	3	
Non-manual workers	510	36,058	
Managerial staff	520	1,861	
Other persons on the payroll	530	414	

(in thousands EUR)

2. Personnel and pension expenses	600	2,640,254	
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(in thousands EUR)

C. Extraordinary results

1. Extraordinary profit (heading XVII of the income statement)
Breakdown of this heading if it represents a substantial amount
Sale Theodoor Gilissen
Restructuration
2. Extraordinary loss (heading XVIII of the income statement)
Breakdown of this heading if it represents a substantial amount
Restructurerung costs
.....
.....

Codes	Financial year
010	91,958
020	15,718
100	79,885
110	
120	

D. Income taxes (heading XXI of the income statement)

Based on the valuation rules, the deferred taxes are booked :

1) MAJOR DIFFERENCES BETWEEN EXPECTED AND ACTUAL TAXATION

Profit before taxes	1,730,607
Statutory tax rate	33.99%
Expected taxation	588,233
Income from securities	(146,441)
Disallowed expenses	29,524
Net income from branch offices	(37,921)
Income taxed at specific rates and other taxes	(172)
Loss carry forwards	
Miscellaneous	(166)
Foreign tax rate differential	(19,352)
Effect tax rate change on temporary differences	(2,676)
Taxes relating to prior years	(27,681)
Taxation through P&L	383,348

2) SPECIFICATION OF DEFERRED TAXES

2.1 Deferred tax assets

Receivables from credit institutions	5,484
Receivables from clients	95,608
Start-up costs and intangible fixed assets	15,343
Other creditors	5,051
Provisions for other risks and charges	182,115
Loss carry forwards and tax credits	459,103

TOTAL

762,704

2.2 Deferred taxes liabilities

Bonds and other interest bearing securities	28,645
Shares and other non-interest bearing securities	199
Financial fixed assets	51,719
Tangible fixed assets	164,946
Other assets	239,472
Deffered charges and accrued income	611
Accrued charges and deffered income	14,484
Reserves	9,774

TOTAL

509,850

Net deferred tax asset

252,854

AMOUNTS FROM THE CONSOLIDATED BALANCE SHEET :

XII Other assets	
C. Other	370,703
VI. Provisions and deferred tax liabilities	
B. Deferred tax liabilities	(117,849)
	252,854

OFF-BALANCE SHEET RIGHTS AND COMMITMENTS WHICH ARE NOT COVERED EITHER ABOVE IN THIS SECTION OR BY THE OFF-BALANCE SHEET HEADINGS

(in thousands EUR)

A. Major commitments for the acquisition of fixed assets

.....

Major commitments for the sale of fixed assets

.....

B. Important legal proceedings and other important commitments

.....

C. Commitments relating to the supplementary retirement and survivorship pension system in favour of personnel or directors due by the consolidated companies

cf. Supplemental note about pension benefits (31bis)

.....

Codes	05
	Financial year
010	
020	
030	
040	
110	
120	
130	
140	
210	
220	
230	
240	

	Financial year
310	
320	
330	
340	

FINANCIAL RELATIONS WITH DIRECTORS AND MANAGERS

A. Amount of remunerations of directors or managers of the consolidated enterprise assigned because of their functions in the consolidated enterprise, in affiliates or associated enterprises, including pensions assigned to former directors or managers

	Financial year
400	7,485

B. Advances and credits granted to directors and managers referred to under A

500	1,383
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Supplementary disclosure relating to pension benefits

The actuarial calculations are based on the following assumptions :

Discount rate :	4,60 % - 4,90 %
Expected long term rate of return :	4,90 % - 5,00 %
Rate of compensation :	1,90 % - 3,40 %

Components of net periodic pension cost (in EUR million)

Service cost	166
Interest cost	180
Expected return on plan assets	(180)
Amortization unrecognized net gains	37
Imputation prior service cost	7
Net periodic pension cost	210

Supplementary disclosure relating to pension benefits

Fortis Banque funds several non-statutory pension plans, covering the greater majority of staff. There are two kinds of plans:

- I. pension plans with fixed contributions, for which payment of the contributions discharges the employer from any obligation
 1. pension plans with defined benefits.

The expenses relating to the second category (15 schemes in the group) are calculated in accordance with the provisions of the various pension schemes.

In order to harmonise the methods used in the various group companies, and to evolve within Fortis Bank towards international accounting standards and the methods used by Fortis, pension obligations are calculated at consolidated level according to a method based on international accounting practice, including the US standard FAS87 "Employer's Accounting for Pensions".

**FREE TRANSLATION OF THE
UNQUALIFIED STATUTORY AUDITOR'S REPORT
ORIGINALLY PREPARED IN FRENCH AND DUTCH**

**Report of the joint Statutory Auditors on the consolidated financial statements for the
year ended 31 December 2003 submitted to
the General Shareholders' Meeting
of the S.A.-N.V. Fortis Banque – Fortis Bank**

In accordance with legal and regulatory requirements, we are pleased to report to you on the performance of the audit mandate that you have entrusted to us.

We have audited the consolidated financial statements, prepared under the responsibility of the Board of Directors of the Bank, as of and for the year ended 31 December 2003, and which show a balance sheet total of 425.083.379 thousands EURO and a consolidated profit for the year (group share) of 1.265.970 thousands EURO. We have also examined the consolidated directors' report.

Unqualified audit opinion on the consolidated financial statements

Our audit was performed in accordance with the standards of the "Institut des Reviseurs d'Entreprises-Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable in Belgium.

In accordance with those standards, we considered the Group's administrative and accounting organisation as well as its internal control procedures. We have obtained the explanations and information required for our audit. We examined, on a test basis, the evidence supporting the amounts in the consolidated financial statements. We assessed the accounting and consolidation policies used and the significant accounting estimates made by the Bank, as well as the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as of 31 December 2003 and the consolidated results of its operations for the year then ended, in conformity with the legal and regulatory requirements applicable in Belgium, and the information given in the notes to the consolidated financial statements is adequate.

Additional certification

We supplement our report with the following additional certification, which does not modify our audit opinion on the consolidated financial statements:

- The consolidated directors' report contains the information required by law and is consistent with the consolidated financial statements.

Brussels, 15 March 2004

SCC - BCV Klynveld Peat Marwick Goerdeler
Bedrijfsrevisoren/Reviseurs d'Entreprises

Statutory Auditor
represented by

V. Nijs
Partner

SCCRL - BCVBA PricewaterhouseCoopers
Bedrijfsrevisoren/Reviseurs d'Entreprises

Statutory Auditor
represented by

L. Discry
Partner

**REGISTERED OFFICE OF THE
ISSUER**

Fortis Luxembourg Finance S.A.
rue Aldringen 14,
L-1118 Luxembourg.

REGISTERED OFFICE OF THE GUARANTOR

FORTIS BANK nv-sa
Montagne du Parc 3
B - 1000 Brussels

FISCAL AGENT AND PRINCIPAL PAYING AGENT

FORTIS BANK nv-sa
Montagne du Parc 3
B - 1000 Brussels

PAYING AGENT

Banque Générale du Luxembourg S.A.
50 avenue J.F.Kennedy
L-2951 Luxembourg

LISTING AGENT

FORTIS BANK nv-sa
Montagne du Parc 3
B-1000 Brussels

AUDITORS

To the Issuer

KPMG Audit
31 allée Scheffer
L 2520 Luxembourg

To the Guarantor

**PriceWaterhouseCoopers,
Réviseurs d'Entreprises S.C.C.**
represented by Luc Discry, Partner
Avenue du Cortenbergh 75
B-1000 Brussels

**Klynveld Peat Marwick Goerdeler
Revisers d'Entreprises S.C.C.**
represented by Virgile Nijs, Partner
Avenue du Bourget 40
B 1130 Brussels