



Fortis Luxembourg Finance S.A.

(Incorporated as a public limited liability company (société anonyme) under the Laws of the Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register under N° B24.784)

unconditionally and irrevocably guaranteed by

Fortis Bank

(Incorporated in the Kingdom of Belgium and registered in the Register of Legal Entities under the number 0403.199.702)

Minimum EUR 5,000,000 and maximum EUR 250,000,000
Reverse Accumulator Notes due 29 December 2008 (the “**Notes**”)

Public offering in Belgium, Luxembourg and The Netherlands

Subscription period: from 21 November to 23 December 2005 included save in case of early termination due to oversubscription or to material changes in market conditions

Issue Price: 102%

Issue date: 29 December 2005

Application has been made to list the Notes on Euronext Brussels

Fortis Bank

PROSPECTIVE INVESTORS AND PURCHASERS SHOULD CONSIDER THE INVESTMENT CONSIDERATIONS SET FORTH ON PAGES 4, 25, 58 AND 79 OF THIS PROSPECTUS AND THE SELLING RESTRICTIONS AS SET OUT ON PAGE 115

This Prospectus is dated 26 October 2005

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1 SUMMARY OF THE PROSPECTUS

dated 26 October 2005

relating to the issue of Reverse Accumulator Notes

for a minimum amount of
€5,000,000 and a maximum amount of €250,000,000,

issued by

Fortis Luxembourg Finance S.A.

unconditionally and irrevocably guaranteed by

Fortis Bank nv-sa

PUBLIC OFFERING IN BELGIUM, LUXEMBOURG & THE NETHERLANDS

AND

LISTING ON EURONEXT BRUSSELS

Risk Factors

The purchase of the Notes (as defined hereafter) may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes.

The information in this Section “Risk Factors” relates to certain risks in relation to the Notes but does not purport to be a full or complete description of such risks.

Index-linked Notes – Evolution of the Underlying

An investment in the Notes the terms of which provide that the principal and/or premium, if any, is linked to a basket of securities or securities indices, either directly or inversely, entails significant risks that are not associated with investments in a conventional fixed rate or floating rate debt security.

These risks include the possibility that the Index (as defined hereafter) may be subject to significant changes, that the repayment of principal and/or premium, if any, can occur at times other than that expected by the investor, that, in certain circumstances, prospective investors, could lose all or a substantial portion of their investment, if any, payable on the maturity date. These risks depend on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

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

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

It is expressly pointed out that, upon reimbursement of the Notes at maturity, investors may receive an amount that, on the basis of the Index price at that moment, represent a lower value than the par value of the reimbursed Notes. The risk may amount to the total par value of the Notes if the Index has no more value at the moment of the reimbursement.

Liquidity

It is not possible to predict the price at which Notes will trade in the market. Application will be made to list the Notes on Euronext Brussels, but there is no guarantee that an active market for trading the Notes will develop after the listing. The market for the Notes may be limited and not liquid. The only way in which the holder can realise value from a Note prior the maturity date is to sell it at its then market price in the market. This price can be below the nominal amount of the Notes.

Conflicts of interest - combination of functions

Potential investors should pay attention to the fact that the Issuer is a subsidiary of Fortis Bank and is part of the Fortis Group whereas Fortis Bank, for this issuance, is guarantor, dealer (on a firm underwriting basis), arranger, calculation agent, and market maker under the issue of Notes, so that it can have potential conflicts of interest. Fortis Bank undertakes to ensure, for each of such conflict, to act in good faith and to use reasonable efforts to come to a commercially acceptable arrangement for the Noteholders.

The fiscal agent is also part of Fortis Group.

Investment decision

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, investors should consult a specialised financial advisor or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on its own independent review of the information included in the complete Prospectus.

Approval by the Banking, Finance and Insurance Commission

On 25 October 2005, the Prospectus (as defined below), drawn up in accordance with chapter II of the Regulation (EC) n°809/2004 of the European Commission dated 29 April 2004, has been approved by the Banking, Finance and Insurance Commission pursuant to article 14 of the Law dated 22 April 2003 on public offerings of securities. The Prospectus constitutes a prospectus for the purposes of Article 5 of the Prospectus Directive.

This approval in no way implies an evaluation of the appropriateness of the quality of the operation, or the situation of the Issuer.

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

The present Prospectus drawn up in accordance with Prospectus Directive will be used for the public offering of the Notes in Belgium, The Netherlands and in the Grand Duchy of Luxembourg.

This “Summary” contains a brief summary of the principal characteristics of the issuance of Reverse Accumulator Notes (the “**Notes**”), a description of Fortis Luxembourg Finance S.A. (the “**Issuer**”) and of Fortis Bank nv-sa (the “**Guarantor**” or “**Fortis Bank**”). This summary exists also in French

and in Dutch (together, the "Summaries"). The Dutch and French versions of this Summary are only translations of this English Summary. In case of discrepancies between these Dutch and French versions and this English summary, only this English version will be legally binding. This Summary has to be read as an introduction to the prospectus dated 26 October 2005 written in English (the "Prospectus") and composed of the following chapters:

A. Summary		4
B. Securities Note:	Terms and Conditions of the Notes	25
C. Registration Document:	Information on the Issuer	57
D. Guarantees Building Block:	Information on the Guarantor	76

Each decision to invest in the Notes has to be based on an exhaustive analysis by the investor of the Prospectus as a whole.

Fortis Bank has prepared this Summary, including its translation. No civil liability will attach to Fortis Bank in respect of the Summary unless it is misleading, inaccurate or inconsistent when read together with the other part of the Prospectus.

The consistency between the translations of the Summary has been verified by Fortis Bank which assumes the responsibility thereof. In case of inconsistencies between the Summary and other parts of the Prospectus, the latest shall prevail. Where a claim relating to the information contained in this Prospectus is brought before a Court, the plaintiff investor may have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

1.1 CHARACTERISTICS OF THE OPERATION

Issuer	Fortis Luxembourg Finance S.A. - Luxembourg, a subsidiary of Fortis Bank, having as main objective to participate to the financing of all companies belonging to the Fortis Groep. See also the section “The Issuer” of this Summary.
Guarantor	Fortis Bank nv-sa (“ Fortis Bank ”) - Belgium - See also the section “The Guarantor” in this Summary. The Guarantor only undertakes to ensure the payment to the investors of the amounts which have to be paid to them following the “Terms and Conditions” of the Notes (as to be found in Section 2.4.1.)
Use of proceeds	After deduction of the expenses relating to the issuance, the product of the loan is intended to finance the activities of Fortis Bank.
Principal Amount	Minimum € 5,000,000 and maximum € 250,000,000
Form of Securities	Bearer securities - No physical delivery - The securities have to be deposited in a securities account.
Nominal Amount	€ 1,000
Issue Date	29 December 2005
Maturity Date	29 December 2008
Issue price	102%
Status of the Notes	The securities constitute an ordinary non-subordinated debt of the Issuer. It ranks equal pari passu with all other non subordinated present an future debt of the Issuer.
Guarantee	The Notes are guaranteed by Fortis Bank on a non-subordinated basis.
Listing	Euronext Brussels, as from 29 December 2005.
Financial Service	Principal paying agent: Fortis Banque Luxembourg SA Paying agents: Fortis Bank, Montagne du Parc 3, 1000 Brussels, internet: www.fortisbank.com . Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam.
Early redemption	The Issuer has the option to redeem the Notes on 29 December 2006 (the “ Early Redemption Date 1 ”), if the Interim Valuation 1 of the Dow Jones EURO STOXX 50 SM Index (the “ Index ”) is equal or greater than the Initial Value. The Issuer has the option to redeem the Notes on 29 December 2007 (the “ Early Redemption Date 2 ”), if the Interim Valuation 2 of the Index is equal or greater than the Initial Value. If the Notes are to be redeemed on the Early Redemption Date 1 the Notes will be redeemed at the early redemption price of 109%, being EUR 1,090 per denomination, or if the Notes are to be redeemed on the

Early Redemption Date 2 the Notes will be redeemed at the early redemption price of 118%, being EUR 1,180 per denomination (the “**Early Redemption Amount**”).

Subscription period	From 21 November to and including 23 December 2005, early closing shall be possible in case of oversubscription or material modification of the market conditions. In case of early closing of the subscription period due to an oversubscription or a material modification of the market conditions as determined by the Dealer or the Issuer at its only discretion, the allocation of the Notes will be made on the basis of objective allocation criteria as follows: subscriptions will be treated in the chronological order of their receipt and, if necessary, the amount of the last subscriptions received shall be reduced proportionally in order to correspond to the total amount of the Issue. Each payment made in relation to the subscription of the Notes which is not allocated shall be reimbursed 7 banking working days in Belgium after the payment date and the holders cannot claim any interest on these payments.
Payment Date	29 December 2005
Interest	The Notes bear no interest.
Final Redemption Amount	The Notes will be reimbursed at an amount equal to 127% of their nominal amount in case the closing level of the Index on the fifth Index Business day prior to the maturity date of the Notes is superior or equal to the Initial Value of the Index (as defined in Section 2.4.1.5 of the Securities Note).

In case the the Final Value of the Index (as defined in Section 2.4.1.5 of the Securities Note) is inferior to the initial value of the Index determined on the Initial Valuation Date (as defined in Section 2.4.1.5 of the Securities Note), the Notes will be reimbursed at an amount in accordance with the following formula:

$$NA \times \left[100\% + \text{Min} \left(0\%; \frac{S_M - S_0}{S_0} \times 100\% \right) \right]$$

where NA stand for nominal amount
 where S₀ stands for the Initial Value of the Index;
 where S_M stands for the Final Value of the Index;

"Index Business Day" means a day that is (or, but for the occurrence of an Index Disruption Event, would have been) a trading day on all or certain of the Exchanges, to the effect that trading is open for shares composing the Index (the "**Shares**") representing at least 50% of the level of the Index, and

"Initial Value" means the closing value of the Dow Jones EURO STOXX 50SM at the Valuation Time, on the Initial Valuation Date;

"Interim Valuation 1" means the closing value of the Dow Jones EURO STOXX 50SM at the Valuation Time on the Interim Valuation Date 1;

"Interim Valuation 2" means the closing value of the Dow Jones EURO STOXX 50SM at the Valuation Time on the Interim Valuation Date 2;

"Final Value" means the closing value of the Dow Jones EURO

STOXX 50SM at the Valuation Time, on the Final Valuation Date;
"Initial Valuation Date" means the fifth Index Business Day preceding 29 December 2005;
"Final Valuation Date" means the fifth Index Business Day preceding 29 December 2008;
"Interim Valuation Date 1" means the fifth Index Business Day preceding 29 December 2006;
"Interim Valuation Date 2" means the fifth Index Business Day preceding 29 December 2007;
"Valuation Time" means the time that is customary for the announcement, by the Announcer, of the closing value of the Dow Jones EURO STOXX 50SM Index on each Index Business Day.

Applicable law	Luxembourg law for the Terms and Conditions of the Notes. Belgian law for the guarantee.
Courts	Any litigation relating to the operation shall be submitted to the jurisdiction of Luxembourg or Brussels.
Costs and taxes	See "Costs", page 23. See "Tax Regime", page 15.
Notice	Any notice to noteholders will be published in the Belgian (L'Echo and De Tijd), Dutch (Het Financieele Dagblad) and Luxembourg (Luxemburger Wort) financial press.
Secondary market	Fortis Bank is market maker for this issuance and guarantees a maximum spread of 1% until maturity of the Notes under standard market conditions.
Codes and clearing	The Notes have been accepted in the liquidation system of Clearstream Luxembourg SA and Euroclear Bank SA under the common code 023635496 and the ISIN code XS0236354964.
Representation of the noteholders	The paying agency agreement contains provisions relating to the convening of the noteholders.
Selling restrictions	The selling restrictions in the United States, the United Kingdom and the European Economic Area, as determined in the Securities Notes, have to be complied with. The selling restrictions in each other jurisdiction have to be complied with the Issuer and the Dealer.
Dealer	The issuance of the Notes will be fully subscribed by Fortis Bank on the basis of an underwriting agreement.
Underlying/Index	The information on the DJ Eurostoxx 50 (Bloomberg: SX5E<Index>) can be found on pages 46 to 48 of the Prospectus.
Evolution of the Index	Information on the price of the Index and the price of the Notes during the lifetime of the issuance, can be obtained in the Fortis Bank offices. The graph on page 46 shows the evolution of the Index between 14 November 2002 and 14 November 2005.

Simulations at maturity The table below shows the theoretical evolution of the investors yield on the basis of the performance of the Index.
The yields are actuarial gross yields, calculated on the basis of the rate, the complete duration, the issuance price and the redemption price of the Notes.

Scenario 1		
	<u>Eurostoxx 50 performance compared to its initial reference level (100%)</u>	<u>Redemption</u>
Year 1	124%	The note is called after 1 year and the redemption amount equals 100% + 9,00%
Year 2	106%	
Year 3	86%	
IRR = 6.86%		

Scenario 2		
	<u>Eurostoxx 50 performance compared to its initial reference level (100%)</u>	<u>Redemption</u>
Year 1	84%	
Year 2	103%	The note is called after 2 years and the redemption amount equals 100% + 18,00%
Year 3	121%	
IRR = 7.56%		

Scenario 3		
	<u>Eurostoxx 50 performance compared to its initial reference level (100%)</u>	<u>Redemption</u>
Year 1	78%	
Year 2	92%	
Year 3	108%	The redemption amount equals 100% + 27,00%
IRR = 7.58%		

Scenario 4		
	<u>Eurostoxx 50 performance compared to its initial reference level (100%)</u>	<u>Redemption</u>
Year 1	99%	
Year 2	86%	
Year 3	82%	The redemption amount equals 82%
IRR = - 7.02%		

1.2 INFORMATION CONCERNING THE ISSUER AND THE GUARANTOR

Should you wish to obtain more information concerning the Issuer and the Guarantor, please refer to the chapters “Registration Document” and “Guarantees Building Block” of the Prospectus and to the documents referred to in these parts of the Prospectus.

1.2.1 The Issuer

Fortis Luxembourg Finance S.A. was incorporated on 24 September 1986 in Luxembourg as a limited liability company (société anonyme) with the name GENFINANCE LUXEMBOURG S.A., which was then changed to FORTIS LUXEMBOURG FINANCE S.A. on 12 November 2001. The registered office and its headquarter are located at 65, boulevard Grand-Duchesse Charlotte, L-1331 Luxembourg and it is registered with Luxembourg Registry of Commerce and Companies under number B24784.

The Articles of Association of the Issuer have been amended several times, most recently on 7 February 2005, published on 23 March 2005 in the “Mémorial, Recueil des Sociétés et Associations”.

The corporate purpose of the company is to provide all direct or indirect financing, by any means, to its subsidiaries and other companies belonging to the Fortis Group and to lend funds, to grant loans and to give guarantees and financial and administrative assistance in connection therewith to these subsidiaries and companies.

To realise its corporate purpose, the company may amongst others:

- enter into any refinancing operation including amongst others, but not limited to, borrow in any form or obtain loans in any form, to participate into securitisation transactions and obtain funding, by amongst others issuing in any form any kind of bonds or similar securities, debentures, notes, certificates, warrants and all other kinds of financial instruments;
- give guarantees, pledge or provide any other form of security, be it by personal security or mortgage or charge on all or part of its assets;
- enter into all kinds of agreements and transactions on derivatives including amongst others, but not limited to, swaps (including credit default swaps), options and futures; and
- enter into all kinds of temporary transfers of securities including amongst others but not limited to securities lending and repurchase transactions.

The company may enter into all transactions, which it deems necessary for the accomplishment and development of its corporate purpose, remaining within the limits of the law on commercial companies of 10 August 1915.

On the date of this Prospectus, the authorised and subscribed share capital amounts to EUR 500,000, consisting of 20,000 shares each of a nominal value of EUR 25, each fully subscribed and paid up. The Issuer has no other classes of shares, nor notes outstanding which are convertible, exchangeable or reimbursable into shares of the Issuer nor notes containing the right to acquire or subscribe to shares of the Issuer.

The issuance of the Notes has been authorised through a decision of the board of directors of the Issuer dated 18 October 2005.

The Issuer is part of the Fortis group. The Guarantor holds 99,995% of the Issuer's shares.

1.2.1.1 Capitalisation of the Issuer

The capitalisation and indebtedness of the Issuer in accordance with the Issuer's audited accounts as at 31 December 2004 (figures in EUR), is as set out below:

Shareholders' Equity	
Share capital	500,000.00
Legal reserve	50,000.00
Reserve not available	1,182,021.25
Retained earnings	13,876,527.00
Total Shareholders' Equity	15,608,548.25
Long Term Debt	4,614,945,665.10
Short Term Debt (including commercial paper)	1,361,447,878.45
Total Debt Long Term and Short Term	5,976,393,543.55
Total Capitalisation	5,992,002,091.80

Since 31 December 2004, the Issuer has issued the following notes:

EUR 3,000,000 Callable Range Accrual Notes due 5 January 2012 EMTN series N° 188 XS0208319870;
USD 15,000,000 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 25 January 2020 EMTN series N° 191 XS0209607109;
EUR 5,000,000 Credit Linked Notes due 18 April 2007 EMTN series N° 192 XS0210194022;
EUR 5,000,000 Credit Linked Notes due 18 April 2007 EMTN series N° 193 XS0210194451;
USD 20,000,000 Bermudan Callable Zero Notes due 25 January 2025 EMTN series N° 194 XS0210027719;
EUR 5,750,000 8.30% Reverse Convertible Notes due 24 January 2007 convertible into ABN-AMRO shares EMTN series N° 195 XS0210749932;
EUR 3,500,000 7.80% Reverse Convertible Notes due 24 January 2007 convertible into ROYAL DUTCH shares EMTN series N° 196 XS0210750609;
EUR 4,250,000 9.00% Reverse Convertible Notes due 24 January 2006 convertible into ROCHE shares EMTN series N° 197 XS0210750435;
USD 2,300,000 USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 15 February 2020 EMTN series N° 198 XS0210881701;
EUR 30,000,000 reverse convertible Notes due 16 August 2006, convertible into Dexia shares XS0211673982;
EUR 25,000,000 3.875% Fixed Rate Notes 2005 due 31 March 2015 guaranteed on a subordinated basis XS0213287070;
EUR 10,000,000 Credit Linked Notes due 10 April 2006 EMTN series N° 199 XS0211846240;
EUR 10,000,000 Credit Linked Notes due 10 April 2007 EMTN series N° 200 XS0211847131;
USD 10,000,000 Year Callable Range Accrual Notes due 25 February 2015 EMTN series N° 201 XS0211848022;
USD 20,000,000 Year Callable Zero Coupon Notes due 25 February 2025 EMTN series N° 202 XS0212391519;
USD 1,700,000 2.5 Years Equity Linked Notes due 2007 EMTN series N° 203 XS0212501554;
EUR 16,478,000 "Target Snowball" Notes 2005 due 2015 XS0213766636;
EUR 10,000,000 Reverse Convertible Notes 2005/2006 due 8 September 2006 convertible into Deutsche Bank AG shares XS0213297202;
USD 5,600,000 Callable Range Accrual Notes due 22 March 2020 EMTN series N° 204 XS0213750713;
USD 8,500,000 Callable Range Accrual Notes due 25 March 2017 series N° 205 XS0214513631;
EUR 50,000,000, 10 Year Capped CMS-Linked Note due 11 April 2015 guaranteed on a senior subordinated basis, series N° 206 XS0214846874;
USD 2,000,000 5.00 per cent. Click T BIN (autocallable) Notes due 22 March 2007 EMTN Series N° 207 XS0214989989;
EUR 15,000,000 Reverse Convertible Notes 2005/2006 due 25 October 2006 convertible into ING Groep N.V. shares XS0216034222;
EUR 5,000,000 Credit Linked Notes due July 2006 EMTN Series N° 208 XS0215408971;
EUR 5,000,000 Credit Linked Notes due 23 July 2007 EMTN Series N° 209 XS0215409433;

USD 15,850,000, USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 11 April 2020 EMTN Series N° 210 XS0215556738;
 USD 6,120,000, 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 11 April 2020, EMTN Series N° 211 XS0215556498;
 USD 15,250,000, 10 Year Callable Daily Accrual Notes linked to 30 year-2 year CMS Spread due 15 April 2015, EMTN Series N° 212 XS0216471101;
 USD 5,550,000, 10 Year Callable Range Accrual Notes due 15 April 2015 EMTN Series N° 213 XS0216433515;
 EUR 3,330,000 Zero Coupon Autocallable Reverse Convertible Notes due 2006 convertible into Endesa S.A. shares EMTN Series N° 216 XS0217230886.
 USD 3,100,000 CMS Spread Range Accrual Notes due 29 April 2020 Series N° 215 XS0217124345
 EUR 1,500,000 Range Accrual Notes due 9 May 2008 Series N°217 XS0218420791
 USD 75,000,000 4.25% Notes due 25 May 2010 Series N°215 XS0218424868
 USD 2,100,000 Bermudan CMS Spread Range Accrual Notes due 1 June 2015 Series N°219 XS0219552568
 EUR 200,000,000 Credit Linked Notes linked to CMS 7 years, floored at 4.75%, due 30 June 2012 Series N° 220 XS0220820608
 EUR 7,000,000 7% Target Redemption Notes on 12 months EUIBOR Notes due 2 June 2020 Series N° 221 XS0220757214
 EUR 12,000,000 TOP Notes due 14 December 2007 Series N°222 XS0220549025
 EUR 20,000,000 Capped CMS Linked Notes due 1 July 2015 XS0221564544
 EUR 6,000,000 Equity Index Linked Notes due 6 July 2015 Series 223 XS0222331810
 USD 10,000,000 Credit Linked Notes to CMS 7 years, floored at 6%, due 30 June 2012 Series N° 224 XS0222427501
 EUR 22,000,000 Capped CMS Linked Notes due 29 July 2015 XS0223235390
 EUR 34,000,000 Swing Notes due 29 July 2012 XS0222939828
 TRY 35,000,000 14% Notes due 27 July 2007 XS0223721654
 EUR 1,500,000 Equity Linked Notes due 17 July 2008 Series N° 225 XS0224156892
 EUR 7,500,000 Credit Linked Notes due 8 October 2007 Series N° 226 XS0224688043
 EUR 3,000,000 11% Reverse convertible on Arcelor Notes due 28 July 2006 Series N° 227 XS0224767698
 TRY 120,000,000 13.70% Notes due 28 July 2008 Series N° 229 XS0225353829
 EUR 65,000,000 FRN 3 months EURIBOR + 0.06% Notes due 28 July 2008 Series N° 228 XS0225296507
 EUR 2,000,000 quanto USD Libor 12 months Range Accrual Notes due 1 August 2008 Series N° 230 XS0225354470
 EUR 30,000,000 Swing 2 Notes due 8 September 2012 XS0226146065
 FLF EUR 42,000,000 CMS Indexed CLN "Velazquez" Notes due 10/10/2013 XS0226638103
 FLF EUR 14,000,000 Swing 3 Notes due 6/10/2012, XS0228595525
 FLF EUR 5,450,000 3 years Participation on Basket Of Energy Stocks Notes due 7/10/2008 series n° 231 XS0231265249
 FLF USD 20,000,000 15 Years Range Accrual Zero Coupon Notes due 12/10/2020 series n° 232 XS0231563007
 FLF EUR 1,000,000 4 Years Index Linked Notes due 14/10/2009 series n° 233 XS0232112465

Except for what has been set out here above, there have been no material changes in the capitalisation since 31 December 2004.

1.2.1.2 Balance Sheet as at 31 December 2004 (in EUR)¹

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
Assets			
Fixed Assets			
Tangible assets		265	553
Financial assets			
Loans to affiliated undertakings	3	4,610,436,913	4,252,058,341
		<u>4,610,437,178</u>	<u>4,252,058,894</u>
Current Assets			
Debtors becoming due and payable within one year			
Other debtors	4	1,527,456,828	1,987,326,341
Cash at bank and in hand		<u>19,659,787</u>	<u>15,425,960</u>

¹ The financial information are extracted of the audited annual accounts of the Issuer and have to be consulted together with the annual accounts (including the notes).

	Notes	2004	2003
Prepayments	5	1,547,116,615	2,002,752,301
Loss of the financial year		45,469,253	35,978,840
		<u>1,589,387</u>	<u>6,290,790,035</u>
		<u>6,204,612,433</u>	<u>6,290,790,035</u>
Liabilities			
Capital and reserves			
Subscribed capital	6	500,000	500,000
Reserves	7		
Legal reserve		50,000	50,000
Other reserves		1,182,021	915,371
Profit brought forward		13,876,527	10,389,811
		<u>15,608,548</u>	<u>11,855,182</u>
Creditors			
Amounts becoming due and payable after more than one year			
Debenture loans	8	3,731,843,210	3,423,163,326
Amounts becoming due and payable within one year			
Debenture loans and commercial papers		2,244,550,334	2,675,019,976
Other creditors (including tax: EUR 3,838,144 (2003 EUR 2,744,267))	9	166,585,517	144,147,715
		<u>6,142,979,061</u>	<u>6,242,331,017</u>
Deferred income	5	46,024,824	32,850,470
Profit for the financial year		-	3,753,366
		<u>6,204,612,433</u>	<u>6,290,790,035</u>

1.2.1.3 Profit and loss account for the year ended 31 December 2004² (in EUR)

	Notes	2004	2003
Administrative expenses		(544,230)	(406,295)
Income from other transferable securities and from loans forming part of the fixed assets	10	367,083,903	345,429,278
Profit on "reverse convertible" bonds		-	15,072,442
Other interest receivable and similar income	11	9,999,971	10,571,714
Interest payable and similar charges	12	(375,756,174)	(349,179,339)
Loss on "reverse convertible" bonds		-	(15,072,422)
Tax on profit or loss on ordinary activities		<u>(2,328,394)</u>	<u>(2,662,012)</u>
Profit on ordinary activities after taxation		(1,544,924)	3,753,366
Other taxes not shown under the above items		(44,463)	-
Profit for the financial year		<u>(1,589,387)</u>	<u>3,753,366</u>

No material changes occurred in the position of the Issuer since 31 December 2004.

There is no pending legal proceedings which may have significant effects on the issuer and its financial situation. The Issuer shall continue to act as a financing vehicle and, except unexpected circumstances, expects to achieve the same results than in the past year.

The above information for the years ended 31 December 2003 and 2004 is extracted from, and should be read in conjunction with, the audited financial statements (including the notes thereto) of the Issuer.

² The financial information are extracted of the audited annual accounts of the Issuer and have to be consulted together with the annual accounts (including the notes).

The audited and approved financial statements of the Issuer for the year ended 31 December 2003 and 2004 are available free of charge at the head office of the Fortis Banque Luxembourg S.A. in Luxembourg and at the head office of Fortis Bank in Belgium.

1.2.1.4 Board of directors

As at the date of this Summary, the board of directors was comprised of the following persons:

- Bas Schreuders, Member of the Board of Directors of MeesPierson Intertrust Luxembourg;
- Edward Bruin, Director of Fiscal Affairs and Product Development of MeesPierson Intertrust Luxembourg;
- Jean Thill, Global Markets Director of Fortis Banque Luxembourg S.A.;
- Frank van Gansbeke, Chairman of the Board of the Issuer and Global Head of Funding and Liquidity of the Guarantor; and
- Christian Pithsy, Market Risk & Risk Communication of Fortis S.A./N.V.

None of the members of the board of directors is working full time for the Issuer.

The Issuer has one employee working half-time.

1.2.1.5 Statutory auditor

The financial statements for the year 2002 have been audited by Ernst & Young Société Anonyme, BP 780 L-2017 Luxembourg. The financial statements for the years 2003 and 2004 have been audited by KPMG Audit, Luxembourg, KPMG Audit, Société Civile, 31, Allée Scheffer, L-2520 Luxembourg.

1.2.2 The Guarantor

Fortis Bank is part of Fortis group and results from the merger, in 1990, of AG 1824, the main Belgian insurance company, and the Dutch group AMEV/VSB. Since that time, Fortis Bank has developed considerably through internal growth as well as through the acquisition of companies which, as the CGER and the Générale de Banque (merger of 23 June 1999), have acquired a considerable reputation.

On the operational plan, Fortis activities are built around six businesses: Network Banking, Merchant Banking, “Commercial Banking, Private Banking & Trust and, Asset Management”, Insurances Holland, Insurances Belgium and International and Insurances United States. Although these three insurance businesses correspond to a geographical distribution, the three banking businesses are organised per domain of competence (consequently, transborder distribution).

Fortis Bank has its registered office at 1000 Brussels, Montagne du Parc 3 and is registered with the Register of Legal Entities under number 0403.199.702.

The decision with respect to the guarantee has been taken by Merchant Bank Risk Committee on 16 June 2005 within the delegation of powers granted by the board of directors.

1.3 TAX REGIME

All payments of principal and interests in respect of the Notes and the Coupons will be made by the Issuer 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 Grand Duchy of Luxembourg 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 will make the required withholding or deduction for the account of the Noteholders but shall not pay any additional amounts to the Noteholders.

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

1.3.1 Belgian tax regime regarding the Notes

For Belgian income tax purposes, the Notes are to be considered as fixed income securities (article 2, § 4 Income Tax Code 1992 (“ITC ‘92”).

1.3.1.1 Tax regime applicable to Belgian resident individuals

Private individuals who hold the Notes and who are, for tax purposes, Belgian residents and, as a consequence, subject to the Belgian personal income tax (“*personenbelasting/impôt des personnes physiques*”), will, in principle, be subject, in Belgium, to the tax regime described hereunder in respect of the Notes. Other rules may be applicable in specific situations, in particular when the Belgian resident individuals hold the Notes in the framework of their professional activities or when their transactions concerning the Notes fall outside the scope of the management of one’s private estate.

For Belgian income tax purposes, any income related to the Notes and any amount paid by the Issuer in excess of the issuance price of the Notes will constitute taxable income for a Belgian resident individual.

On the interest on the Notes paid through a professional intermediary in Belgium (for example a financial institution) a 15% withholding tax will be levied.

For Belgian resident individuals, payment of the withholding tax fully discharges personal income tax liability. This means that Belgian resident individuals will not be obliged to declare in their personal income tax return the interest received on the Notes provided that the withholding tax has been levied on such interest income (article 313 ITC ‘92).

If the interest income has not been subject to the levying at source of withholding tax, then the Belgian resident individual is obliged to declare such interest income in his/her personal income tax return. In such a case, the interest income will generally be subject to the separate tax rate of 15 % to be increased with communal surcharges.

Capital gains realised on the sale of the Notes, except for the prorata of accrued interest, are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate, in which case the capital gains will be taxed at a flat rate of 33% to be increased with communal surcharges or unless the Notes are repurchased (whether or not on the maturity date) by the Issuer. In the latter case, the capital gain is taxable as interest.

The capital losses are in principle not tax deductible.

1.3.1.2 Tax regime applicable to Belgian resident companies

Companies who hold the Notes and who are, for tax purposes, Belgian residents and, as a consequence, subject to the Belgian corporate income tax (“*vennootschapsbelasting/impôts des sociétés*”), will, in principle, be subject, in Belgium, to the tax regime described hereunder in respect of the Notes.

For Belgian resident companies, the withholding tax does not fully discharge tax liability. Thus, for taxpayers subject to the Belgian corporate income tax, the interest on foreign debt instruments will be included in the taxable base in the corporate income tax and will be taxable at the normal rate of the Belgian corporate tax, i.e. in principle 33.99%

The Belgian withholding tax will only be fully creditable to the extent that the Belgian resident company has kept the full legal ownership of the Notes during the period to which the interest payments relates (art. 280 ITC ‘92).

In case of payment in Belgium, a Belgian resident company can, subject to the completion of an ad hoc affidavit as to its identity, benefit from an exemption of withholding tax (art. 108 Royal Decree implementing the ITC ‘92 (“RD/ITC ‘92”).

Capital gains realised on the sale of the Notes are taxable at the normal corporate income tax rate of in principle 33.99%

The capital losses are in principle tax deductible.

1.3.1.3 Tax regime applicable to non-residents

The interest income on the Notes paid through a professional intermediary in Belgium (for example a financial institution) will, in principle, be subject to a 15 % withholding tax. However, if the investor is resident of a country that has entered into a double taxation agreement with Belgium, a reduction or an exemption of withholding tax may be applicable under specified circumstances.

In case of payment in Belgium, non-resident savers can, subject to the completion of an ad hoc affidavit as to their identity, benefit from an exemption of withholding tax. This exemption will apply provided that the debt instruments are not used to exercise a professional activity in Belgium and provided that the Notes are in open custody with a Belgian financial institution (art. 230 ITC ‘92).

The non-residents who use the debt instruments to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies (art. 280 ITC ‘92 and article 108 RD/ITC ‘92).

1.3.1.4 Tax regime applicable to Belgian resident legal entities

Legal Entities who hold the Notes and who are, for tax purposes, Belgian residents and, as a consequence, subject to the Belgian legal entities tax (“*rechtspersonenbelasting/impôts des personnes morales*”), for example associations, establishments of legal entities who do not exploit an enterprise or do not carry on profit-making activities, will, in principle, be subject, in Belgium, to the tax regime described hereunder in respect of the Notes.

Any income related to the Notes and any amount paid by the Issuer in excess of the issuance price of the Notes will constitute taxable income for a Belgian legal entity.

On the interest on the Notes paid through a professional intermediary in Belgium (for example a financial institution) a 15% withholding tax will be levied. For Belgian legal entities, payment of the

withholding tax constitutes final taxation. This means that the levied withholding tax of 15% on interest on the Notes paid in Belgium constitutes in their hands the final taxation with respect to such interest income.

If the interest income has been paid abroad without the intervention of a professional intermediary in Belgium, the Belgian legal entities will have to pay the withholding tax of 15% themselves.

Capital gains realised on the sale of the Notes whether or not on the maturity date, except for the prorata of accrued interest, are in principle tax exempt, unless the Notes are repurchased by the Issuer. In such case, the capital gain is taxable as interest.

The capital losses are in principle not tax deductible.

1.3.1.5 Tax on stock exchanges and repurchase transactions

A stock exchange tax will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07% with a maximum amount of EUR 500 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

A tax on repurchase transactions (“*taxes sur les reports*”) at the rate of 0.085% (subject to a maximum of EUR 500 per party and per transaction) will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party.

However, neither of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are not Belgian resident provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1,2° of the code of taxes assimilated to stamp tax (“*Code des taxes assimilées au timbre*”) for the taxes sur les opérations de bourse and Article 139 of the same code for the taxes sur les reports.

1.3.1.6 European Directive on taxation of savings income in the form of interest payments

On 3 June 2003, the Council of the European Union adopted the Council Directive 2003/48/EC regarding the taxation of savings income (hereafter, the “**Savings Directive**”), which has been implemented in Belgium by the law of 17 May 2004. The Savings Directive entered into force on 1 July 2005.

Under the Directive, Member States are since July 1, 2005 required to provide to the tax authorities of other Member States or the tax authorities of the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands (hereafter, the “**Dependant and Associated Territories**”, each a “**Dependant and Associated Territory**”) details of payments of interest and other similar income paid by a paying agent (within the meaning of the Savings Directive) to (or under certain circumstances, to the benefit of) an individual resident in another Member State or resident in a Dependant and Associated Territory, except that Austria, Belgium and Luxembourg are instead required to impose a withholding system for a transitional period unless the beneficiary of the interest payments elects for the exchange of information. The withholding tax rate is initially 15%, increasing steadily to 20% and to 35%. The ending of such transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries.

Pursuant to the Savings Directive, Belgian paying agents will as of 1 July 2005 apply a taxation at source on interest payments to individual Noteholders resident in another EU member state than

Belgium or resident in a Dependant and Associated Territory. This taxation at source is levied in addition to the applicable Belgian withholding tax.

(I) Individuals not resident in Belgium

A Belgian paying will withhold a tax at source ('woonstaatheffing'/ 'prélèvement pour l'Etat de résidence', hereafter "**Source Tax**") at the rate of 15% on the interest payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the Associated and Dependant Territories. The rate of the Source Tax will increase to 20% on 1 July 2008 and to 35% on 1 July 2011.

The Source Tax is levied in addition to the Belgian withholding tax which has been withheld.

The Source Tax is levied pro rata to the period of holding of the Notes by the beneficial owner of the interest payments.

No Source Tax will be applied if the investor provides the Belgian paying agent with a certificate drawn up in his name by the competent authority of his state of residence for tax purposes. The certificate must at least indicate: (i) name, address and tax or other identification number or, in the absence of the latter, the date and place of birth of the beneficial owner; (ii) name and address of the paying agent; and (iii) the account number of the beneficial owner, or where there is none, the identification of the security.

(II) Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands, Montserrat or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of EUR 2.5.

1.3.1.7 Tax on the physical delivery of bearer notes, if any

The physical delivery, if any, of Definitive Notes in bearer form following their acquisition on the secondary market is subject to a tax on the physical delivery of bearer notes of 0.60% if the delivery is made through the intervention of a professional intermediary. The tax is also applicable on the conversion of registered securities in bearer securities and pursuant to a withdrawal of these securities from open custody.

The tax on the delivery of bearer notes is due either on the sums payable by the purchaser, or on the sales value of the notes as estimated by the custodian in the case of a withdrawal from open custody or by the person asking for the conversion of the notes in case of conversion of a registered note in a bearer note. The tax is payable by the issuer, the professional intermediary or the custodian.

The physical delivery of bearer notes to recognised Belgian professional intermediaries (such as credit institutions), acting for their own account, is exempt from the above tax.

1.3.2 Tax treatment in Luxembourg

Noteholders who either are tax residents of the Grand-Duchy of Luxembourg or have a permanent establishment or a fixed base of business in the Grand-Duchy of Luxembourg with which the holding of the Notes would be connected will be hereafter referred as to the “Luxembourg Noteholders”.

1.3.2.1 Withholding tax

Under Luxembourg tax law currently in effect and subject to the application of the Luxembourg laws dated 21 June 2005 (the "**Laws**") implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") and several agreements concluded between Luxembourg and certain dependant territories of the European Union, payments of interest (including accrued but unpaid interest) to Luxembourg resident and non-resident Noteholders will not be subject to Luxembourg withholding tax. Subject to the application of the Laws, neither the payments upon the redemption of the Notes, nor the repayments of principal will be subject to Luxembourg withholding tax. However, the Luxembourg government has expressed the intention to introduce not earlier than 1 January, 2006 a 10% Luxembourg withholding tax on interest payments made by Luxembourg paying agents to Luxembourg individual residents.

Under Luxembourg tax law currently in effect, payments of interest (including accrued but unpaid interest) to Luxembourg Noteholders will not be subject to Luxembourg withholding tax. Neither the payments upon the redemption of the Notes, nor the repayments of principal will be subject to Luxembourg withholding tax. However, the Luxembourg government has expressed the intention to introduce not earlier than 1 January, 2006 a 10% Luxembourg withholding tax on interest payments made by Luxembourg paying agents to Luxembourg individual residents.

A withholding tax on payments to individual Noteholders resident in another EU country than Luxembourg or resident in the Netherlands Antilles, Aruba, Jersey, Guernsey, the Isle of Man, Montserrat and the British Virgin Islands (hereafter, the "**Dependent Territories**") is required to be made since July 1, 2005 by Luxembourg paying agents pursuant to the EU Savings Directive.

Under the EU Savings Directive entered into force on 1st July, 2005, Member States are required as from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (as defined in the EU Savings Directive) made by a paying agent (as defined in the EU Savings Directive) within its jurisdiction to an individual resident in that other Member State or resident in a Dependent Territory. However, throughout the transitional period (as defined in the EU Savings Directive), Belgium, Luxembourg and Austria are allowed to withhold an amount on interest payments instead of providing details of payments of interests to the tax authorities of the other Member States. The rate of such withholding tax equals 15% for the first three years after the date of implementation of the EU Savings Directive, this rate being increased to 20% for the subsequent three years and 35% thereafter.

In Luxembourg, such withholding tax will however not be levied in accordance with article 9.1 b) of the Luxembourg law dated 21st June, 2005, if the beneficial owner presents to his paying agent a certificate drawn up in his name by the competent authority of his Member State of residence for tax purposes. In accordance with article 9.3 of the aforementioned law dated 21st July, 2005, such certificate, whose date of issue has to be within the last three years, must mention (a) the name, the beneficial owner's address and tax identification number, or absent such a tax identification number, his date and place of birth, (b) the name and address of the paying agent and (c) the beneficial owner's account number, or absent said account number, the identification of the claim.

The ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

1.3.2.2 Tax regime applicable to Luxembourg resident – General

Luxembourg Noteholders must, for income tax purposes, include any interest received in their taxable income. These Noteholders will not be liable to any Luxembourg income tax on repayment of principal upon sale, repurchase or redemption of the Notes.

1.3.2.2.1 Tax regime applicable to Luxembourg resident individuals

Luxembourg individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes.

Capital losses realised on the Notes are deductible from speculative income, from profits realised upon the sale of a major shareholding and from profits realised upon the sale of real estate.

1.3.2.2.2 Tax regime applicable to Luxembourg resident companies

Luxembourg companies (sociétés de capitaux) Noteholders must include in their taxable income the difference between the sale price (including accrued but unpaid interest under the Notes) and the lower of the cost or book value of the Notes sold.

The capital losses are in principle tax deductible.

1.3.2.2.3 Tax regime applicable to Luxembourg tax exempt entities

Luxembourg companies Noteholders which are tax exempt entities in Luxembourg (i.e., holding companies subject to the law of 31 July 1929 and undertakings for collective investment subject to the law of 20 December 2002) are not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

1.3.2.2.4 Tax regime applicable to non-residents

Noteholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a fixed base of business in Luxembourg with which the holding of the Notes is connected are not liable to any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon the redemption of the Notes, or realise capital gains on the sale of any Notes.

1.3.2.3 Net Wealth Tax

Luxembourg net wealth tax will not be levied on a Noteholder, unless (i) such Noteholder is a Luxembourg resident or (ii) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or (iii) the Notes are attributable to a fixed base of business in Luxembourg of the Noteholder.

1.3.2.4 Other Taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes.

1.3.3 Tax treatment in The Netherlands

1.3.3.1 General

This summary does not address the Netherlands tax consequences of a holder of Notes who holds a substantial interest (*aanmerkelijk belang*) in the Issuer; within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a holder of Notes holds a substantial interest in the Issuer, if such holder of Notes, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer; (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.

For the purpose of the principal Netherlands tax consequences described herein, it is assumed that the Issuer is not a resident of the Netherlands for Netherlands tax purposes.

1.3.3.2 Netherlands Withholding Tax

No Netherlands withholding tax is due upon payments on the Notes.

1.3.3.3 Netherlands Corporate Income Tax and Individual Income Tax

If the holder of Notes is subject to Netherlands corporate Income tax and the Notes are attributable to its (deemed) business assets, Income derived from the Notes and gains realised upon the redemption and disposal of the Notes are generally taxable in the Netherlands.

If the holder of Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual holder of Notes who has opted to be taxed as a resident of the Netherlands), the Income derived from the Notes and the gains realised upon the redemption and disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

- the holder of Notes has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- such Income or gains qualify as "income from miscellaneous activities" (*resultaat uit cverige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which includes the performance of activities with respect to the Notes that exceed "regular, active portfolio management" (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual holder of Notes, the actual Income derived from the Notes and the actual gains realised with respect to the Notes will not be taxable. Instead, such holder of Notes will be taxed at a flat rate of 30% on deemed income from "savings and investments" (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed Income amounts to 4% of the average of the individual's "yield basis" (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and

the individual's yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Notes will be included in the individual's yield basis.

1.3.3.4 Netherlands Gift and Inheritance Taxes

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a holder of Notes who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift.

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

The description above is merely a summary of the current tax legislation which can change in the course of time. In case of doubt, please consult your financial and tax adviser.

1.4 COSTS

The issue price is 102 % of the nominal amount of the Notes.

Expenses and taxes charged to the subscribers or purchasers of the Notes include:

- Legal, administrative and other costs relating to the issue of the Notes and amounting to €70,000 (these costs are included in the pricing of the Notes).
- Costs for the subscribers relating to inscription of the Notes on a securities account: free of charge at Fortis Bank nv-sa(*).
- Financial service: free of charge at Fortis Bank nv-sa, Fortis Bank (Nederland) N.V. and Fortis Banque Luxembourg S.A.
- Tax on stock market transactions other than upon initial subscription: 0.07 % capped at €500 per transaction and per party (see Section 2.4.1.15 of the Securities Note for more information).

(*) The opening of a securities account is free of charge at Fortis Bank nv-sa. The investors should inform themselves in respect of costs that can be claimed from them by other financial institutions.

1.5 DOCUMENTATION AND NOTICES

The Prospectus can be obtained free of charge at Fortis Bank, Montagne du Parc 3, B-1000 Brussels or by phone (+32/2/565 8535), at Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam or by phone (+31/20/527 24 67). The potential investor can also obtain at the above mentioned address the latest annual reports of the Issuer, of the Guarantor, of the issuers of the underlying shares, as well as the latest annual and semi-annual reports of Fortis. The text of the Fiscal Agency Agreement, the text of the Guarantee and the articles of association of the Issuer and the Guarantor can also be consulted at these addresses. The latest annual and semi-annual accounts of Fortis Group are available on the following website: www.fortis.com.

Notices to the Noteholders will be published in the Belgian, Luxembourg and Dutch financial press (L'Echo and De Tijd for Belgium, Het Financieele Dagblad for The Netherlands and the Luxemburger Wort for the Grand Duchy of Luxembourg) within 7 Belgian, Luxembourg and Dutch business days following any event requiring such publication.

2 SECURITIES NOTE³

2.1 PERSONS RESPONSIBLE⁴

FORTIS LUXEMBOURG FINANCE S.A., a public limited liability company (société anonyme) incorporated for an unlimited duration under the laws of the Grand-Duchy of Luxembourg (hereinafter referred to as the “Issuer”), with registered and principal office at 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, and FORTIS BANK NV/SA, a bank incorporated as a public limited liability company for an unlimited duration in the Kingdom of Belgium (hereinafter referred to as the “Guarantor” or “Fortis Bank”), with registered office at 1000 Brussels, Montagne du Parc 3 are responsible for the information given in this Securities Note⁵. The Issuer and the Guarantor confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note, for which they are responsible, is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import⁶.

The information contained herein with regard to the Index (as defined herein) consist of a summary of publicly available information. The Issuer and the Guarantor confirm having made their best efforts to collect and summarise all information that as of the date of this Prospectus they deem to be material in the context of the issue of the Notes. The Issuer and the Guarantor accept responsibility for accurately reproducing such information. Neither the Issuer nor the Guarantor accept further or other responsibility in respect of such information and, in particular do not accept responsibility for the accuracy or completeness of the information concerning the Shares and no representation is made that there has not occurred any event which would affect the accuracy or completeness of such information.

The Notes will be obligations solely of the Issuer and the Guarantor. This is not an offer of the Index and consequently holders of Notes are not and will not be, entitled to any shareholders’ rights attached to the Index. The Announcer of the Index has not been involved in the preparation of this Prospectus, nor in the issue of the Notes.

2.2 RISK FACTORS⁷

The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes.

The information in this Section “Risk Factors” relates to certain risks in relation to the Notes but does not purport to be a full or complete description of such risks.

Index-linked Notes – Performance of the underlying Index

An investment in the Notes the terms of which provide that the principal and/or premium, if any, is linked to a basket of securities or securities indices, either directly or inversely, entails significant risks that are not associated with investments in a conventional fixed rate or floating rate debt security.

³ This Chapter is established in accordance with the Schedule set out in Annex XII - Minimum disclosure requirements for the Securities Note for derivative securities (schedule) – of the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (OJ L 149, 30.4.2004), Corrigendum, Official Journal L 215, 16/06/2004 (the “Regulation”). Correspondance with each item in Annex XII is indicated in the footnotes.

⁴ Item 1 of Annex XII of the Regulation.

⁵ Item 1.1 of Annex XII of the Regulation.

⁶ Item 1.2 of Annex XII of the Regulation.

⁷ Item 2 of Annex XII of the Regulation.

These risks include the possibility that the Index may be subject to significant changes, that the repayment of principal and/or premium, if any, can occur at times other than that expected by the investor, that, in certain circumstances, prospective investors, could lose all or a substantial portion of their investment, if any, payable on the maturity date. These risks depend on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

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

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

An investment in the Notes is not the same as an investment in the Index. The Issuer does not take any responsibility as to the evolution of the price of the Index. It is impossible to predict the evolution of the price of the Index: this means that the price may increase, decrease or remain the same.

The Notes involve complex risks, which include, among other things, electricity price risks, credit risks, interest rate risks and risks related to the liquidity of the Notes.

The Index is specified herein and is subject to adjustments or replacements as provided herein.

Liquidity

It is not possible to predict the price at which the Notes will trade in the market. Application will be made to list the Notes on Euronext Brussels, but there is no guarantee that an active market for trading the Notes will develop after the listing. The market for the Notes may be limited and not liquid. The only way in which the holder can realise value from a Note prior the Maturity Date (as defined herein) is to sell it at its then market price in the market.

Conflicts of interest - combination of functions

Potential investors should pay attention to the fact that Fortis Bank is Guarantor, Dealer (on a firm underwriting basis), Arranger, Calculation Agent, and market maker under the issue of Notes, so that it can have potential conflicts of interest. Fortis Bank undertakes to ensure, for each of such conflict, to act in good faith and to use reasonable efforts to come to a commercially acceptable arrangement for the Noteholders.

Fortis Bank is part of the Fortis group and owns (directly or indirectly) the majority shares in the Issuer and is also affiliated with the Fiscal Agent.

Independent review and advice

Each prospective purchaser of Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer, the Guarantor, and the terms and conditions of the Notes) of, amongst others, the information included in the complete Prospectus (and not only in this Securities Note) and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, whether an investment in the Notes is appropriate in its particular circumstances.

Neither this Securities Note, any other parts of the Prospectus 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 by the Issuer, the Guarantor or the Dealer that any recipient of this Securities Note, any other part of the Prospectus or any other information supplied in connection with the Prospectus or any Notes should purchase any Notes.

In case of any doubt about the content or the meaning of this Securities Note, the functioning of the Notes or about the risk involved in purchasing the Notes, investors should consult a specialised financial advisor or abstain from investing.

Neither the Issuer, the Guarantor, the Dealer, the Arranger, the Calculation Agent, the Paying Agents, the Fiscal Agent or any other party makes any representation as to the credit quality of the Index. Any of such parties may have acquired, or during the term of the Notes may acquire, non-public information with respect to such Index. None of such parties is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or status of affairs of the Index or conduct any investigation or due diligence into any Share Issuers. Information on the business, financial conditions, prospects, creditworthiness or status of affairs of the Index is publicly available for the investors.

2.3 KEY INFORMATION⁸

2.3.1 Interest of natural and legal persons involved in the issue/offer⁹

Please see the paragraph “Conflicts of interest and combination of functions” in Section 2.2 (Risk Factors) of this Securities Note.

2.3.2 Use of proceeds¹⁰

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

The Issuer will directly pay the following costs:

- the preparation, production, printing and delivery of all documents connected with the issue and distribution of the Notes, including the Prospectus;
- the costs of the listing of the Notes;
- the fees and expenses of the Paying Agents;
- domestic and international advertising agreed in connection with the Notes.

The proceeds from the issue of the Notes amounts to €5,000,000 (subject to be increased up to €250,000,000) and will be on-lent to the Guarantor in order to finance its activities.

⁸ Item 3 of Annex XII of the Regulation.

⁹ Item 3.1 of Annex XII of the Regulation.

¹⁰ Item 3.2 of Annex XII of the Regulation.

2.4 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING¹¹

2.4.1 Information concerning the securities¹²

The following includes the text of the Terms and Conditions of the Notes (the “**Terms and Conditions**”) which, subject to amendment, will be endorsed on each Note in definitive form (if any).

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.

2.4.1.1 Type and class of Notes¹³

The Notes bear no interest and have a maturity of 3 years. The Notes can be redeemed annually in accordance with the provisions of Section 2.4.1.5.2. If no early redemption takes place the Notes will be reimbursed in accordance with the provisions set out in Section 2.4.1.5.1 at maturity.

The Notes have been accepted for clearance through Clearstream and Euroclear (both as defined in Section 2.4.1.6 of this Securities Note) (common code: 023635496, ISIN code: XS0236354964).

2.4.1.2 Ranking of the Notes¹⁴

The Notes constitute direct, unconditional, general and unsecured 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.

2.4.1.3 Denomination and currency¹⁵

The Notes are issued serially numbered in bearer form, in denominations of €1,000 (the “**Nominal Amount**”).

2.4.1.4 Issue date of the Notes¹⁶

29 December 2005 (the “**Issue Date**”).

¹¹ Item 4 of Annex XII of the Regulation.

¹² Item 4.1 of Annex XII of the Regulation.

¹³ Item 4.1.1 of Annex XII of the Regulation.

¹⁴ Item 4.1.6 of Annex XII of the Regulation.

¹⁵ Item 4.1.5 of Annex XII of the Regulation.

¹⁶ Item 4.1.9 of Annex XII of the Regulation.

2.4.1.5 Redemption and Purchase of the Notes¹⁷

2.4.1.5.1 Final redemption – Final redemption amount

Unless previously redeemed or purchased and cancelled as described below, the Notes will be redeemed at maturity, on 29 December 2008, by the Issuer, as determined by the Calculation Agent (as defined below), at the final redemption amount (the “**Final Redemption Amount**”) as follows.

- (i) If the Final Value of the Index is equal or greater than the Initial Value, the Final Redemption Amount in respect of each Note will be the redemption price of 127% of the Note; or,
- (ii) If the Final Value of the Index is inferior than the Initial Value, the Final Redemption Amount will be calculated in accordance with the following formula:

$$NA \times \left[100\% + \text{Min} \left(0\%; \frac{S_M - S_0}{S_0} \times 100\% \right) \right]$$

where NA stands for the nominal amount per denomination;

where S_0 stands for the Initial Value of the Index;

where S_M stands for the Final Value of the Index;

“**Dow Jones EURO STOXX 50SM Index**” or “**Index**” means the Dow Jones EURO STOXX 50SM Index announced by STOXX LIMITED (the “**Announcer**”);

“**Index Business Day**” means a day that is (or, but for the occurrence of an Index Disruption Event, would have been) a trading day on all or certain of the Exchanges, to the effect that trading is open for shares composing the Index (the “**Shares**”) representing at least 50 % of the level of the Index, and

“**Initial Value**” means the closing value of the Dow Jones EURO STOXX 50SM at the Valuation Time, on the Initial Valuation Date;

“**Interim Valuation 1**” means the closing value of the Dow Jones EURO STOXX 50SM at the Valuation Time on the Interim Valuation Date 1;

“**Interim Valuation 2**” means the closing value of the Dow Jones EURO STOXX 50SM at the Valuation Time on the Interim Valuation Date 2;

“**Final Value**” means the closing value of the Dow Jones EURO STOXX 50SM at the Valuation Time, on the Final Valuation Date;

“**Initial Valuation Date**” means the fifth Index Business Day preceding 29 December 2005;

“**Final Valuation Date**” means the fifth Index Business Day preceding 29 December 2008;

“**Interim Valuation Date 1**” means the fifth Index Business Day preceding 29 December 2006;

“**Interim Valuation Date 2**” means the fifth Index Business Day preceding 29 December 2007;

“**Valuation Time**” means the time that is customary for the announcement, by the Announcer, of the closing value of the Dow Jones EURO STOXX 50SM Index on each Index Business Day;

¹⁷ Item 4.1.11 of Annex XII of the Regulation.

"**Exchanges**" means the main exchanges on which the Shares comprised in the Index are traded, as determined by the Announcer.

2.4.1.5.2 Early redemption – Early redemption amount

The Issuer has the option to redeem the Notes on 29 December 2006 (the "**Early Redemption Date 1**"), if the Interim Valuation 1 of the Index is equal or greater than the Initial Value.

The Issuer has the option to redeem the Notes on 29 December 2007 (the "**Early Redemption Date 2**"), if the Interim Valuation 2 of the Index is equal or greater than the Initial Value.

If the Notes are to be redeemed on the Early Redemption Date 1, the Notes will be redeemed at the early redemption price of 109%, being EUR 1,090 per denomination, or if the Notes are to be redeemed on the Early Redemption Date 2, the Notes will be redeemed at the early redemption price of 118%, being EUR 1,180 per denomination (the relevant "**Early Redemption Amount**").

The Issuer shall send a notice to the Noteholders at least 2 Target business days prior to the relevant redemption date in accordance with Condition 2.4.1.19.

2.4.1.5.3 Purchase & cancellation

The Issuer may at any time purchase Notes in the open market or by private treaty at any price.

All Notes redeemed or purchased pursuant to the provisions under this Condition shall forthwith be cancelled.

2.4.1.6 Form of the Notes¹⁸

The Notes are issued in bearer form. They will be initially represented by a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited with a common depository for Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium ("**Euroclear**") and Clearstream, Luxembourg, S.A., 42 Avenue JF Kennedy L-1855 Luxembourg Luxembourg ("**Clearstream**") on or about 29 December 2005.

Except in a number of very limited circumstances, the Notes cannot be physically delivered.

The Notes will initially be represented by a temporary Global Note, in bearer form without Coupons with the Guarantee of the Guarantor endorsed thereon, which will be deposited on behalf of the subscribers of the relevant Notes with a common depository (the "**Common Depository**") for Euroclear and/or for Clearstream and/or any other relevant clearing system, or as otherwise agreed, on or about the issue date of the relevant Notes. No interest will be payable in respect of a temporary Global Note except as provided below. Upon deposit of the temporary Global Note with the Common Depository, Euroclear or Clearstream or any other relevant clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Euroclear or Clearstream or any other relevant clearing system as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream and any other relevant clearing system. Such persons shall have no claim directly against

¹⁸ Item 4.1.4 of Annex XII of the Regulation.

the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and the obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

The temporary Global Note and the permanent Global Note contain the following provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document:

Exchange: The temporary Global Note will be exchangeable in whole or in part for interests in a permanent Global Note with the Guarantee of the Guarantor endorsed thereon, on or after the first day following the expiry of 40 days after completion of the distribution of the Notes upon certification as to non-U.S. beneficial ownership. The permanent Global Note is exchangeable for definitive Notes by the holder giving notice to the Fiscal Agent, or by the Issuer giving notice to the Fiscal Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes in the limited circumstances as set out below.

If (a) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Section 2.4.1.16 occurs, the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Fiscal Agent. In exchange for the permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons in respect of interest which have not already been paid on the permanent Global Note), with the Guarantee of the Guarantor endorsed thereon, security printed in accordance with any applicable legal and listing authority, stock exchange or quotation system requirements and in or substantially in the form set out in the Fiscal Agency Agreement. On exchange of the permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

Payments: No payment falling due more than 40 days after the issue of the temporary Global Note will be made on that temporary Global Note unless exchange for an interest in a permanent Global Note is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after the completion of the distribution of such Tranche will only be made against presentation of certification as to non-U.S. beneficial ownership. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

Notices: So long as the Notes are represented by a Global Note notices may be given by delivery of the relevant notice to Euroclear or Clearstream or any other relevant clearing system for communication by them to entitled account holders in substitution for publication in a daily newspaper.

Prescription: Claims against the Issuer in respect of principal and interest (as each is defined in the Terms and Conditions) on Notes while the Notes are represented by the permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate relevant due dates.

Purchase and Cancellation: Cancellation of any Note surrendered for cancellation by the Issuer following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

Default: The Global Note shall become void in whole or in part on the seventh day after notice is served by the person or persons shown in the records of Euroclear or Clearstream or any other

relevant clearing system as the holder or holders of the Notes (the “**Relevant Accountholder**”) upon the occurrence of an Event of Default. In such circumstances each Relevant Accountholder shall acquire against the Issuer and the Guarantor all rights which the Relevant Accountholder in question would have had if, immediately before the Global Note became void, it had been holder of definitive Notes issued on the issue date of the Global Note in an aggregate principal amount equal to the principal amount of the Notes in respect of which such Relevant Accountholder is shown in the records of Euroclear or Clearstream or any other relevant clearing system.

2.4.1.7 Transfer and Title

Title to the Notes and Coupons will pass by delivery. Subject to applicable laws, the Issuer and the Paying Agent may deem and treat the bearer of each Note and Coupon to be the absolute owner thereof for the purpose of making payments and for all other purposes

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system, the bearer of the relevant Global Note shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note.

Interests in a Global Note will, so long as the Global Note is held by or on behalf of Euroclear and/or Clearstream, Luxembourg, be transferable only in accordance with the rules and procedures in force of Euroclear and/or of Clearstream, Luxembourg, as the case may be.

Under Luxembourg law, owners of interests in Global Notes governed by Luxembourg law will, subject to proof of ownership of such interest, be entitled to proceed directly against the Issuer either individually or, following the appointment of a Noteholder’s representative, collectively through such representative, pursuant to the provisions of articles 86 to 94-8 of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies, as subsequently amended.

The Notes may not be transferred in fractions but only in the full denomination of €1,000 or integral multiples thereof.

2.4.1.8 Interest Rate¹⁹

The Notes bear no interest.

2.4.1.9 Payments²⁰

Payments of principal and interests will 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 Agents (both as defined below), subject to any applicable laws and regulations in effect in the country of payment.

Payments of principal and interests will be made by the Issuer in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee and subject to any legal or otherwise applicable restriction, in cash.

Fortis Banque Luxembourg S.A. 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 27 December 2005, (the “**Fiscal Agency Agreement**”) between the Issuer, the Fiscal Agent and the paying agents

¹⁹ Item 4.1.2 of Annex XII of the Regulation.

²⁰ Item 4.1.13 of Annex XII of the Regulation.

named therein (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 Section 2.4.1.19 (Notices).

If the due date, or any later date on which a Note or a Coupon could otherwise be presented for payment, 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 “**Business Day**” means a day (i) on which banks are open for business in the place of presentation and (ii) 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 fulfilment of any formality, except as may be prescribed by applicable laws or regulations in the country where such payment is made.

2.4.1.10 Prescription

Interest will cease to be payable after five years from the relevant interest payment date and principal after ten years from the due date for payment thereof.

2.4.1.11 Settlement procedure of the Notes²¹

The Notes will be issued in bearer form represented by a temporary global note (the “**Temporary Global Note**”) exchangeable for a permanent global note (the “**Permanent Global Note**”) which is exchangeable, in limited circumstances, for definitive Notes, in the denomination of EUR 1,000. The definitive Notes, if any, to be issued will be drafted in the English language and will contain the Terms and Conditions and the Guarantee. The Temporary Global Note and the Permanent Global Note representing the full principal amount of the Notes shall be signed manually by the Issuer and the Guarantor and shall be authenticated by or on behalf of the Fiscal Agent.

Upon payment of the net proceeds of the Notes in accordance with the Underwriting Agreement, the Issuer will issue and deliver the Temporary Global Note to Fortis Banque Luxembourg S.A. as common depository (the “**Common Depository**”) to Clearstream and Euroclear for credit to the accounts of the persons entitled thereto at Clearstream and Euroclear.

Not earlier than 40 days after the Issue Date, the Issuer shall deliver the Permanent Global Note to the Common Depository for the accounts of the persons entitled thereto, in exchange for the Temporary Global Note. The Temporary Global Note shall be cancelled by the Fiscal Agent upon delivery of the Permanent Global Note (corresponding to the full amount of the Temporary Global Note), and returned to the Issuer. The Permanent Global Note will only be exchangeable into definitive Notes in the limited circumstances set out in the Permanent Global Note.

²¹ Item 4.1.12 of Annex XII of the Regulation.

2.4.1.12 Negative pledge

So long as any of the Notes remains outstanding, neither the Issuer nor the Guarantor will create or permit to exist any mortgage, lien (other than liens arising by operation of law), pledge, charge or other security interest upon the whole or any part of its present or future assets or revenues:

- in the case of the Issuer, to secure any loan, debt, guarantee or other obligation; or
- in the case of the Guarantor, to secure any indebtedness represented by, or in the form of bonds, notes, debentures or other securities or any guarantee or indemnity from the Guarantor in respect of such indebtedness of others, in each case unless the Notes share in and are equally and rateably secured by such mortgage, lien, pledge, charge or other security interest and the instrument creating such mortgage, lien, pledge, charge or other security interest expressly provides.

2.4.1.13 Corporate approvals²²

The issue of the Notes was duly authorised by the Issuer pursuant to a resolution adopted by its Board of Directors on 18 October 2005.

The issue of the Guarantee attached to the Notes was duly authorised by the Guarantor pursuant to an authorisation of its Merchant Bank Risk Committee on 16 June 2005 within the delegation as decided by the Management Committee.

2.4.1.14 Description of any restrictions on the free transferability of the Notes²³

The Notes are freely transferable.

2.4.1.15 Taxation²⁴

All payments of principal and interests in respect of the Notes and the Coupons will be made by the Issuer 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 Grand Duchy of Luxembourg 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 will make the required withholding or deduction for the account of the Noteholders but shall not pay any additional amounts to the Noteholders.

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

²² Item 4.1.8 of Annex XII of the Regulation.

²³ Item 4.1.10 of Annex XII of the Regulation.

²⁴ Item 4.1.14 of Annex XII of the Regulation.

2.4.1.15.1 Belgian tax regime regarding the Notes

For Belgian income tax purposes, the Notes are to be considered as fixed income securities (article 2, § 4 Income Tax Code 1992 (“ITC ‘92”).

2.4.1.15.1.1 Tax regime applicable to Belgian resident individuals

Private individuals who hold the Notes and who are, for tax purposes, Belgian residents and, as a consequence, subject to the Belgian personal income tax (“*personenbelasting/impôt des personnes physiques*”), will, in principle, be subject, in Belgium, to the tax regime described hereunder in respect of the Notes.

Other rules may be applicable in specific situations, in particular when the Belgian resident individuals hold the Notes in the framework of their professional activities or when their transactions concerning the Notes fall outside the scope of the management of one’s private estate.

For Belgian income tax purposes, any income related to the Notes and any amount paid by the Issuer in excess of the issuance price of the Notes will constitute taxable income for a Belgian resident individual.

On the interest on the Notes paid through a professional intermediary in Belgium (for example a financial institution) a 15% withholding tax will be levied.

For Belgian resident individuals, payment of the withholding tax fully discharges personal income tax liability. This means that Belgian resident individuals will not be obliged to declare in their personal income tax return the interest received on the Notes provided that the withholding tax has been levied on such interest income (article 313 ITC ‘92).

If the interest income has not been subject to the levying at source of withholding tax, then the Belgian resident individual is obliged to declare such interest income in his/her personal income tax return. In such a case, the interest income will generally be subject to the separate tax rate of 15% to be increased with communal surcharges.

Capital gains realised on the sale of the Notes, except for the prorata of accrued interest, are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate, in which case the capital gains will be taxed at a flat rate of 33 % to be increased with communal surcharges or unless the Notes are repurchased (whether or not on the maturity date) by the Issuer. In the latter case, the capital gain is taxable as interest.

The capital losses are in principle not tax deductible.

2.4.1.15.1.2 Tax regime applicable to Belgian resident companies

Companies who hold the Notes and who are, for tax purposes, Belgian residents and, as a consequence, subject to the Belgian corporate income tax (“*vennootschapsbelasting/impôts des sociétés*”), will, in principle, be subject, in Belgium, to the tax regime described hereunder in respect of the Notes.

For Belgian resident companies, the withholding tax does not fully discharge tax liability. Thus, for taxpayers subject to the Belgian corporate income tax, the interest on foreign debt instruments will be included in the taxable base in the corporate income tax and will be taxable at the normal rate of the Belgian corporate tax, i.e. in principle 33.99%

The Belgian withholding tax will only be fully creditable to the extent that the Belgian resident company has kept the full legal ownership of the Notes during the period to which the interest payments relates (art. 280 ITC ‘92).

In case of payment in Belgium, a Belgian resident company can, subject to the completion of an ad hoc affidavit as to its identity, benefit from an exemption of withholding tax (art. 108 Royal Decree implementing the ITC '92 ("RD/ITC '92").

Capital gains realised on the sale of the Notes are taxable at the normal corporate income tax rate of in principle 33.99%

The capital losses are in principle tax deductible.

2.4.1.15.1.3 Tax regime applicable to non-residents

The interest income on the Notes paid through a professional intermediary in Belgium (for example a financial institution) will, in principle, be subject to a 15% withholding tax. However, if the investor is resident of a country that has entered into a double taxation agreement with Belgium, a reduction or an exemption of withholding tax may be applicable under specified circumstances.

In case of payment in Belgium, non-resident savers can, subject to the completion of an ad hoc affidavit as to their identity, benefit from an exemption of withholding tax. This exemption will apply provided that the debt instruments are not used to exercise a professional activity in Belgium and provided that the Notes are in open custody with a Belgian financial institution (art. 230 ITC '92).

The non-residents who use the debt instruments to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies (art. 280 ITC '92 and article 108 RD/ITC '92).

2.4.1.15.1.4 Tax regime applicable to Belgian resident legal entities

Legal Entities who hold the Notes and who are, for tax purposes, Belgian residents and, as a consequence, subject to the Belgian legal entities tax ("*rechtspersonenbelasting/impôts des personnes morales*"), for example associations, establishments of legal entities who do not exploit an enterprise or do not carry on profit-making activities, will, in principle, be subject, in Belgium, to the tax regime described hereunder in respect of the Notes.

Any income related to the Notes and any amount paid by the Issuer in excess of the issuance price of the Notes will constitute taxable income for a Belgian legal entity.

On the interest on the Notes paid through a professional intermediary in Belgium (for example a financial institution) a 15% withholding tax will be levied. For Belgian legal entities, payment of the withholding tax constitutes final taxation. This means that the levied withholding tax of 15% on interest on the Notes paid in Belgium constitutes in their hands the final taxation with respect to such interest income.

If the interest income has been paid abroad without the intervention of a professional intermediary in Belgium, the Belgian legal entities will have to pay the withholding tax of 15% themselves.

Capital gains realised on the sale of the Notes whether or not on the maturity date, except for the prorata of accrued interest, are in principle tax exempt, unless the Notes are repurchased by the Issuer. In such case, the capital gain is taxable as interest.

The capital losses are in principle not tax deductible.

2.4.1.15.1.5 Tax on stock exchanges and repurchase transactions

A stock exchange tax will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07% with a maximum amount of EUR 500 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

A tax on repurchase transactions (“*taxes sur les reports*”) at the rate of 0.085% (subject to a maximum of EUR 500 per party and per transaction) will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party.

However, neither of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are not Belgian resident provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1,2° of the code of taxes assimilated to stamp tax (“*Code des taxes assimilées au timbre*”) for the taxes sur les opérations de bourse and Article 139 of the same code for the taxes sur les reports.

2.4.1.15.1.6 European Directive on taxation of savings income in the form of interest payments

On 3 June 2003, the Council of the European Union adopted the Council Directive 2003/48/EC regarding the taxation of savings income (hereafter, the “**Savings Directive**”), which has been implemented in Belgium by the law of 17 May 2004. The Savings Directive entered into force on 1 July 2005.

Under the Directive, Member States are since July 1, 2005 required to provide to the tax authorities of other Member States or the tax authorities of the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands (hereafter, the “**Dependant and Associated Territories**”, each a “**Dependant and Associated Territory**”) details of payments of interest and other similar income paid by a paying agent (within the meaning of the Savings Directive) to (or under certain circumstances, to the benefit of) an individual resident in another Member State or resident in a Dependant and Associated Territory, except that Austria, Belgium and Luxembourg are instead required to impose a withholding system for a transitional period unless the beneficiary of the interest payments elects for the exchange of information. The withholding tax rate is initially 15%, increasing steadily to 20% and to 35%. The ending of such transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries.

Pursuant to the Savings Directive, Belgian paying agents will as of 1 July 2005 apply a taxation at source on interest payments to individual Noteholders resident in another EU member state than Belgium or resident in a Dependant and Associated Territory. This taxation at source is levied in addition to the applicable Belgian withholding tax.

(I) Individuals not resident in Belgium

A Belgian paying will withhold a tax at source (“*woonstaathetfing*”/“*prélèvement pour l’Etat de résidence*”, hereafter “**Source Tax**”) at the rate of 15% on the interest payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the Associated and Dependant Territories. The rate of the Source Tax will increase to 20% on 1 July 2008 and to 35% on 1 July 2011.

The Source Tax is levied in addition to the Belgian withholding tax which has been withheld.

The Source Tax is levied pro rata to the period of holding of the Notes by the beneficial owner of the interest payments.

No Source Tax will be applied if the investor provides the Belgian paying agent with a certificate drawn up in his name by the competent authority of his state of residence for tax purposes. The certificate must at least indicate: (i) name, address and tax or other identification number or, in the absence of the latter, the date and place of birth of the beneficial owner; (ii) name and address of the paying agent; and (iii) the account number of the beneficial owner, or where there is none, the identification of the security.

(II) Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands, Montserrat or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it amounts to at least EUR 2.50.

2.4.1.15.1.7 Tax on the physical delivery of bearer notes, if any

The physical delivery, if any, of Definitive Notes in bearer form following their acquisition on the secondary market is subject to a tax on the physical delivery of bearer notes of 0.60% if the delivery is made through the intervention of a professional intermediary. The tax is also applicable on the conversation of registered securities in bearer securities and pursuant to a withdrawal of these securities from open custody.

The tax on the delivery of bearer notes is due either on the sums payable by the purchaser, or on the sales value of the notes as estimated by the custodian in the case of a withdrawal from open custody or by the person asking for the conversion of the notes in case of conversion of a registered note in a bearer note. The tax is payable by the issuer, the professional intermediary or the custodian.

The physical delivery of bearer notes to recognised Belgian professional intermediaries (such as credit institutions), acting for their own account, is exempt from the above tax.

2.4.1.15.2 Tax treatment in Luxembourg

Noteholders who either are tax residents of the Grand-Duchy of Luxembourg or have a permanent establishment or a fixed base of business in the Grand-Duchy of Luxembourg with which the holding of the Notes would be connected will be hereafter referred as to the "Luxembourg Noteholders".

2.4.1.15.2.1 Withholding tax

Under Luxembourg tax law currently in effect and subject to the application of the Luxembourg laws dated 21 June 2005 (the "**Laws**") implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") and several agreements concluded between Luxembourg and certain dependant territories of the European Union, payments of interest (including accrued but unpaid interest) to Luxembourg resident and non-resident Noteholders will not be subject

to Luxembourg withholding tax. Subject to the application of the Laws, neither the payments upon the redemption of the Notes, nor the repayments of principal will be subject to Luxembourg withholding tax. However, the Luxembourg government has expressed the intention to introduce not earlier than 1 January, 2006 a 10% Luxembourg withholding tax on interest payments made by Luxembourg paying agents to Luxembourg individual residents.

A withholding tax on payments to individual Noteholders resident in another EU country than Luxembourg or resident in the Netherlands Antilles, Aruba, Jersey, Guernsey, the Isle of Man, Montserrat and the British Virgin Islands (hereafter, the “**Dependent Territories**”) is required to be made since July 1, 2005 by Luxembourg paying agents pursuant to European Council Directive 2003/48/EC (the “**EU Savings Directive**”).

Under the EU Savings Directive entered into force on 1st July, 2005, Member States are required as from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (as defined in the EU Savings Directive) made by a paying agent (as defined in the EU Savings Directive) within its jurisdiction to an individual resident in that other Member State or resident in a Dependent Territory. However, throughout the transitional period (as defined in the EU Savings Directive), Belgium, Luxembourg and Austria are allowed to withhold an amount on interest payments instead of providing details of payments of interests to the tax authorities of the other Member States. The rate of such withholding tax equals 15% for the first three years after the date of implementation of the EU Savings Directive, this rate being increased to 20% for the subsequent three years and 35% thereafter.

In Luxembourg, such withholding tax will however not be levied in accordance with article 9.1 b) of the Luxembourg law dated 21st June, 2005, if the beneficial owner presents to his paying agent a certificate drawn up in his name by the competent authority of his Member State of residence for tax purposes. In accordance with article 9.3 of the aforementioned law dated 21st July, 2005, such certificate, whose date of issue has to be within the last three years, must mention (a) the beneficial owner’s address and tax identification number, or absent such a tax identification number, his date and place of birth, (b) the name and address of the paying agent and (c) the beneficial owner’s account number, or absent said account number, the identification of the claim.

The ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

2.4.1.15.2.2 Tax regime applicable to Luxembourg resident – General

Luxembourg Noteholders must, for income tax purposes, include any interest received in their taxable income. These Noteholders will not be liable to any Luxembourg income tax on repayment of principal upon sale, repurchase or redemption of the Notes.

2.4.1.15.2.3 Tax regime applicable to Luxembourg resident individuals

Luxembourg individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes.

Capital losses realised on the Notes are deductible from speculative income, from profits realised upon the sale of a major shareholding and from profits realised upon the sale of real estate.

2.4.1.15.2.4 Tax regime applicable to Luxembourg resident companies

Luxembourg companies (sociétés de capitaux) Noteholders must include in their taxable income the difference between the sale price (including accrued but unpaid interest under the Notes) and the lower of the cost or book value of the Notes sold.

The capital losses are in principle tax deductible.

2.4.1.15.2.5 Tax regime applicable to Luxembourg tax exempt entities

Luxembourg companies Noteholders which are tax exempt entities in Luxembourg (i.e., holding companies subject to the law of 31 July 1929 and undertakings for collective investment subject to the law of 20 December 2002) are not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

2.4.1.15.2.6 Tax regime applicable to non-residents

Noteholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a fixed base of business in Luxembourg with which the holding of the Notes is connected are not liable to any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon the redemption of the Notes, or realise capital gains on the sale of any Notes.

2.4.1.15.2.7 Net Wealth Tax

Luxembourg net wealth tax will not be levied on a Noteholder, unless (i) such Noteholder is a Luxembourg resident or (ii) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or (iii) the Notes are attributable to a fixed base of business in Luxembourg of the Noteholder.

2.4.1.15.2.8 Other Taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes.

2.4.1.15.3 Tax treatment in The Netherlands

2.4.1.15.3.1 General

This summary does not address the Netherlands tax consequences of a holder of Notes who holds a substantial interest (*aanmerkelijk belang*) in the Issuer; within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a holder of Notes holds a substantial interest in the Issuer, if such holder of Notes, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer; (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.

For the purpose of the principal Netherlands tax consequences described herein, it is assumed that the Issuer is not a resident of the Netherlands for Netherlands tax purposes.

2.4.1.15.3.2 Netherlands Withholding Tax

No Netherlands withholding tax is due upon payments on the Notes.

2.4.1.15.3.3 Netherlands Corporate Income Tax and Individual Income Tax

If the holder of Notes is subject to Netherlands corporate Income tax and the Notes are attributable to its (deemed) business assets, Income derived from the Notes and gains realised upon the redemption and disposal of the Notes are generally taxable in the Netherlands.

If the holder of Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual holder of Notes who has opted to be taxed as a resident of the Netherlands), the Income derived from the Notes and the gains realised upon the redemption and disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

- the holder of Notes has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- such Income or gains qualify as "income from miscellaneous activities" (resultaat uit oerige werkzaamheden) within the meaning of Section 3.4 of the Income Tax Act 2001, which includes the performance of activities with respect to the Notes that exceed "regular, active portfolio management" (normaal, actief vermogensbeheer).

If neither condition (i) nor condition (ii) applies to the individual holder of Notes, the actual Income derived from the Notes and the actual gains realised with respect to the Notes will not be taxable. Instead, such holder of Notes will be taxed at a flat rate of 30% on deemed income from "savings and investments" (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed Income amounts to 4% of the average of the individual's "yield basis" (rendementsgrondslag) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Notes will be included in the individual's yield basis.

2.4.1.15.3.4 Netherlands Gift and Inheritance Taxes

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a holder of Notes who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift.

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

2.4.1.16 Events of Default

The holder of any Note may, by written notice to the Issuer delivered before all defaults shall have been remedied, cause such Note to become due and payable at its early redemption amount upon event of default (the **“Early Redemption Amount Upon Event of Default”**), as of the date on which the said notice of acceleration is received by the Issuer in the event that:

- (i) default is made by the Issuer or the Guarantor in the due performance or observance of any obligation, condition or other provision under or in relation to the Notes or the Guarantee, as the case may be, and such default is not cured within 20 days after receipt by the Fiscal Agent of a written notice of default given by any Noteholder;
- (ii) default is made by the Issuer or the Guarantor in the payment of the principal of, or premium or prepayment charge (if any) or interest on, any other loan indebtedness of or assumed or guaranteed by the Issuer or the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies) when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, originally applicable thereto and the time for such payment has not been effectively extended, or in the event that any loan indebtedness of or assumed by the Issuer or the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies) shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of an event of default thereunder;
- (iii) the Issuer or the Guarantor is dissolved or wound up or otherwise ceases to exist (except in connection with a reconstruction, merger or amalgamation the terms of which have previously been approved by a meeting of the Noteholders or except in the case contemplated in Section 2.4.1.22 (Substitution) prior to the redemption of all outstanding Notes);
- (iv) the Issuer or the Guarantor becomes insolvent, is unable to pay its debts generally (or in the case of the Guarantor is in “cessation de paiements”) or, as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or ceases or threatens to cease to carry on its business, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer or the Guarantor, or if the Guarantor applies for a “sursis de paiements, liquidation volontaire” (except for the purpose of a reconstruction, merger or amalgamation the terms of which have previously been approved by a meeting of the Noteholders or except in the case contemplated in Section 2.4.1.22 (Substitution) or “faillite” or any similar procedures shall have been initiated in respect of the Issuer or the Guarantor;
- (v) it becomes unlawful for the Issuer or the Guarantor to perform any of their respective obligations under the Notes or the Guarantee, or any of their obligations ceases to be valid, binding or enforceable; or
- (vi) the Guarantee is not in full force and effect in accordance with its terms.

For the purposes of this Condition, the Early Redemption Amount Upon Event of Default will be the Final Redemption Amount calculated by the Calculation Agent as described under Condition 2.4.1.5.1 except that

- (i) the Final Valuation Date to be used is the day that is the fifth Index Business Day preceding the early redemption date, and;
- (ii) the Early Redemption Amount Upon Event of Default will be limited to the following amount depending on the early redemption date:
 - (a) if such early redemption date is on or before 29 December 2006, the Early Redemption Amount Upon Event of Default will amount to maximum EUR 1,090 per denomination of EUR 1,000;
 - (b) if such early redemption date is on or before 29 December 2007 but after 29 December 2006, the Early Redemption Amount Upon Event of Default will amount to maximum EUR 1,180 per denomination of EUR 1,000;

- (c) if such early redemption date is on or before 28 December 2008 but after 29 December 2007, the Early Redemption Amount Upon Event of Default will amount to maximum EUR 1,270 per denomination of EUR 1,000.

The calculations and determinations of the Calculation Agent shall (save in the case of manifest error) be final and binding upon all parties. The Calculation Agent shall have no responsibility for good faith errors or omissions in the calculation of the Early Redemption Rate of any Notes as provided herein.

2.4.1.17 Replacement of Notes and Coupons

In the case of theft, loss or other involuntary dispossession or mutilation of any Note or Coupon, application for replacement thereof is to be made at the specified office of the Fiscal Agent. Any such Note or Coupon shall be replaced by the Issuer in compliance with such procedures and on such terms as to evidence and indemnification as the Issuer and the Fiscal Agent may require. Subject to applicable stock exchange regulations, all such costs as may be incurred in connection with the replacement of any such Note shall be borne by the applicant. Mutilated Notes must be surrendered before new ones will be issued.

2.4.1.18 Agents

2.4.1.18.1 Paying Agents

Fortis Bank nv-sa, Montagne du Parc 3, 1000 Bruxelles is paying agent in Belgium (the “**Belgian Paying Agent**”), Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam is paying agent in The Netherlands (the “**Dutch Paying Agent**”) in respect of the Notes and Fortis BanqueLuxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg, is principal paying agent (in such capacity the “**Principal Paying Agent**”, together with the other paying agent, the “**Paying Agents**”) and fiscal agent (in the latter capacity, the “**Fiscal Agent**”) in respect of the Notes.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) the Issuer will ensure that it maintains a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other Directive 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; and
- (iii) there will at all times be a Fiscal Agent which shall act as principal paying agent and paying agent in relation to the Notes.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Section 2.4.1.19 (Notices).

2.4.1.18.2 Calculation Agent

Fortis Bank SA/NV, Montagne du Parc 3, 1000 Bruxelles, is calculation agent in respect of the Notes (the “**Calculation Agent**”). The Calculation Agent and the Issuer will have no responsibility for good

faith errors or omissions in the calculations as provided herein. The calculations and determinations of the Calculation Agent and the Issuer will be made in accordance with these Terms and Conditions having regard in each case, to the relevant criteria stipulated herein and (where relevant) on the basis of information provided to or obtained by it and such further enquiries as it deems necessary and will, in the absence of manifest error, be final, conclusive and binding on the holders of Notes.

The Issuer reserves the right to vary or terminate the appointment of the Calculation Agent provided that it shall at all times maintain a Calculation Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Section 2.4.1.19 (Notices).

2.4.1.19 Notices

Any notice to noteholders will be validly given if made in accordance with Luxembourg company law and published in "De Tijd" and "L'Echo" (Belgium), in the Luxemburger Wort (Luxembourg) and Het Financieele Dagblad (The Netherlands) or, if any of said newspapers shall cease to be published or timely publication therein shall not be practicable, in such other newspaper as the fiscal agent shall deem necessary to give fair and reasonable notice to the Noteholders.

Any such notice shall be deemed to have been given on the date of the last publication provided above.

2.4.1.20 Representation of 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.

2.4.1.21 Further Issues

The Issuer may from time to time, without the consent of the holders of the Notes 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.

2.4.1.22 Substitution

2.4.1.22.1 Substitution of the Issuer

The Issuer may at any time, without the consent of the Noteholders or the Fiscal Agent, so long as any of the Notes remains outstanding, substitute another legal entity (the "**New Issuer**") as the Issuer hereunder and of the Notes in substitution for and in lieu of the Issuer, provided that:

- the New Issuer is 75% or more directly or indirectly controlled by the Issuer or the Guarantor;
- the New Issuer expressly assumes by amendment to the Fiscal Agency Agreement the performance and observance of all the obligations of the Issuer pursuant to these Terms and Conditions, the Fiscal Agency Agreement and under the Notes;
- prior to the substitution taking effect, the New Issuer shall have obtained in its country all governmental and regulatory approvals and consents, if any, necessary for, or in connection with, the assumption by the New Issuer of the performance of all obligations and covenants

under the Fiscal Agency Agreement and the Notes to be performed or observed on the part of the Issuer, and it shall have provided sufficient evidence that it can transfer to the Fiscal Agent, in immediately available and freely transferable funds in euro, all the amounts necessary for the payment of principal, interest payable under the Notes and pursuant to the Fiscal Agency Agreement.

By the substitution of Issuer, all the obligations of the Issuer pursuant to the Fiscal Agency Agreement and under the Notes will be transferred to the New Issuer.

Accordingly, in the event of such substitution taking place:

- all the Issuer's obligations under the Notes and the Fiscal Agency Agreement will be assumed exclusively by the New Issuer;
- the Issuer will be discharged from all its obligations under the Notes and the Fiscal Agency Agreement; the Guarantor's guarantee will apply to the obligations of the New Issuer under the Notes and the Fiscal Agency Agreement; and
- any reference to the Issuer in the Terms and Conditions, the Notes and the Fiscal Agency Agreement will apply to the New Issuer and the reference to the Grand Duchy of Luxembourg in Section 2.4.1.15 (Taxation) will apply to the country of the New Issuer.

The Noteholders will be informed of any substitution of Issuer within a period of 90 days in accordance with Section 2.4.1.19 (Notices).

2.4.1.22.2 Substitution of the Guarantor

The Fiscal Agency Agreement provides that the Guarantor may at any time, without the consent of the Noteholders or the Fiscal Agent, so long as any of the Notes remains outstanding, substitute another legal entity (the "**New Guarantor**") as the Guarantor hereunder and of the Notes in substitution for and in lieu of the Guarantor, provided that:

- the New Guarantor is the result of the merger, consolidation or other form of amalgamation of the Guarantor with another company;
- the shareholder's equity of the New Guarantor is at least equal to the shareholder's equity of the Guarantor at the time of the Substitution; and
- the New Guarantor expressly assumes by amendment to the Fiscal Agency Agreement the performance and observance of all the obligations of the Guarantor pursuant to these Terms and Conditions, the Fiscal Agency Agreement, the Notes and under the Guarantee.

By the substitution of Guarantor, all the obligations of the Guarantor pursuant to the Fiscal Agency Agreement and under the Notes and the Guarantee will be transferred to the New Guarantor.

Accordingly, in the event of such substitution taking place:

- all the Guarantor's obligations under the Notes, the Guarantee and the Fiscal Agency Agreement will be assumed exclusively by the New Guarantor;
- the Guarantor will be discharged from all its obligations under the Notes, the Guarantee and the Fiscal Agency Agreement; and
- any reference to the Guarantor in the Terms and Conditions of the Notes, the Notes and the Fiscal Agency Agreement will apply to the New Guarantor and any reference to the Kingdom of Belgium will apply to the country of the New Guarantor.

The Noteholders will be informed of any substitution of the Guarantor within a period of 90 days in accordance with Section 2.4.1.19 (Notices).

2.4.1.23 Rights attaching to the Notes and procedure for exercise²⁵

There are no special rights attaching to the Notes.

2.4.1.24 Governing Law and Submission to jurisdiction²⁶

The Notes are governed by, and shall be construed in accordance with, the laws of the Grand-Duchy of Luxembourg. Claims against the Issuer thereunder may be brought before any competent court in Luxembourg or in Belgium, to the non-exclusive jurisdiction of all of which the Issuer and the Guarantor hereby submit.

The Guarantor has elected domicile at the office of the Issuer for all acts, formalities or procedures.

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

2.4.2 Information concerning the underlying²⁷

2.4.2.1 The exercise price or the final reference price of the underlying²⁸

The value of the Index on 17 November 2005 was EUR 3404.12.

The following graph show the evolution of the Index between 14 November 2002 and 14 November 2005.



2.4.2.2 Type of underlying (source: Bloomberg)

The Dow Jones EURO STOXX 50SM Index.

²⁵ Item 4.1.7 of Annex XII of the Regulation.

²⁶ Item 4.1.3 of Annex XII of the Regulation.

²⁷ Item 4.2 of Annex XII of the Regulation.

²⁸ Item 4.2.2 of Annex XII of the Regulation.

2.4.2.3 General description

The Dow Jones EURO STOXX 50SM index is established and published by STOXX LIMITED, a company founded by Deutsche Börse, Dow Jones, SBF - Bourse de Paris and SWX - Swiss Exchange.

STOXX LIMITED publishes four major indexes and 19 sector indexes.

Amongst the major indexes, STOXX LIMITED publishes the Dow Jones EURO STOXXSM index which comprises about 300 companies in the countries member of the EMU, and the Dow Jones EURO STOXX 50SM, which is a subset of the Dow Jones EURO STOXXSM and comprises the 50 largest, most liquid and sector - representative companies of the Dow Jones EURO STOXXSM.

The Dow Jones EURO STOXX 50SM is, as all other indexes announced by STOXX LIMITED, computed on the basis of the last prices and the latest available currency rates. Only traded prices during the official trading hours on the following exchanges will be used: Vienna Stock Exchange (Austria), Euronext Brussels (Belgium), Helsinki Stock Exchange (Finland), Euronext Paris (France), Xetra ® - Frankfurt Stock Exchange (Germany), Milan Stock Exchange (Italy), London Stock Exchange (UK and Ireland), Euronext Amsterdam (Netherlands), Lisbon Stock Exchange (Portugal) and SIBE (Spain).

In the event of a suspension of the quotation during the trading session, the last traded price is used for all subsequent index computations. If a quotation is suspended before the trading begins, the adjusted closing price from the previous day is taken for the calculation of the indexes. If there is a stock exchange holiday in one or more countries, the last available stock prices from this exchange and the last available currency rate will be used for the index calculation.

As per 30 June 2005, the companies comprised in the Dow Jones EURO STOXX 50SM are as follows:

Company	Country
ABN AMRO	The Netherlands
AEGON	The Netherlands
AHOLD	The Netherlands
ALCATEL	France
ALLIANZ	Germany
ALLIED IRISH BANKS	Ireland
ASSICURAZIONI GENERALI	Italy
ASTRAZENECA	United Kingdom
AIR LIQUIDE	France
AXA	France
BCO BANCO BILBAO VIZCAYA ARGENT	Spain
BCO SANTANDER CENTRAL HIS	Spain
BNP PARIBAS	France
BARCLAYS	United Kingdom
BASF	France
BAYER	Germany
CARREFOUR SUPERMARCHE	France
CREDIT AGRICOLE	France
DAIMLERCHRYSLER	Germany
DEUTSCHE BANK	Germany
DEUTSCHE TELEKOM	Germany
ENDESA	Spain
ENEL	Italy
ENI SPA	Italy
E. ON	Germany
ERICSSON	Sweden
FORTIS	The Netherlands

FRANCE TELECOM	France
GROUPE DANONE	France
GROUPE SOCIETE GENERALE	France
IBERDROLA	Spain
ING GROEP	The Netherlands
LAFARGE	France
LVMH MOET HENNESSY	France
MUENCHENER RUECKVER R	Germany
NOKIA	Finland
L'OREAL	France
PHILIPS ELECTRONICS	The Netherlands
REPSOL YPF	Spain
ROYAL DUTCH PETROLEUM	United Kingdom
RWE	Germany
SAINT GOBAIN	France
SANOFL-AVENTIS	France
SAN PAOLO IMI	Italy
SAP	Germany
SIEMENS	Germany
SUEZ	France
TELECOM ITALIA	Italy
TELEFONICA	Spain
TOTAL	France
UNICREDITO ITALIANO	Italy
UNILEVER NV	The Netherlands
VIVENDI UNIVERSAL	France

The Dow Jones EURO STOXX 50SM is annually reviewed by STOXX LIMITED. In addition of these reviews, the index can be reviewed on an ongoing basis in case of extraordinary events for one of the index companies (such as delisting, bankruptcy, merger or take-over).

All further information with respect to the Index is published on the internet address: www.stoxx.com.

2.4.2.4 Index disruption event²⁹

For the purposes of this Condition, “**Index Disruption Event**” means the occurrence or existence on any Index Business Day of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise):

- on any of the Exchange(s) in Shares representing more than 50 % of the level of the Index,
- or on any of the Exchange(s) on which futures or options on the Index are traded if, in the opinion of the Calculation Agent, such suspension or limitation is material,

will have as a consequence that such day will be considered for the determination of the Initial Value or the Final Value as not being an Index Business Day.

For the purpose of determining whether an Index Disruption Event exists at any time, if trading in Shares included in the Index is materially suspended or materially limited at that time, then the relevant contribution of such Shares to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to those Shares relative to (ii) the overall level of the Index, in each case immediately before that suspension or limitation.

²⁹ Item 4.2.3 of Annex XII of the Regulation.

The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer and, when relevant, the Fiscal Agent of the existence of an Index Disruption Event on any day that, but for the occurrence of an Index Disruption Day, would have been an Index Business Day.

2.4.2.5 Adjustment rules³⁰

2.4.2.5.1 Adjustments

If the Index is

- not calculated and announced by the Announcer but is calculated and announced by a successor announcer acceptable to the Calculation Agent, or
- replaced by a successor index using, in the determination of the Calculation Agent, the same or substantially similar formula for and method of calculation as used in the calculation of the Index,

then that index will be deemed to be the Index so calculated and announced by that successor announcer or that successor index, as the case may be.

If on or prior to any Index Business Day, the Announcer

- makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalization and other routine events) or
- fails to calculate and announce the Index ceases to publish the Index and is not replaced by a successor announcer,

then the Calculation Agent shall calculate the relevant price using, in lieu of a published level for the Index, the level for the Index at that Index Business Day as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities that comprised that Index immediately prior to that change or failure (other than those securities that have since ceased to be comprised in the Index).

2.4.2.5.2 Corrections to the Index

If the level of the Index published on a given day and used or to be used by the Calculation Agent to determine the Final Value of the Index is subsequently corrected and the correction published by the Announcer or a successor announcer at least 2 Index Business Days before the Maturity Date, the Calculation Agent will give notice of (i) that correction and (ii) the amount that is payable as a result of that correction, to the Issuer, the Fiscal Agent and to the Noteholders in accordance with Section 2.4.1.19 (Notices).

2.4.2.5.3 Delay

The Noteholders shall not be entitled to any payment of interest or otherwise on any Note in the event of any delay in the redemption at the Redemption Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

³⁰ Item 4.2.4 of Annex XII of the Regulation.

2.4.2.5.4 Notification of Adjustments

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Section 2.4.1.19 (Notices) stating the Potential Adjustment Event and the adjustment to be made.

All determinations made by the Calculation Agent, inclusive in connection with an Index Disruption Event or an Adjustment to the Index, will be notified to the Noteholders in accordance with Section 2.4.1.19 (Notices).

The Initial Value and the Final Value will be published within 5 Business Days following their determination.

2.5 TERMS AND CONDITIONS OF THE OFFER

2.5.1 Conditions, offer statistics, expected timetable and action required to apply for the offer

2.5.1.1 Conditions to which the offer is subject³¹

The offer of the Notes is subject to the following conditions:

- the Notes have been accepted for listing on Euronext Brussels;
- there has been no such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in the view of the Issuer or the Dealer be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market; and
- there has been no adverse change, financial or otherwise in the condition or general affairs of the Issuer and/or the Guarantor.

2.5.1.2 Total amount of the offer³²

Minimum €5,000,000 and maximum €250,000,000. See also Section 2.5.1.3 of this Securities Note in relation to the over-allotment option.

The final total amount of the offer of Notes will published in a daily newspaper with general distribution in Belgium (expected to be De Tijd and L'Echo), in a daily newspaper with general distribution in The Netherlands (expected to be Het Financieele Dagblad) as well as in a daily newspaper with general distribution in Luxembourg (expected to be the Luxemburger Wort).

2.5.1.3 Subscription period³³

Investors may subscribe the Notes by means of a “bulletin de souscription” at the branches of Fortis Banque Luxembourg S.A., Fortis bank Nederland and Fortis Bank nv-sa during the subscription period from 21 November 2005 up to and including 23 December 2005. The form of the “bulletin de souscription” is included on page 117.

³¹ Item 5.1.1 of Annex XII of the Regulation.

³² Item 5.1.2 of Annex XII of the Regulation.

³³ Item 5.1.3 of Annex XII of the Regulation.

The Issuer reserves the right to modify the total nominal amount of the Notes to which investors can subscribe, to close earlier the subscription period and to cancel the planned issue, being understood that in the later case no Notes will be issued. Such an event will be published in a daily newspaper with general distribution in Belgium (expected to be De Tijd and L'Echo), in a daily newspaper with general distribution in The Netherlands (expected to be Het Financieele Dagblad) as well as in a daily newspaper with general distribution in Luxembourg (expected to be the Luxemburger Wort).

In case of early termination of the subscription period due to oversubscription or to changes in market conditions as determined by the Dealer or the Issuer in its sole discretion, allotment of the Notes will be made based on objective allotment criteria according to which the subscriptions will be served in the chronological order of their receipt and, if required, the last subscriptions will be reduced proportionately in order to correspond with the total amount of Notes that will be issued. Any payments made in connection with the subscription of Notes and not allotted will be redeemed within 7 Brussels Business Days (i.e., days on which banks are open for general business in Brussels) after the date of payment and the holders thereof shall not be entitled to any interest in respect of such payments.

2.5.1.4 Minimum/maximum amount of subscription³⁴

Minimum investment amount in the primary market is €1,000. There is no maximum amount of subscription.

2.5.1.5 Method and timing of payment and delivery of the Notes³⁵

Payment of the Notes must be received at the latest on or before the Issue Date by debit of a cash account.

On the Issue Date, the Notes will be delivered in accordance with the settlement procedures as described in Section 2.4.1.11 (Settlement procedure) of this Securities Note. On or about the Issue Date, the relevant securities account of each Noteholder will be credited of the relevant amount of Notes purchased.

2.5.1.6 Results of the offer³⁶

The results of the offer of the Notes will be published as soon as possible in a daily newspaper with general distribution in Belgium (expected to be De Tijd and L'Echo), in a daily newspaper with general distribution in The Netherlands (expected to be Het Financieele Dagblad) as well as in a daily newspaper with general distribution in Luxembourg (expected to be the Luxemburger Wort).

2.5.2 Plan of distribution and allotment

2.5.2.1 Target investors³⁷

The offer will consist of a public offering to retail investors in Belgium, Luxembourg and The Netherlands.

³⁴ Item 5.1.4 of Annex XII of the Regulation.

³⁵ Item 5.1.5 of Annex XII of the Regulation.

³⁶ Item 5.1.6 of Annex XII of the Regulation.

³⁷ Item 5.2.1 of Annex XII of the Regulation.

2.5.2.2 Selling Restrictions

The offering of the Notes is subject to certain Selling Restrictions described on page 115.

2.5.2.3 Notification of allotment³⁸

The Noteholders will be notified of the number of Notes which has been allotted to them promptly after the Issue Date.

2.5.3 Pricing³⁹

The issue price is 102% of the nominal amount of the Notes.

Expenses and taxes charged to the subscribers or purchasers of the Notes include:

- Legal, administrative and other costs relating to the issue of the Notes and amounting to €70,000 (these costs are included in the pricing of the Notes).
- Costs for the subscribers relating to inscription of the Notes on a securities account: free of charge at Fortis Bank nv-sa*.
- Financial service: free of charge at Fortis Bank nv-sa*, Fortis Bank (Nederland) N.V. and Fortis Banque Luxembourg S.A..
- Tax on stock market transactions other than upon initial subscription: 0.07% capped at €500 per transaction and per party (see Section 2.4.1.15 of this Securities Note for more information).

(*) The opening of a securities account is free of charge at Fortis Bank nv-sa. The investors should inform themselves in respect of costs that can be claimed from them by other financial institutions.

2.5.4 Placing and Underwriting⁴⁰

2.5.4.1 Co-ordinator of offer⁴¹

Fortis Bank nv-sa, Montagne du Parc 3, 1000 Brussels

2.5.4.2 Paying agents and depository agents⁴²

Fortis Bank nv-sa, Montagne du Parc 3, 1000 Brussels, as paying agent in Belgium (the “**Belgian Paying Agent**”);

Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam, as paying agent in The Netherlands (the “**Dutch Paying Agent**”);

and

³⁸ Item 5.2.2 of Annex XII of the Regulation.

³⁹ Item 5.3 of Annex XII of the Regulation.

⁴⁰ Item 5.4 of Annex XII of the Regulation.

⁴¹ Item 5.4.1 of Annex XII of the Regulation.

⁴² Item 5.4.2 of Annex XII of the Regulation.

Fortis Banque Luxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg, as principal paying agent (in such capacity the “**Principal Paying Agent**” and together with the Belgian and Dutch Paying Agent, the “**Paying Agents**”) and as fiscal agent (in the latter capacity, the “**Fiscal Agent**”).

2.5.4.3 Underwriters⁴³

The issue has been fully underwritten by Fortis Bank nv-sa, Montagne du Parc 3, 1000 Brussels as Dealer (the “**Dealer**”).

2.5.4.4 Underwriting Agreement⁴⁴

The amount of Notes which will be issued will be determined after the end of the subscription period. This amount will be fully underwritten by Fortis Bank. This will be confirmed in a subscription agreement that will be entered into between Fortis Bank as Dealer and the Issuer 2 Business Days prior to the Issue Date.

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

The Dealer is entitled to terminate, and to be released and discharged from its 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.

In connection with the issue of the Notes, only the Dealer may 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.

2.5.4.5 Calculation Agent⁴⁵

Fortis Bank nv-sa, Montagne du Parc 3, 1000 Brussels (the “**Calculation Agent**”).

2.5.4.6 Financial service

Fortis Bank nv-sa, Montagne du Parc 3, 1000 Brussels, internet: www.fortisbank.com, is the Belgian paying agent for the Notes (where service includes the payment of Coupons).

Fortis Bank (Nederland) N.V., Rokin 55, NL-1012 KK Amsterdam, is the Dutch paying agent for the Notes.

Fortis Banque Luxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg, is the Luxembourg paying agent for the Notes.

⁴³ Item 5.4.3 of Annex XII of the Regulation.

⁴⁴ Item 5.4.4 of Annex XII of the Regulation.

⁴⁵ Item 5.4.5 of Annex XII of the Regulation.

2.6 ADMISSION TO TRADING AND DEALING ARRANGEMENTS⁴⁶

2.6.1 Application for admission to trading⁴⁷

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

2.6.2 Secondary trading⁴⁸

Besides the listing of the Notes on Euronext Brussels, Fortis Bank undertakes to guarantee a secondary market under normal market conditions, i.e. it will intervene in the sale and purchase, and will, under normal market conditions, guarantee until the maturity of the Notes a spread between the purchase and sale price of the Notes of maximum 1%.

Investors acquiring or selling Notes through a professional intermediary established in Belgium, other than upon initial subscription, are subject to Belgian tax on stock market transactions. This tax amounts to 0.07% on the acquisition or sale of the Notes in Belgium (with a maximum of €500 per transaction, as described further in Section 2.4.1.15 of this Securities Note).

2.7 ADDITIONAL INFORMATION⁴⁹

2.7.1 Advisors⁵⁰

Not applicable.

2.7.2 Audited information in the Securities Note⁵¹

None of this information included in the Securities Note has been audited or reviewed by the statutory auditors of the Issuer or the Guarantor.

2.7.3 Expert information⁵²

The Securities Note does not contain any statement or report attributed to a person as an expert.

2.7.4 Third party information⁵³

Dow Jones EURO STOXX 50SM is owned by STOXX LIMITED. The name of the index is a service mark of DOW JONES & COMPANY, INC. and has been licensed for certain purposes by Fortis Bank (the "Licensee").

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⁴⁶ Item 6 of Annex XII of the Regulation.

⁴⁷ Item 6.1 of Annex XII of the Regulation.

⁴⁸ Item 6.2 of Annex XII of the Regulation.

⁴⁹ Item 7 of Annex XII of the Regulation.

⁵⁰ Item 7.1 of Annex XII of the Regulation.

⁵¹ Item 7.2 of Annex XII of the Regulation.

⁵² Item 7.3 of Annex XII of the Regulation.

⁵³ Item 7.4 of Annex XII of the Regulation.

The Notes are not sponsored, endorsed, sold or promoted by STOXX LIMITED ("**STOXX**") or DOW JONES & COMPANY, INC. ("**DOW JONES**"). Neither STOXX nor DOW JONES makes any representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly. The only relationship of STOXX to the Licensee is as the licensor of the Dow Jones EURO STOXX 50SM Index and of certain trademarks, trade names and service marks of STOXX, and as the sublicensor of the Dow Jones EURO STOXX 50SM Index and of certain trademarks, trade names and service marks of DOW JONES. The aforementioned Indexes are determined composed and calculated by STOXX or DOW JONES, as the case may be, without regard to the Licensee or the Notes. Neither STOXX nor DOW JONES is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes are to be converted into cash. Neither STOXX nor DOW JONES has any obligation or liability in connection with the administration, marketing or trading of the Notes.

NEITHER STOXX NOR DOW JONES GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEXES OR ANY DATA INCLUDED THEREIN, AND NEITHER SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. NEITHER STOXX NOR DOW JONES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE LICENSEE, OWNERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEXES OR ANY DATA INCLUDED THEREIN. NEITHER STOXX NOR DOW JONES MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEXES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL EITHER STOXX OR DOW JONES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN STOXX AND FORTIS BANK.

2.8 POST-ISSUANCE INFORMATION⁵⁴

Any notice to noteholders will be validly given if made in accordance with Luxembourg company law and published in "De Tijd" and "L'Echo" (Belgium), "Het Financieele Dagblad" (The Netherlands) and Luxemburger Wort (Luxembourg) or, if any of said newspapers shall cease to be published or timely publication therein shall not be practicable, in such other newspaper as the fiscal agent shall deem necessary to give fair and reasonable notice to the noteholders and couponholders.

Any such notice shall be deemed to have been given on the date of the last publication provided above.

2.9 AVAILABILITY OF INFORMATION

For the life of the Notes, the following documents in relation to the Notes (or copies thereof) may be inspected at Fortis Bank, Montagne du Parc 3, 1000 Brussels, Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam and at the principal office of the fiscal agent, Fortis Banque Luxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg:

- the Fiscal Agency Agreement entered into between the Issuer, Guarantor, Fiscal Agent, Paying Agents and Calculation Agent;
- the Guarantee;

⁵⁴ Item 7.5 of Annex XII of the Regulation.

- the memorandum and articles of association of the Issuer;
- the memorandum and articles of association of the Guarantor;
- copies of the three most recent annual accounts and future annual accounts of the Issuer; copies the three most recent consolidated and unconsolidated accounts and future annual consolidated and unconsolidated accounts of the Guarantor; and
- the Prospectus.

The Prospectus can be obtained in the branches of Fortis Bank nv-sa, by phone (+32/2/565 8535), as well as on the following web site: www.fortisbank.com, Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam, by phone (+31/20/527 24 67), and at the principal office of the fiscal agent, Fortis Banque Luxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg.

3 REGISTRATION DOCUMENT⁵⁵

3.1 PERSONS RESPONSIBLE⁵⁶

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**”), with registered and principal office at 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, and FORTIS BANK nv-sa, a bank incorporated for an unlimited duration in the Kingdom of Belgium (hereinafter referred to as the “**Guarantor**” or “**Fortis Bank**”), with registered office at 1000 Brussels, Montagne du Parc 3 are responsible for the information given in this Registration Document⁵⁷. The Issuer and the Guarantor confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import⁵⁸.

3.2 STATUTORY AUDITORS⁵⁹

The financial statements of the Issuer for the years ending 31st December 2003 and 31st December 2004 have been audited by KPMG Audit, Luxembourg, KPMG Audit, Société Civile, 31, Allée Scheffer, L-2520 Luxembourg, who are members of the Institut des Réviseurs d’Entreprises.

3.3 SELECTED FINANCIAL INFORMATION⁶⁰

Balance Sheet of the Issuer

	Notes	2004	2003
Assets			
Fixed Assets			
Tangible assets		265	553
Financial assets			
Loans to affiliated undertakings	3	4,610,436,913	4,252,058,341
		4,610,437,178	4,252,058,894
Current Assets			
Debtors becoming due and payable within one year			
Other debtors	4	1,527,456,828	1,987,326,341
Cash at bank and in hand		19,659,787	15,425,960
		1,547,116,615	2,002,752,301
Prepayments	5	45,469,253	35,978,840
Loss of the financial year		1,589,387	
		6,204,612,433	6,290,790,035
Liabilities			
Capital and reserves			

⁵⁵ This Chapter is established in accordance with the Schedule set out in Annex IV - Minimum disclosure requirements for the debt and derivative securities registration document (schedule) (Debt and derivative securities with a denomination per unit of less than EUR 50000) – of the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (OJ L 149, 30.4.2004), Corrigendum, Official Journal L 215, 16/06/2004 (the “Regulation”). Correspondance with each item in Annex IV is indicated in the footnotes.

⁵⁶ Item 1 of Annex IV of the Regulation.

⁵⁷ Item 1.1 of Annex IV of the Regulation.

⁵⁸ Item 1.2 of Annex IV of the Regulation.

⁵⁹ Item 2 of Annex IV of the Regulation.

⁶⁰ Item 13.2 of Annex IV of the Regulation.

	Notes	2004	2003
Subscribed capital	6	500,000	500,000
Reserves	7		
Legal reserve		50,000	50,000
Other reserves		1,182,021	915,371
Profit brought forward		13,876,527	10,389,811
		<u>15,608,548</u>	<u>11,855,182</u>
Creditors			
Amounts becoming due and payable after more than one year			
Debtenture loans	8	3,731,843,210	3,423,163,326
Amounts becoming due and payable within one year			
Debtenture loans and commercial papers		2,244,550,334	2,675,019,976
Other creditors (including tax: EUR 3,838,144 (2003 EUR 2,744,267))	9	166,585,517	144,147,715
		<u>6,142,979,061</u>	<u>6,242,331,017</u>
Deferred income	5	46,024,824	32,850,470
Profit for the financial year		-	3,753,366
		<u>6,204,612,433</u>	<u>6,290,790,035</u>

Profit and Loss Account of the Issuer

	As at 31 December	
	2004	2003
	(in EUR millions)	(in EUR millions)
Gross results	377	371
Interests and similar costs	376	364
Other costs and taxes	2.8	3.1
Profit (Loss) for the fiscal year	(1.6)	3.8

The above information for the years ended 31 December 2003 and 2004 is extracted from, and should be read in conjunction with, the audited financial statements (including the notes thereto) of the Issuer. The audited and approved financial statements of the Issuer for the year ended 31 December 2003 and 2004 are available free of charge at the head office of the Fortis BanqueLuxembourg S.A. in Luxembourg and at the head office of Fortis Bank in Belgium.

3.4 RISK FACTORS⁶¹

An investment in the Notes involves certain risks. Prospective investors should carefully consider the following factors relating to the business of the Issuer, in addition to the matters and information set forth elsewhere in this Registration Document and the other information contained in the other parts of the Prospectus, prior to investing in the Notes.

The sole business of the Issuer, being a direct subsidiary of Fortis Bank, is to provide all direct or indirect financing, by any means, to its subsidiaries and other companies belonging to the Fortis group ('Fortis') and to lend funds, to grant loans and to give guarantees and financial and administrative assistance in connection therewith to these subsidiaries and companies. Its ability to perform its obligations under the Notes is therefore dependent on the performance of Fortis' companies to whom the Issuer has provided finance.

⁶¹ Item 4 of Annex IV of the Regulation.

In addition to the factors to be taken into account in relation to Fortis' banking and asset management activities conducted through the Guarantor, Fortis Bank nv-sa and its business in general (which are described in 4.5.3 of the Guarantees Building Block), the following should be taken into account in relation to Fortis' insurance activities:

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

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

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

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

Market conditions can adversely affect Fortis' results.

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

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

Market volatility and overall declines in market indices can negatively affect Fortis' merchant banking, securities trading, brokerage, asset management and insurance activities. Volatility and declines in market indices can reduce unrealised gains in Fortis' various portfolios, the excess solvency margin of its insurance subsidiaries, or the demand for some of its banking, asset management or insurance products.

Volatility in interest rates may adversely affect Fortis' insurance business.

Fluctuations in interest rates affect the returns Fortis earns on fixed interest investments. Interest rate changes also affect the market values of, and the amounts of capital gains or losses Fortis takes on the fixed interest securities it holds. Over the past several years, movements in short and long-term interest

rates have affected Fortis' net interest income and how much and when Fortis recognised gains and losses on securities held in its investment portfolios.

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

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

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

Additionally, some of Fortis' insurance products are affected by certain unpredictable events, including catastrophic events. For example, some weather-related events could result in substantial costs to Fortis. To the extent that technical provisions are insufficient to cover actual insurance losses, loss adjustment expenses or future policy benefits, Fortis would have to add to these technical provisions and incur a charge to its earnings. Additional losses, including losses arising from changes in the legal environment, the type or magnitude of which Fortis cannot foresee, may emerge in the future. Any insufficiencies in technical provisions for future claims could have a material adverse effect on Fortis' future consolidated financial condition, results of operations and cash flows.

Fortis has significant counterparty risk exposure.

Fortis transfers its exposure to certain risks in its non-life and life insurance businesses to others through reinsurance arrangements. Under these arrangements, other insurers assume a portion of Fortis' losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Any decrease in the amount of Fortis' reinsurance will increase Fortis' risk of loss. When Fortis obtains reinsurance, it is still liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of Fortis' reinsurers to meet their financial obligations could materially affect Fortis' results of operations. Although Fortis conducts periodic reviews of the financial statements and reputations of its reinsurers, the reinsurers may become financially unsound by the time they are called upon to pay amounts due, which may not occur for many years.

3.5 INFORMATION ABOUT THE ISSUER⁶²

3.5.1 History and development of the Issuer⁶³

The Issuer was incorporated in Luxembourg on 24th September, 1986 for a limited duration of thirty years in the form of a “Société Anonyme” under the laws of the Grand Duchy of Luxembourg⁶⁴ and is registered with the Luxembourg Registry of Commerce and Companies under number B24784⁶⁵.

Until 12 November 2001, the legal denomination of the Issuer was “Genfinance Luxembourg S.A.”

The Articles of Association of the Issuer have been amended several times, most recently by notarial deed in Luxembourg on 7 February 2005. The duration of the Issuer is now unlimited. According to Luxembourg Act of 12 December, 1998, the capital of the Issuer has been converted into euro on 18 April 2001.

The Articles of Association were published in the “Mémorial, Recueil Spécial des Sociétés et Associations” on 29 November 1986 (C Nr332) and amendments thereto were also published in the “Mémorial, Recueil Spécial des Sociétés et Associations”.

The Issuer’s registered office is at 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, telephone number +352 2644 9416.

There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer’s solvency.

3.6 BUSINESS OVERVIEW⁶⁶

3.6.1 Principal activities⁶⁷

The Issuer’s object is to grant loans to the companies which are members of the Fortis Group. For that purpose the Issuer may issue bonds or similar securities, raise loans, with or without a guarantee and in general have recourse to any sources of finance. The Issuer can carry out any operation it judges necessary to the accomplishment and development of its business, whilst staying within the limits of the Luxembourg law of 10 August 1915.

Please see Section 3.13 of this Registration Document for more information about the securities issued by the Issuer. Please see Section 3.14.2 of this Registration Document for more information about the Issuer’s object as stated in the articles of association.

3.6.2 Principal markets⁶⁸

Not applicable. The sole business of the Issuer is to provide financing to companies of the Fortis Group to which it belongs.

⁶² Item 5 of Annex IV of the Regulation.

⁶³ Item 5.1 of Annex IV of the Regulation.

⁶⁴ Items 5.1.3 and 5.1.4 of Annex IV of the Regulation.

⁶⁵ Item 5.1.2 of Annex IV of the Regulation.

⁶⁶ Item 6 of Annex IV of the Regulation.

⁶⁷ Item 6.1 of Annex IV of the Regulation.

⁶⁸ Item 6.2 of Annex IV of the Regulation.

3.7 ORGANISATIONAL STRUCTURE⁶⁹

The Issuer is part of the Fortis group and acts as a financing vehicle of this group. The Issuer is a subsidiary of the Guarantor (see, for a description of the organisational structure of Fortis, Section 4.5.4 of the Guarantees Building Block).

In respect of the Issuer's dependence on entities within the Fortis group, see Sections 3.4 and 3.6.1 of this Registration Document.

3.8 TREND INFORMATION⁷⁰

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

3.9 PROFIT FORECASTS OR ESTIMATES⁷¹

This Registration Document does not contain any profit forecast or estimates.

3.10 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES⁷²

3.10.1 Board of Directors⁷³

As at the date of this Registration Document, the Board of Directors was comprised of the following persons:

- Bas Schreuders, Member of the Board of Directors of MeesPierson Intertrust Luxembourg;
- Edward Bruin, Director of Fiscal Affairs and Product Development of MeesPierson Intertrust Luxembourg
- Jean Thill, Global Markets Director of Fortis Banque Luxembourg S.A.;
- Frank van Gansbeke, Chairman of the Board of the Issuer and Global Head of Funding and Liquidity of the Guarantor; and
- Christian Pithsy, Director Market Risk & Risk Communication of Fortis S.A./N.V.

For the purpose of the Registration Document the address of the Directors is 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg.

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

3.10.2 Administrative, Management, and Supervisory bodies conflicts of interests⁷⁴

No conflicts of interests exist between any duties to the issuing entity of the persons referred to in Section 10.1 of this Registration Document and their private interests.

⁶⁹ Item 7 of Annex IV of the Regulation.

⁷⁰ Item 8 of Annex IV of the Regulation.

⁷¹ Item 9 of Annex IV of the Regulation.

⁷² Item 10 of Annex IV of the Regulation.

⁷³ Item 10.1 of Annex IV of the Regulation.

⁷⁴ Item 10.2 of Annex IV of the Regulation.

However, functional conflicts of interests may exist for the persons referred to in Section 3.10.1 of this Registration Document, due to the functions held by these persons in other members of the Fortis group (as described in Section 3.10.1 of this Registration Document).

3.11 BOARD PRACTICES⁷⁵

The Issuer does not have an Audit Committee. An Audit Committee exists at Fortis group level as set out in Section 4.5.8.3 of the Guarantees Building Block.

Under Luxembourg company law, there is currently no legal corporate governance regime that a company must comply with.

3.12 MAJOR SHAREHOLDERS⁷⁶

The Guarantor holds 99.995% of the Issuer's shares.

3.13 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES⁷⁷

3.13.1 Historical financial information⁷⁸

The reports of the *Commissaires aux comptes* issued by KPMG Audit S.à.r.l. on 3 September 2004 and 12 April 2005 shall be deemed to be incorporated by reference into and form part of this Prospectus in its entirety. These reports are included in the 2003 and 2004 annual report of the Issuer that can be obtained free of charge at the head office of the Fiscal Agent in Luxembourg and at the head office of the Paying Agent in Belgium.

3.13.2 2004 Financial statements (free translation of the French original)

Balance Sheet as at 31 December 2004 (in EUR)

(the accompanying notes form an integral part of these annual accounts)

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
Assets			
Fixed Assets			
Tangible assets		265	553
Financial assets			
Loans to affiliated undertakings	3	4,610,436,913	4,252,058,341
		<u>4,610,437,178</u>	<u>4,252,058,894</u>
Current Assets			
Debtors becoming due and payable within one year			
Other debtors	4	1,527,456,828	1,987,326,341
Cash at bank and in hand		19,659,787	15,425,960
		<u>1,547,116,615</u>	<u>2,002,752,301</u>

⁷⁵ Item 11 of Annex IV of the Regulation.

⁷⁶ Item 12 of Annex IV of the Regulation.

⁷⁷ Item 13 of Annex IV of the Regulation.

⁷⁸ Item 13.1 of Annex IV of the Regulation.

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
Prepayments	5	45,469,253	35,978,840
Loss of the financial year		<u>1,589,387</u>	
		<u>6,204,612,433</u>	<u>6,290,790,035</u>
Liabilities			
Capital and reserves			
Subscribed capital	6	500,000	500,000
Reserves	7		
Legal reserve		50,000	50,000
Other reserves		1,182,021	915,371
Profit brought forward		<u>13,876,527</u>	<u>10,389,811</u>
		15,608,548	11,855,182
Creditors			
Amounts becoming due and payable after more than one year			
Debenture loans	8	3,731,843,210	3,423,163,326
Amounts becoming due and payable within one year			
Debenture loans and commercial papers		2,244,550,334	2,675,019,976
Other creditors (including tax: EUR 3,838,144 (2003 EUR 2,744,267))	9	<u>166,585,517</u>	<u>144,147,715</u>
		6,142,979,061	6,242,331,017
Deferred income	5	46,024,824	32,850,470
Profit for the financial year		<u>-</u>	<u>3,753,366</u>
		<u>6,204,612,433</u>	<u>6,290,790,035</u>

Profit and loss account for the year ended 31 December 2004 (in EUR)

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
Administration expenses		(544,230)	(406,295)
Income from other transferable securities and from loans forming part of the fixed assets	10	367,083,903	345,429,278
Profit on "reverse convertible" bonds		-	15,072,442
Other interest receivable and similar income	11	9,999,971	10,571,714
Interest payable and similar charges	12	(375,756,174)	(349,179,339)
Loss on "reverse convertible" bonds		-	(15,072,422)
Tax on profit or loss on ordinary activities		<u>(2,328,394)</u>	<u>(2,662,012)</u>
Profit on ordinary activities after taxation		<u>(1,544,924)</u>	<u>3,753,366</u>
Other taxes not shown under the above items		<u>(44,463)</u>	<u>-</u>
Profit for the financial year		<u>(1,589,387)</u>	<u>3,753,366</u>

(the accompanying notes form an integral part of these annual accounts)

Notes to the financial accounts for the year ended 31 December 2004

Note 1 - General

Fortis Luxembourg Finance S.A. (the "Company") was incorporated on 24 September 1986 in Luxembourg as a limited liability company (Société Anonyme) with the name GENFINANCE LUXEMBOURG S.A., which was then changed to FORTIS LUXEMBOURG FINANCE S.A. on 12 November 2001.

The activities of the company include the granting of loans to different companies of the Fortis Banque group (the “Group”). To achieve its objectives, the company can grant bonds or similar securities and contract loans with or without guarantees. The company can carry out any operation it judges necessary to the accomplishment and development of its business, whilst staying within the limits of the law of 10 August 1915.

Loans are granted under similar conditions as borrowings, except for an intermediary margin.

The annual accounts of the company are included in the consolidated financial statements of Fortis Bank. The Fortis Bank consolidated accounts and the management report are available at the head office, situated at 3 Montagne du Parc, B-1000 Bruxelles.

Note 2 - Significant Accounting Policies

These annual accounts are prepared in accordance with company law and general accounting principles in the Grand Duchy of Luxembourg.

Currency conversion

The subscribed capital of the Company is expressed in euros (“EUR”) and these annual accounts are established in EUR.

During the period, transactions, income and expenses in currencies other than EUR were converted using the exchange ruling at the transaction date.

Other current assets and liabilities expressed in foreign currencies are translated into EUR at the rates of exchange in effect at the balance sheet date.

Whenever there is a direct economic link between two transactions, accounted for in assets and liabilities respectively, and in the same currency, the balance sheet entries are revalued at closing exchange rates, without any impact on the profit and loss account.

Tangible Assets

Tangible Assets are included at purchase price less accumulated depreciations. Tangible assets are amortised in accordance with the straight line method over the estimated economic life. The amortisation rates are the following:

Fixtures, fittings and other equipment 25%

Debtors

Debtors are valued at lower of nominal or estimated net realisable value. A value adjustment is accounted for if, in the opinion of the board of directors, a permanent diminution in value has occurred, except if the diminution is economically linked to an increase in value on loans.

Premiums on amounts receivable

Premiums on amounts receivable are depreciated prorata temporis over the life of the receivable.

Creditors

Creditors are valued at the higher of nominal or repayment value.

Premiums on borrowings

Premiums on borrowings are accounted for in transitory accounts under assets or liabilities, independently of borrowings to which they are associated and are depreciated prorata temporis over the life of the borrowing.

Note 3 - Financial Assets

No value adjustment was made on loans.

Amounts receivable are made up as follows:

	<u>2004</u>	<u>2003</u>
	EUR	EUR
Amounts due within less than 1 year	882,987,456	833,402,230
Amounts due over 1 year		
1-5 years	1,641,561,718	1,856,320,259
5 years or more	<u>2,085,887,739</u>	<u>1,562,335,85</u>
	3,727,449,457	3,418,656,111
Total	<u>4,610,436,913</u>	<u>4,252,058,341</u>

Note 4 - Debtors Becoming Due and Payable Within One Year

The item “debtors becoming due and payable within one year” is essentially made up of loans granted to the parent company in the form of commercial paper issued under the “Euro Medium Term Notes” programme, interest receivable on loans granted, premiums and amounts receivable.

Note 5 - “Prepayments” and “Deferred Income”

“Deferred income” and “Prepayments” are essentially made up of commissions payable or receivable during the issue of certain borrowings.

They also include issuing fees such as consulting and printing fees, less accumulated depreciations, calculated using the straight line method over the expected useful life of the related loans.

Notes 6 - Subscribed Capital

As at 31 December 2004, the issued and fully paid up share capital of the company amounts to EUR 500,000, consisting of 20,000 shares each of a nominal value of EUR 25.

Note 7 – Reserves

	Legal reserve EUR	Special reserve EUR	Profit brought forward EUR
Balances as at 1 January 2004	50.000	915.371	10.389.811
2003 result	-	-	3.753.366
Allocation of the 2003 result - Allocation to the special reserve related to the net wealth tax	-	<u>266.650</u>	<u>(266.650)</u>
Balances as at 31 December 2004	<u>50.000</u>	<u>1.182.021</u>	<u>13.876.527</u>

Luxembourg law states that a company must appropriate annually to a legal reserve at least 5% of its statutory net profits until the aggregate reserve equals 10% of the subscribed share capital. Such reserve is not available for distribution.

In accordance with article 2, 12° of the law of 21 December 2001, the Company has deducted from its tax basis for net worth tax, the net worth tax incurred, until the maximum equals to the tax on profit. The annual general meeting of the Company allocates an amount equal to five times the net worth tax deducted to a special reserve. This reserve is to be maintained for the five taxable years following the year of allocation.

Note 8 - Debenture Loans Over One Year and Commercial Papers

As at 31 December, debenture loans over one year and commercial papers are as follows:

	<u>2004</u>	<u>2003</u>
	EUR	EUR
1 to 5 years	1,642,154,467	2,381,656,468
Over 5 years	<u>2,089,688,743</u>	<u>1,041,506,858</u>
	<u>3,731,843,210</u>	<u>3,423,163,326</u>

Note 9 - Other Creditors

At 31 December 2004 and 2003, “other creditors” was essentially made up of interest payable on bonds as disclosed in note 8, as well as on interest rate swap contracts relating to certain borrowings, tax payable and commissions payable.

Note 10 - Income From Other Transferable Securities and from Loans Forming Part of the Fixed Assets

At 31 December 2004 and 2003, this item essentially included interest received on affiliated loans granted.

Note 11 - Other Interest Receivable and Similar Income

At 31 December, this item was made up of:

	<u>2004</u>	<u>2003</u>
	EUR'000	EUR'000
Prorata of premiums on borrowings	9,632	10,230
Interest on bank accounts	<u>368</u>	<u>342</u>
	<u>10,000</u>	<u>10,572</u>

Other interest receivable and similar income with affiliated undertakings amount to EUR 367,858 as at 31 December 2004.

Note 12 - Interest Payable and Similar Charges

At 31 December, this item was made up of:

	<u>2004</u>	<u>2003</u>
	EUR'000	EUR'000
Interest on borrowings, commercial papers and interest rate swaps	356,045	337,167
Finance charges	94	103
Depreciation of syndicate commissions and issue fees	10,192	10,881
Paying agent commissions	486	628
“Up Front fees” paid on IRS	8,025	-
Prorata of premiums on borrowings	860	65
Exchange rate loss	28	162
Other	<u>26</u>	<u>173</u>
	<u>375,756</u>	<u>349,179</u>

Interest payable and similar charges paid to affiliated undertakings amount to EUR 34,522,056 as at 31 December 2004.

3.13.3 Cash flow statements for the years ended 31 december 2004 and 2003

		Financial year 2004		Financial year 2003
Cash flows form operating activities				
Consolidated profit		-1,589,387		3,753,366
Adjustments for				
Depreciation and amortisation	11,052,683		10,946,777	
Other changes	2,328,426		2,662,012	
		13,381,109		13,608,789
Cash flow from business operations				
Receivable from credit institutions (not at sight)	121,909,704		-228,127,755	
Receivable from customers	-6,600		57,966	
Payable to clients			-43,611,562	
Payable represented by a security	-744,951,778		227,052,109	
Other changes	-9,719,869		-26,690,562	
		-632,768,543		-71,319,804
Net cash generated by operating activities		-620,976,821		-53,957,649
Cash flows from financing activities				
Issuance of subordinated debts	650,000,000		100,000,000	
Redemption of subordinated debts	-24,789,352		-37,184,029	
Net Cash generated by financing activities		625,210,648		62,815,971
Net increase in cash		4,233,827		8,858,322
Cash and cash equivalents at 1 January		15,425,960		6,567,638
Cash and cash equivalents at 31 december		19,659,787		15,425,960

NOTE TO THE CASH FLOW STATEMENTS

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

The Company’s financial statements as of and for the years ended 31 December 2004 and 2003, respectively (hereafter, the “Company’s financial statements”), were prepared in accordance with the relevant Luxembourg financial reporting regulations. The financial statements have been audited by the Company’s statutory auditors, KPMG Audit S.à r.l. Réviseurs d’Entreprises, who have issued unqualified audit reports thereon.

The Luxembourg financial reporting regulations do not require to report cash flows. Therefore the amounts reported in the Cash Flow Statements have been determined either directly from the balances reported in the Company’s audited financial statements, as defined in the second paragraph of this note, at the beginning and end of each of the two years concerned or, where applicable, by reference to the relevant accounting records underlying those audited financial statements.

The cash flow amounts as determined, are presented in the Cash Flow Statement in accordance with the guidance in paragraphs 10 – 17 of International Accounting Standard IAS 7 – “Cash Flow Statements”.

Capitalisation and Indebtedness of the Issuer as at 31 December 2004

The capitalisation and indebtedness of the Issuer (extracted from Issuer’s unaudited accounts) as at 31 December 2004, is as set out below:

		As at 31 December 2004 (in EUR)	
Shareholders’ Equity			
Share capital		500,000.00	
Legal reserve		50,000.00	
Reserve not available		1,182,021.25	
Retained earnings		13,876,527.00	
Total Shareholders’ Equity		15,608,548.25	
Long Term Debt			
Notes with unsubordinated guarantee			
LUF 2,000,000,000	7¼%	1995/2005(1)(4)	XS0059443761 49,578,704.95
		1996/1999 7% 1999/2002 9%	
LUF 3,000,000,000	5%	2002/2005(1)(4)(7)	XS0064533507 74,368,057.43
		1996/2000 7% 2000/2003 9%	
LUF 4,000,000,000	5½%	2003/2006(1)(4)(7)	XS0067038959 99,157,409.91
		1996/1999 6% 1999/2002 8%	
LUF 3,000,000,000	4¼%	2002/2005(1)(4)(7)	XS0071703192 74,368,057.43
EUR 2,000,000.00		3 May 2002	XS0147076037 2,000,000.00
USD 5,000,000		16 June 2003	XS0170126659 3,666,495.56
HKD 100,000,000		25 March 2003	XS0165573071 9,431,026.19
USD 4,000,000		15 July 2003	XS0171778003 2,933,196.45
USD 10,500,000		Range Accrual Notes	XS0172877028 7,699,640.68
USD 10,000,000		Range Accrual Notes	XS0173627554 7,332,991.13
USD 2,000,000		Bermudan Callable Fixed Rate Notes	XS0180133398 1,466,598.23
USD 5,000,000		Callable Range Accrual Notes	XS0180217498 3,666,495.56
EUR 4,720,000		0% Basket Linked Notes	XS0187132096 4,720,000.00
EUR 5,000,000		Credit Linked Floating Rate Notes	XS0187825459 5,000,000.00
EUR 3,000,000		Equity Index Linked Notes	XS0189252736 3,000,000.00
USD 8,000,000		Credit Linked Notes	XS0189310799 5,866,392.90
EUR 5,000,000		Credit Linked Notes	XS0189850042 5,000,000.00
EUR 5,000,000		Notes with Floored Yearly Tec-10 Click	XS0190360734 5,000,000.00
EUR 20,000,000		Target Redemption Notes	XS0190412394 20,000,000.00
EUR 10,000,000		Target Redemption Notes	XS0192707775 10,000,000.00
EUR 10,000,000		“Five out of Five” Notes	XS0193721205 10,000,000.00
EUR 10,000,000		Credit Linked Notes	XS0196339260 10,000,000.00
EUR 10,000,000		Five Year Target Redemption Notes	XS0194459177 10,000,000.00
EUR 25,000,000		Credit Linked Notes	XS0167356392 25,000,000.00
EUR 20,000,000		Exchangeable Zero Coupon Notes on Peugeot SA	XS0179754550 20,000,000.00
EUR 1,300,000		Credit Linked Notes	XS0179754550 1,300,000.00
EUR 2,500,000		Credit Linked Notes	XS0196095888 2,500,000.00
EUR 20,000,000		Credit Linked Notes	XS0199182899 20,000,000.00
EUR 11,260,000		Target Redemption Notes	XS0197902587 11,260,000.00
EUR 50,000,000		Credit Linked Notes	XS0199957985 50,000,000.00
EUR 5,000,000		“Going for Gold” Notes	XS0199207555 5,000,000.00
EUR 5,000,000		Credit Linked Notes	XS0201884136 5,000,000.00
EUR 85,000,000		Credit Linked Notes	XS0201907952 85,000,000.00
EUR 20,000,000		CMS Linked Notes	XS0202613666 20,000,000.00
EUR 3,000,000		CMS Linked Notes	XS0202613666 3,000,000.00
EUR 20,000,000		CMS Linked Notes	XS0202614391 20,000,000.00
EUR 1,500,000		Ten Year Target Redemption Notes	XS0203697015 1,500,000.00
EUR 15,383,000		Ten Year Target Redemption Notes	XS0202071832 15,383,000.00
EUR 24,816,000		Ten Year Target Redemption Notes	XS0202963640 24,816,000.00
EUR 75,000,000	3.40%	Notes	XS0206388182 75,000,000.00
USD 1,950,000	15%	Capella Notes	XS0195862866 1,429,933.27
USD 9,030,000		Callable Range Accrual Notes	XS0196215023 6,621,690.99
USD 3,000,000		Bermudan Step-up Coupon Notes	XS0199017186 2,199,897.34
USD 10,550,000		Ten Year Callable Range Accrual Notes	XS0203361299 7,736,305.64
USD 5,000,000		Ten Year Callable Range Accrual Notes	XS0203471395 3,666,495.56
USD 30,00,000		Bermudan Callable Zero Notes	XS0203790810 21,998,973.38

USD 10,000,000		Bermudan Callable CMS Linked Notes	25 November 2014	XS0206015074	7,332,991.13
USD 10,000,000		CMS Linked Range Accrual Notes	25 December 2014	XS0208904283	7,332,991.13
		Total			867,333,344.86
Reserve Convertible Notes(8)					
EUR 30,000,000.00		23 May 2003	23 May 2005	XS0168017803	30,000,000.00
EUR 15,000,000.00		25 July 2003	25 July 2005	XS0171782450	15,000,000.00
EUR 15,000,000.00		21 October 2003	21 October 2005	XS0177422648	15,000,000.00
EUR 30,000,000.00	16	16 December 2003	16 December 2005	XS0181018317	30,000,000.00
EUR 15,000,000.00		10 February 2004	10 February 2006	XS0184245099	15,000,000.00
EUR 25,000,000.00		12 May 2004	12 May 2006	XS0191265957	25,000,000.00
EUR 10,000,000.00		28 July 2004	28 July 2005	XS0195608210	10,000,000.00
EUR 10,500,000.00		22 November 2004	22 November 2005	XS0204904543	10,500,000.00
		Total			150,500,000.00
Index Linked Notes					
EUR 100,000,000.00		15 April 1999	15 April 2005	XS0095602545(4)	100,000,000.00
EUR 50,000,000.00		8 February 2000	8 February 2005	XS0106290710(4)	50,000,000.00
EUR 50,000,000.00		15 February 2000	15 February 2008	XS0106569071(4)	50,000,000.00
EUR 50,000,000.00		28 March 2000	28 March 2005	XS0108677039(4)	50,000,000.00
EUR 70,000,000.00		20 April 2000	20 April 2005	XS0109552389(4)	70,000,000.00
EUR 50,000,000.00		9 June 2000	9 June 2005	XS0111290564(4)	50,000,000.00
EUR 25,000,000.00		4 October 2000	4 October 2005	XS0117447531(4)	25,000,000.00
EUR 40,000,000.00		7 February 2001	7 February 2005	XS0123291303(4)	40,000,000.00
EUR 25,000,000.00		28 February 2001	28 February 2005	XS0124841601(4)	25,000,000.00
EUR 35,000,000.00		15 January 2002	15 January 2007(4)	XS0140809889(4)	35,000,000.00
EUR 25,000,000.00		15 March 2002	15 March 2006(4)	XS0143766821(4)	25,000,000.00
EUR 15,000,000.00		3 July 2002	3 July 2006(4)	XS0148947566(4)	15,000,000.00
EUR 50,000,000.00		17 June 2003	17 June 2015	XS0106569071(4)	50,000,000.00
		Total			585,000,000.00
Notes in EUR with subordinated guarantee					
LUF 3,000,000,000	6%	1997/2007(1)(3)		XS0074671339(3)	74,368,057.43
		1997/2001 7½%			
LUF 3,700,000,000	5%	2001/2005(1)(3)(7)		XS0076525060(3)	91,720,604.17
		1997/2002 7¼%			
LUF 3,000,000,000	5¼%	2002/2007(1)(3)(7)		XS0080323784(3)	74,368,057.43
LUF 2,000,000,000	6¼%	1997/2007(1)(3)		XS0082285155(3)	49,578,704.95
NLG150,000,000	5½%	1998/2005(1)(3)		XS0084682060(3)	68,067,032.41
		1998/2003 6.375%			
LUF 2,000,000,000	4½%	2003/2008(1)(3)(7)		XS0088649347(3)	49,578,704.95
		1998/2003 6¼%			
LUF 2,000,000,000	4¼%	2003/2008(1)(3)(7)		XS0090170209(3)	49,578,704.95
EUR 100,000,000	5½%	1999/2009(1)(3)		XS0098609919(3)	100,000,000.00
EUR 75,000,000	5.625%	1999/2009(1)(3)		XS0100182004(3)	75,000,000.00
EUR 100,000,000	6%	1999/2009(1)(3)		XS0101623600(3)	100,000,000.00
EUR 150,000,000	6¼%	1999/2009(1)(3)		XS0102274700(3)	150,000,000.00
EUR 100,000,000.00	6%	17 December 1999	17 December 2009	XS0104211957(3)	100,000,000.00
EUR 200,000,000.00	6.25%	11 May 2000	11 May 2010	XS0110173555(3)	200,000,000.00
EUR 250,000,000.00	6.5%	14 June 2000	14 June 2010	XS0111481403(3)	250,000,000.00
EUR 50,000,000.00	5.5%	20 October 2000	20 October 2010	XS0117512548(3)	50,000,000.00
EUR 150,000,000.00	6.5%	15 December 2000	15 December 2010	XS0120236269(3)	150,000,000.00
EUR 50,000,000.00	5.5%	27 December 2000	27 December 2010	XS0121176472(3)	50,000,000.00
EUR 150,000,000.00	6.375%	16 February 2001	16 February 2016	XS0122720732(3)	150,000,000.00
EUR 100,000,000.00	5.125%	16 May 2003	16 May 2013	XS0166164789(3)	100,000,000.00
EUR 150,000,000.00	4.5%	19 March 2004	19 March 2012	XS0186431895	150,000,000.00
EUR 100,000,000.00	4.5%	25 May 2004	25 May 2012	XS0190917160	100,000,000.00
EUR 200,000,000.00	4.75%	3 September 2004	3 September 2014	XS0196988587	200,000,000.00
EUR 100,000,000.00	4.625%	1 October 2004	1 October 2014	XS0200031200	100,000,000.00
EUR 100,000,000.00	4%	31 December 2004	31 December 2014	XS0208412063	100,000,000.00
		Total			2,582,259,866.29
Notes in foreign currencies with subordinated guarantee					
USD 22,330,000	FRN	1995-undated(1)(2)(3)(5)		XS0055748544	16,374,569.19
GBP 100,000,000	9%	1995-undated(1)(2)(5)(6)		XS0062063952	141,262,890.24
DKK 400,000,000	5%	1998/2003 6% 2003/2008(1)(3)(5)(7)		XS0091182419	53,775,005.38
DKK 600,000,000	7%	1997/2006(1)(3)(5)		XS0075421866	80,662,508.07
DKK 600,000,000	51/8%	1999/2007(1)(3)(5)		XS0097938525	80,662,508.07
SEK 515,000,000	7%	1999/2007 (1) (3) (5)		XS0102708632	57,114,973.00
		Total			429,852,453.95
		Total Long Term Debt			4,614,945,665.10
		Short Term Debt (including Commercial Paper)			1,361,447,878.45
		Total Long Term Debt and Short Term Debt			5,976,393,543.55
		Total capitalisation(9)(10)			5,992,002,091.80

Notes:

- (1) Redeemable early at 100% in the event of a change in tax regulations.
- (2) Redeemable early at 100% from February 2000 onwards.
- (3) Guaranteed on a subordinated basis by Fortis Banque.
- (4) Guaranteed by Fortis Banque.
- (5) Foreign currency amounts have been translated at the rates prevailing on 31 December 2004.
AUD 1.7498
CAD 1.6390
CHF 1.5432
DKK 7.4384
EUR 1
GBP 0.7079
HKD 10.6033
NZD 1.8965
SEK 9.0169
USD 1.3637
- (6) Redeemable early at 100% or exchangeable for new Notes from 5 January, 2006 onwards.
- (7) Step-up Notes.
- (8) The Reverse Convertible Notes are booked at their nominal value.
- (9) The following issues will be added to the Long Term Debt of the issuer:

EUR 3,000,000 Callable Range Accrual Notes due 5 January 2012 XS0208319870
USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 25 January 2020 XS0209607109
EUR 5,000,000 Credit Linked Notes due 18 April 2007 XS0210194022
EUR 5,000,000 Credit Linked Notes due 18 April 2007 XS0210194451
USD 20,000,000 Bermudan Callable Zero Notes due 25 January 2025 XS0210027719
EUR 5,750,000 8.30% Reverse Convertible Notes due 24 January 2007 convertible into ABN-AMRO shares XS0210749932
EUR 3,500,000 7.80% Reverse Convertible Notes due 24 January 2007 convertible into ROYAL DUTCH shares XS0210750609
EUR 4,250,000 9.00% Reverse Convertible Notes due 24 January 2006 convertible into ROCHE shares XS0210750435
USD 2,300,000 USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 15 February 2020 XS0210881701
EUR 30,000,000 reverse convertible Notes due 16 August 2006, convertible into Dexia shares XS0211673982
EUR 10,000,000 Credit Linked Notes due 10 April 2006 XS0211846240
EUR 10,000,000 Credit Linked Notes due 10 April 2007 XS0211847131
USD 5,000,000 USD 10 Year Callable Range Accrual Notes due 25 February 2015 XS0211848022
USD 20,000,000 USD 20 Year Callable Zero Coupon Notes due 25 February 2025 XS0212391519
USD 1,700,000 2.5 Years Equity Linked Notes due 2007 XS0212501554
EUR 16,478,000 "Target Snowball" Notes 2005 due 2015 XS0213766636
EUR 10,000,000 Reverse Convertible Notes 2005/2006 due 8 September 2006 convertible into Deutsche Bank AG shares XS0213297202
USD 5,600,000 Callable Range Accrual Notes due 22 March 2020 EMTN series N° 204 XS0213750713
USD 8,500,000 Callable Range Accrual Notes due 25 March 2017 series N° 205 XS0214513631
EUR 50,000,000 10 Year Capped CMS-Linked Note due 11 April 2015 guaranteed on a senior subordinated basis, series N° 206 XS0214846874
USD 2,000,000 5.00 per cent. Click T BIN (autocallable) Notes due 22 March 2007 EMTN Series N° 207 XS0214989989
EUR 15,000,000 Reverse Convertible Notes 2005/2006 due 25 October 2006 convertible into ING Groep N.V. shares XS0216034222
EUR 5,000,000 Credit Linked Notes due July 2006 EMTN Series N° 208 XS0215408971
EUR 5,000,000 Credit Linked Notes due July 23, 2007 EMTN Series N° 209 XS0215409433
USD 15,850,000, USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 11 April 2020 EMTN Series N° 210 XS0215556738
USD 6,120,000, 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 11 April 2020, EMTN Series N° 211 XS0215556498

USD 15,250,000, 10 Year Callable Daily Accrual Notes linked to 30 year-2 year CMS Spread due 15 April 2015, EMTN Series N° 212 XS0216471101
 USD 5,550,000, 10 Year Callable Range Accrual Notes due 15 April 2015 EMTN Series N° 213 XS0216433515
 EUR 3,330,000 Zero Coupon Autocallable Reverse Convertible Notes due 2006 convertible into Endesa S.A. shares EMTN Series N° 216 XS0217230886
 USD 3,100,000 CMS Spread Range Accrual Notes due 29 April 2020 Series N° 215 XS0217124345
 EUR 1,500,000 Range Accrual Notes due 9 May 2008 Series N°217 XS0218420791
 USD 75,000,000 4.25% Notes due 25 May 2010 Series N°215 XS0218424868
 USD 2,100,000 Bermudan CMS Spread Range Accrual Notes due 1 June 2015 Series N°219 XS0219552568
 EUR 200,000,000 Credit Linked Notes linked to CMS 7 years, floored at 4.75%, due 30 June 2012 Series N° 220 XS0220820608
 EUR 7,000,000 7% Target Redemption Notes on 12 months EUIBOR Notes due 2 June 2020 Series N° 221 XS0220757214
 EUR 12,000,000 TOP Notes due 14 December 2007 Series N°222 XS0220549025
 EUR 20,000,000 Capped CMS Linked Notes due 1 July 2015 XS0221564544
 EUR 6,000,000 Equity Index Linked Notes due 6 July 2015 Series 223 XS0222331810
 USD 10,000,000 Credit Linked Notes to CMS 7 years, floored at 6%, due 30 June 2012 Series N° 224 XS0222427501
 EUR 22,000,000 Capped CMS Linked Notes due 29 July 2015 XS0223235390
 EUR 34,000,000 Swing Notes due 29 July 2012 XS0222939828
 TRY 35,000,000 14% Notes due 27 July 2007 XS0223721654
 EUR 1,500,000 Equity Linked Notes due 17 July 2008 Series N° 225 XS0224156892
 EUR 7,500,000 Credit Linked Notes due 8 October 2007 Series N° 226 XS0224688043
 EUR 3,000,000 11% Reverse convertible on Arcelor Notes due 28 July 2006 Series N° 227 XS0224767698
 TRY 120,000,000 13.70% Notes due 28 July 2008 Series N° 229 XS0225353829
 EUR 65,000,000 FRN 3 months EURIBOR + 0.06% Notes due 28 July 2008 Series N° 228 XS0225296507
 EUR 2,000,000 quanto USD Libor 12 months Range Accrual Notes due 1 August 2008 Series N° 230 XS0225354470
 EUR 30,000,000 Swing 2 Notes due 8 September 2012 XS0226146065
 FLF EUR 42,000,000 CMS Indexed CLN “Velazquez” Notes due 10/10/2013 XS0226638103
 FLF EUR 14,000,000 Swing 3 Notes due 6/10/2012, XS0228595525
 FLF EUR 5,450,000 3 years Participation on Basket Of Energy Stocks Notes due 7/10/2008 series n° 231 XS0231265249
 FLF USD 20,000,000 15 Years Range Accrual Zero Coupon Notes due 12/10/2020 series n° 232 XS0231563007
 FLF EUR 1,000,000 4 Years Index Linked Notes due 14/10/2009 series n° 233 XS0232112465

Save as disclosed above there has been no material change in the capitalisation of the Issuer since 31 December 2004. The Issuer has no notes cum warrants, nor convertible notes outstanding.

3.13.4 Financial statements

The Issuer has no subsidiaries and therefore its financial statements are produced on an unconsolidated basis. It does not publish interim financial statements.

The annual accounts of the Issuer are consolidated into the accounts of Fortis Bank. The consolidated accounts of Fortis Bank are available at its registered office: 3 Montagne du Parc, B-1000 Brussels.

3.13.5 Auditing of historical annual financial information⁷⁹

The financial statements of the Issuer for the years ending 31 December 2003 and 2004 have been audited without qualification by KPMG Audit, Société Civile, 31, Allée Scheffer, L-2520 Luxembourg.

No other information in this Registration Document has been audited by the auditors.

⁷⁹ Item 13.3 of Annex IV of the Regulation.

3.13.6 Age of latest financial information⁸⁰

The latest audited financial information included is the financial information for the financial year ending 31 December 2004.

3.13.7 Interim and other financial information⁸¹

IN EUR	June 2005	June 2004
ASSETS		
Fixed Assets	4,679,409,728	4,146,138,122
Current Assets	1,366,040,692	2,135,480,637
Prepayments	3,725,796	299,288
Loss of the financial year	3,936,144	-3,077,675
Total Assets	6,053,112,360	6,278,840,372
LIABILITIES		
Capital and Reserves	14,019,161	15,608,548
Creditors	5,989,542,110	6,234,313,981
Deferred Income	49,551,089	28,917,804
Profit for the financial year	0	0
Total	6,053,112,360	6,278,840,333
PROFIT AND LOSS		
Gross Result	193,491,671	176,664,433
Interest and Similar Costs	195,969,667	170,786,623
Other Costs and Taxes	1,460,687	2,800,135
Profit / (Loss) for the fiscal year	-3,938,683	3,077,675

* Extracted from the unaudited interim financial statements of Fortis Luxembourg Finance for the 6 month period ending 30 June 2005 which have been prepared in conformity with Luxembourg legal and regulatory requirements.

3.13.8 Legal and arbitration proceedings⁸²

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering 12 months prior to this Registration Document which may have, or have had in the recent past, significant effects on the Issuer and/or Fortis group's financial position or profitability.

3.13.9 Significant change in the Issuer's financial or trading position⁸³

There has been no material adverse change in the financial or trading position of the Issuer since 31 December 2004. No significant change has occurred since the preparation of the interim financial statement included in Section 3.3 of this Registration Document.

⁸⁰ Item 13.4 of Annex IV of the Regulation.

⁸¹ Item 13.5 of Annex IV of the Regulation.

⁸² Item 13.6 of Annex IV of the Regulation.

⁸³ Item 13.7 of Annex IV of the Regulation.

3.14 ADDITIONAL INFORMATION⁸⁴

3.14.1 Share capital⁸⁵

The Issuer's issued and authorised share capital at 30 June 2004 is EUR 500,000 represented by 20,000 ordinary shares with a nominal value of EUR 25 each. The Issuer has no other classes of shares. The share capital is fully paid up.

The Issuer has no notes cum warrants, nor convertible notes outstanding.

For an overview of the capitalisation of the Issuer, please see Section 3.13 of this Registration Document.

3.14.2 Memorandum and Articles of Association⁸⁶

Article 4 of the Articles of Association states:

The object of the company is to provide all direct or indirect financing, by any means, to its subsidiaries and other companies belonging to the Fortis Group and to lend funds, to grant loans and to give guarantees and financial and administrative assistance in connection therewith to these subsidiaries and companies.

To realise its object, the company may amongst others:

- Enter into any refinancing operation including amongst others, but not limited to, borrow in any form or obtain loans in any form, to participate into securitisation transactions and obtain funding, by amongst others issuing in any form any kind of bonds or similar securities, debentures, notes, certificates, warrants and all other kinds of financial instruments;
- Give guarantees, pledge or provide any other form of security, be it by personal security or mortgage or charge on all or part of its assets;
- Enter into all kinds of agreements and transactions on derivatives including amongst others, but not limited to, swaps (including credit default swaps), options and futures;
- Enter into all kinds of temporary transfers of securities including amongst others but not limited to securities lending and repurchase transactions.

The company may enter into all transactions, which it deems necessary for the accomplishment and development of its corporate object, remaining within the limits of the law on commercial companies of 10 August 1915.

The Issuer is registered with the Luxembourg Registry of Commerce and Companies under number B24784.

3.15 MATERIAL CONTRACTS⁸⁷

No material contracts are entered into, which could result in any member of the Fortis group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Notes.

⁸⁴ Item 14 of Annex IV of the Regulation.

⁸⁵ Item 14.1 of Annex IV of the Regulation.

⁸⁶ Item 14.2 of Annex IV of the Regulation.

⁸⁷ Item 15 of Annex IV of the Regulation.

3.16 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST⁸⁸

This Registration Document does not contain third party information or statements by experts.

3.17 DOCUMENTS ON DISPLAY⁸⁹

For the life of the Notes, the following documents (or copies thereof) may be inspected at Fortis Bank, Montagne du Parc 3, 1000 Bruxelles, Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam, Fortis BanqueLuxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg as well as at the registered office of the Issuer:

- the memorandum and articles of association of the Issuer;
- the historical financial information of the Issuer for each of the two financial years preceding the publication of this Registration Document.

⁸⁸ Item 16 of Annex IV of the Regulation.

⁸⁹ Item 17 of Annex IV of the Regulation.

4 GUARANTEE BUILDING BLOCK⁹⁰

4.1 NATURE OF THE GUARANTEE⁹¹

Fortis Bank nv-sa (the “**Guarantor**” or “**Fortis Bank**”) will, by the guarantee endorsed on the Notes (the “**Guarantee**”), unconditionally and irrevocably guarantee the due and punctual payment of all amounts due by Fortis Luxembourg Finance SA (the “**Issuer**”) under the Notes and coupons relating to them (including any additional amounts payable for tax reasons), when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Guarantee constitutes direct, unconditional, irrevocable, unsubordinated and unsecured obligations of the Guarantor and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.

4.2 SCOPE OF THE GUARANTEE⁹²

The following is substantially the text of the Guarantee that will be executed by the Guarantor for each Note issue and that will be endorsed on the Notes.

FORTIS BANK nv-sa (the “**Guarantor**”) unconditionally and irrevocably guarantees to the holder of this Note (and, where relevant, the 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), of the principal of, interest (if any) on, and any other amounts and Considerations 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 or consideration, 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 or consideration 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 judgement against the Issuer or any action to enforce the same or any circumstance which might otherwise constitute a discharge or defence of a guarantor.

The Guarantor confirms with respect to each Note (and coupon, if any) 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 proceedings 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

⁹⁰ This Chapter is established in accordance with the Schedule set out in Annex VI - Minimum disclosure requirements for guarantees (Additional building block) of Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (OJ L 149, 30.4.2004), Corrigendum, Official Journal L 215, 16/06/2004 (the “Regulation”). Correspondance with each item in Annex VI is indicated in the footnotes.

⁹¹ Item 1 of Annex VI of the Regulation.

⁹² Item 2 of Annex VI of the Regulation.

will not be discharged except by complete performance of the obligations contained in each Note (and coupon, if any) and in this Guarantee.

This Guarantee constitutes a direct, unconditional, irrevocable, unsubordinated and (subject to the provisions below) unsecured obligation of the Guarantor and ranks *pari passu* (subject to mandatory preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor including deposits received by it in its banking business.

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

This Guarantee is governed by, and shall be construed in accordance with, the laws of the Grand Duchy of Luxembourg. Claims against the Guarantor thereunder may be brought before any competent court in Belgium, to the non-exclusive jurisdiction of all of which the Guarantor hereby submits.

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

Dated as of the Issue Date

FORTIS BANK nv-sa

4.3 INFORMATION TO BE DISCLOSED ABOUT THE GUARANTOR⁹³

4.3.1 Persons Responsible

The Guarantor, a bank incorporated for an unlimited duration in the Kingdom of Belgium, with registered office at 1000 Brussels, Montagne du Parc 3, is responsible for the information given in this Guarantees Building Block. The Guarantor confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Guarantees Building Block is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

4.3.2 Statutory Auditors

The 2003 and 2004 financial statements of the Guarantor have been audited by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C., represented by Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe 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. All are members of the Instituut voor Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises.

⁹³ Item 3 of Annex VI of the Regulation.

4.3.3 Selected Financial Information of the Guarantor

4.3.3.1 Key figures

Key figures ¹⁾ (in EUR million)	Year			Quarterly				
	2004	2003	% change	Q4 2004	Q4 2003	% change	Q3 2004	% change
Total revenues, net of interest expense	8,057	7,784	4	1,967	1,776	11	1,884	4
Net interest income	4,587	4,380	5	1,141	1,164	(2)	1,117	2
Commissions	1,978	1,802	10	525	486	8	471	11
Capital gains	438	443	(1)	16	(74)	*	7	*
Other revenues	1,054	1,159	(9)	285	200	43	289	(2)
Value adjustments	(227)	(762)	(70)	(27)	(190)	(86)	(54)	(51)
Operating expenses	(5,168)	(5,128)	1	(1,415)	(1,253)	13	(1,219)	16
Operating costs	(4,831)	(4,832)	0	(1,312)	(1,165)	13	(1,135)	16
Costs of assets held for lease	(337)	(296)	14	(103)	(88)	17	(84)	23
Operating profit before taxation	2,662	1,894	41	525	333	58	611	(14)
Net operating profit before realised capital gains	1,646	1,102	49	400	343	17	432	(7)
Net realised capital gains ²⁾	296	336	(12)	10	(6)	*	3	*
Net operating profit excluding value adjustments to the equity portfolio	1,942	1,438	35	410	337	22	435	(6)
Value adjustments to the equity portfolio	28	8	*	(31)	(30)	9	(1)	*
Realised	(14)	(48)	(71)	(1)	(49)	(99)	1	*
Unrealised	42	56	(26)	(30)	19	*	(2)	*
Net operating profit	1,970	1,446	36	379	307	23	434	(13)

¹⁾ Excluding FB Insurance.

²⁾ Excluding equity portfolio, after tax.

4.3.3.2 Capital Adequacy Ratios

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 % for Tier 1 capital and 8% for total capital (Tier 1 and 2).

The table below sets out the Tier 1 and total capital ratios which come from Fortis’ annual accounts and are in accordance with Fortis’ accounting principles for Fortis Bank:

	31Dec-2002	31-Dec-2003	31-Dec-2004
	Fortis Bank	Fortis Bank	Fortis Bank
Tier 1 capital ratio	8.2	% 7.9	% 8.3
Total capital ratio	13.0	% 11.68	% 12.3

As the statutory minimum for the Tier 1 capital ratio is 4%, the Guarantor is in a comfortable position.

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

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

4.4 RISK FACTORS

An investment in the Notes involves certain risks. Prospective investors should carefully consider the following factors relating to the business of the Guarantor, in addition to the matters and information set forth elsewhere in this Guarantees Building Block and the other information contained in the other parts of the Prospectus, prior to investing in the Notes.

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

There is substantial competition in the Benelux and the other regions in which Fortis Bank does business for the types of banking and asset management and other products and services which Fortis Bank provides. Such competition is most pronounced in Fortis Bank's core Benelux markets (19%, 33% and 19% of operating result before taxation in 2004 was derived from Belgium, The Netherlands and Luxembourg, respectively) where it faces competition from companies such as ING Group, ABN Amro N.V., Aegon N.V., Rabobank, KBC Bank N.V. and Dexia. As a result, Fortis Bank's strategy is to maintain customer loyalty and retention which can be influenced by a number of factors, including service levels, the prices and attributes of products and services, financial strength and claims-paying ratings and actions taken by competitors. If Fortis Bank is unable to compete with attractive product and service offerings that are profitable, Fortis Bank may lose market share or incur losses on some or all activities.

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

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

Market conditions can adversely affect Fortis Bank's results.

Fortis Bank's business segments are affected by market conditions, which can cause results to fluctuate from year to year as well as on a long-term basis. These conditions include economic cycles such as financial market cycles, including volatile movements in market prices, and banking industry cycles.

Fluctuations in interest rates and exchange rates, monetary policy, consumer and business spending and demographics and competitive and other factors also influence Fortis Bank's performance.

As a result of changing market conditions and the influence of financial and industry cycles, Fortis Bank's results of operations are subject to volatility that may be outside the control of Fortis Bank. In particular, Fortis Bank's merchant banking, securities trading and brokerage activities income and profit or loss before taxation may vary significantly from year to year depending on market conditions.

Market risk can adversely affect Fortis Bank's banking and asset management activities.

Market risk can negatively affect Fortis' merchant banking, securities trading, brokerage and asset management. Market risk is the risk of losses due to sharp fluctuations on the financial markets - in share prices, interest rates, exchange rates or property prices.

These fluctuations also create risks which impact on the structural positions of the banking activities and on the trading positions taken by the banking business (trading risk).

In the banking activities, the fixed-rate period of the assets is longer than that of the liabilities, since banks traditionally receive funds in the shorter term and reinvest them for the longer term. As a result, an upward movement in the yield curve on the capital market will lead to a more pronounced fall in the value of the assets than in the value of the liabilities. This also has the effect of reducing the value of Fortis Bank (which is after all the difference between its assets and liabilities). A movement in the opposite direction naturally increases Fortis Bank's value.

A decline in the stock or bond markets would adversely affect investments, could reduce market liquidity, and could reduce the popularity of products linked to financial assets. Market downturns and high volatility can occur not only as a result of purely economic factors, but also as a result of war, acts of terrorism, natural disasters, or other similar events.

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

Asset illiquidity can adversely affect Fortis Bank's business.

Liquidity risk is inherent in much of Fortis Bank's business. Each asset purchased and liability sold has liquidity characteristics that are unique. Some liabilities are surrenderable while some assets have low liquidity such as privately placed loans, mortgages loans, real estate and limited partnership interests. Additionally, protracted market declines can reduce the liquidity of markets that are typically liquid. If, in the course of its insurance or other activities, Fortis Bank requires significant amounts of cash on short notice in excess of anticipated cash requirements, Fortis Bank may have difficulty selling these investments at attractive prices, in a timely manner, or both.

While Fortis Bank manages its operational risks, these risks remain an inherent part of all of Fortis Bank's businesses.

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

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

Fortis Bank attempts to keep operational risks at appropriate levels by maintaining a sound and well controlled environment in light of the characteristics of its business, the markets and the regulatory

environments in which it operates. While these control measures mitigate operational risks they do not eliminate them.

Fortis Bank has significant counterparty risk exposure.

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

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

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

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

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

Fortis Bank adopted International Financial Reporting Standards (“**IFRS**”), which impact Fortis' financial results as they differ in significant respects from GAAP in accordance with Belgian law.

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

4.5 INFORMATION ABOUT THE GUARANTOR

4.5.1 History and development of the Guarantor

4.5.1.1 General

Fortis Bank is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law. The Guarantor was established on 5 December 1934 as Banque de la Société Générale de Belgique for a period of 30 years (as from 1 January 1935), renewed on 19 May 1964. By decision of

the general shareholders' meeting of 23 April 1985, its duration is now unlimited. The registered office of the company is located at 1000 Brussels, Montagne du Parc 3, where its headquarters are based, telephone number: +32 (02) 565 11 11.

As stated in article 3 of its Articles of Association, Fortis Bank has as its purpose, carrying on the business of a credit institution, including brokerage and transactions involving derivatives. 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 that benefit the realisation 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 Register of Legal Entities under the number 0403.199.702.

Fortis Bank and its subsidiaries "regrouped" the banking activities of Fortis, an integrated financial services provider active in the fields of banking and insurance (see paragraph 3 below). Fortis offers its private, business and institutional customers a comprehensive package of products and services through its own distribution channels, in cooperation with intermediaries and via distribution partners. 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.

The banking businesses offer a wide range of financial services (including insurance products), mostly under the name of Fortis Bank and via its own networks.

There have been no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.

4.5.1.2 Historical Overview of the development of the Fortis group

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 Volkswlijt" in Brussels, out of which grew Generale Bank, established in 1934.
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

4.5.1.3 Strategy and policy

Fortis 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.

4.5.2 Investments

The principal investments made since the date of the financial statements for the year ending 31 December 2004 are set out in Section 4.5.5.2 (Recent Developments) below.

4.5.3 Business Overview

Fortis Bank and its subsidiaries operate on a cross border basis with offices in the Benelux countries and they co-ordinate their operations from Brussels, Amsterdam, Rotterdam and Luxembourg.

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

- Retail Banking, providing financial services to retail customers, self-employed, professionals and small businesses;
- Commercial & Private Banking, servicing medium-sized companies in Europe by offering financial solutions through its integrated European network of Commercial Business Centres and offers integrated institutional management of assets and liabilities to wealthy individuals and business clients;
- Merchant Banking, offering its institutional and corporate clients tailored investment and financing solutions, based on its activities in Corporate and Investment Banking, Financial and Capital Markets, Private Equity and Securities Services.

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 on the basis of its businesses, the structure of Fortis Bank includes operational and support functions managed by a Chief Operating Officer. Fortis Bank's operational activities, such as securities handling, accounts and payments and standardised 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.

Retail Banking

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

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

Commercial and Private Banking

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

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

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

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

Merchant Banking

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

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

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

4.5.4 Organisational Structure

Fortis Bank is part of the Fortis group (“**Fortis group**” or “**Fortis**”).

Fortis occupies a prominent position in the Benelux countries. By building on this and its competencies, Fortis plans to strengthen its strategic position in the enlarged EU. The combination of commercial and private banking allows Fortis to offer a unique, cross-border service package to businesses and business people, and forms the backbone of Fortis’ pan-European growth ambitions. The very customer-focused Merchant Banking business is growing further in the Benelux countries and enjoys an appreciable position in specific customer and product niche markets with a global scope, such as shipping and commodity finance. Fortis has successfully combined its banking and insurance expertise in European and Asian growth markets.

Fortis is one of Europe's biggest financial institutions, with a market capitalisation of EUR 26.5 billion and total assets of EUR 571 billion. With its sound solvency position, broad risk spread and the extensive expertise of its 51,000 employees, Fortis combines global strength with local flexibility to provide optimum support to its customers.

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

More information about Fortis is available at www.fortis.com.

The activities of Fortis are originated in six businesses, three of which are banking businesses and three are insurance businesses. The three banking businesses, organised according to specialisation and hence transactional by nature, were described previously. The three insurance businesses are divided geographically: Insurance Netherlands, Insurance Belgium and Insurance International.

Insurance Belgium

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

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

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

Insurance Netherlands

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

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

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

Insurance International

Fortis ASR is the second-largest insurer and the leading intermediary insurer in the Netherlands. It also distributes various Fortis banking products. Today, Fortis ASR is working hard to integrate the three general insurers AMEV, Stad Rotterdam and Woudsend under a single new label, while stepping up

initiatives to manage the risks that this operation entails. The integration process should be completed by the end of 2006.

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

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

4.5.5 Trend Information

4.5.5.1 Material adverse change

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

4.5.5.2 Recent developments

RECENT DEVELOPMENTS OF FORTIS GROUP EXTRACTED FROM THE PRESS RELEASES DATED 12 APRIL AND 25 MAY 2005

1. Istanbul / Brussels / Utrecht, 12 April 2005

Fortis to acquire Dışbank, Turkey's seventh largest privately owned bank.

Fortis and Dışbank's majority shareholders - Doğan Group, Doğan family and two funds - yesterday signed an agreement by which Fortis will acquire 89.3% of Dışbank's shares outstanding. Fortis will also make a public bid for the remaining 10.7% of Dışbank's shares. Total consideration will be approximately EUR 985 million, subject to price adjustments.

With more than one million customers, around 120,000 small enterprise customers and around 10,000 Commercial Banking clients (i.e. medium sized enterprises), Dışbank is the seventh largest privately owned bank in Turkey in terms of assets and is listed on the Istanbul stock exchange. The bank has a history of Commercial Banking and has in recent years also developed a strong growing platform in Retail Banking along with selected Merchant Banking activities. Dışbank has a network of 173 branches concentrated in the most dynamic regions of the country, of which six are strategically located Business Centres. It is also one of Turkey's best rated banks.

Jean-Paul Votron, Fortis CEO, comments: "This acquisition is fully in line with our strategy to develop our activities outside the Benelux. By seizing this opportunity Fortis has made a strategic investment in a large and fast growing market with a young and dynamic population of over 70 million, a strong tradition of entrepreneurship, and numerous SMEs deeply rooted in the economy. The combination of Dışbank's network and market knowledge with Fortis' strength and expertise in cross-selling, multi-channel distribution and risk management will help Dışbank to achieve profitable organic growth and to realize its objective to become one of Turkey's leading banks. We warmly welcome the 4,500 new Fortis employees".

Tayfun Bayazit, Dışbank's Chairman and CEO, adds: "This acquisition confirms not only Dışbank's success but also the positive outlook for the Turkish economy in the eyes of the international financial community. I'm confident that, with Fortis' experience and international network, we will be able to enhance our competitiveness, product range and service quality."

This acquisition is also in line with Fortis's financial objective to achieve a double digit ROI as of 2008 onwards, and it will be EPS accretive as of 2006. In due time Dışbank will be rebranded and will operate under the Fortis name.

The final adjustment to the purchase price will be determined on the basis of the audited financial accounts for the period ending 31 May 2005. A public bid will be launched on a date to be determined in agreement with the Capital Market Board. The transaction is subject to the approval by the regulatory authorities.

Fortis

Fortis is an integrated financial services provider active in banking and insurance. With a market capitalisation of EUR 28.6 billion (31/03/2005) and around 51,000 employees, Fortis ranks among the top 20 financial institutions in Europe. In its home market, the Benelux countries, Fortis occupies a leading position, which it aims to develop and bolster. Our strategy is to continue to expand growth platforms, building on the quality and expertise we have developed in our home market. We will focus on markets - both in Europe and globally - where we have a competitive advantage and where growth can clearly be achieved, for example in Bancassurance, Commercial Banking, Leasing and Factoring, Private Banking and Trust, and Asset Management. Fortis is listed on the stock exchanges of Amsterdam, Brussels and Luxembourg and has a sponsored ADR programme in the United States.

Fortis in Turkey

Fortis has been present in Turkey since 1987 when it opened a Representative Office in Istanbul. It engages mainly in Merchant Banking (Global Export and Project Finance, Institutional Banking and Funds, Global Markets, Corporate Banking) and Commercial Banking. MeesPierson opened a representative office in 2004, mainly dealing with Trust matters.

Dışbank

Dışbank is Turkey's seventh largest privately owned bank with total assets of EUR 4.1 billion as of 31 December 2004. It is also one of Turkey's best rated banks. It is well positioned in Commercial and Corporate Banking and has a strong presence in Retail Banking, with over one million customers - of which about 120,000 are small enterprises, and 10,000 are Commercial Banking clients (medium sized enterprises) - and over one million credit cardholders ("Ideal" credit cards). It has a network of 173 branches, six of which are strategically located Business Centres.

2. Brussels / Utrecht, 25 August 2005

Fortis first half 2005 net profit before results on divestments up 34% to EUR 2.1 billion
Continued strong performance of banking and insurance in the second quarter

- First half 2005 net profit before results on divestments:
- Total net profit before results on divestments up 34% from EUR 1,571 million to EUR 2,100 million; up 33% per share to EUR 1.64
- Banking net profit before results on divestments up 37%, from EUR 1,082 million to EUR 1,482 million
 - Total revenues up 9%
 - Costs remained flat

- Lower impairments on loans

- Insurance net profit before results on divestments up 21% from EUR 564 million to EUR 684 million

- Total gross inflow Life +34% to EUR 5,359 million

- Gross written premiums Non-life (excluding Assurant) up 2% to EUR 2,688 million

- Non-life combined ratio improved substantially, from 98% to 94%

- **First half 2005** net profit up 18% to EUR 2,543 million compared with the very strong first half of 2004; earnings per share up 17% to EUR 1.98

- **Second quarter** net profit before results on divestments amounted to EUR 1,056 million, up 1% compared to the exceptionally strong first quarter

- **Interim dividend** per share amounts to EUR 0.52 in cash

Key figures Fortis (in EUR million)	H1 2005		H1 2004 Pro-forma ¹⁾		Change
Net profit before results on divestments	2,100		1,571		34%
- Banking		1,482		1,082	37%
- Insurance		684		564	21%
- General		(66)		(75)	(13%)
Results on divestments	443		585		(24%)
- Assurant (General)		443		422	5%
- Seguros Bilbao (Insurance)				145	*
- Fortis Bank Asia (Banking)				18	*
Net profit	2,543		2,156		18%
EPS (in EUR)	1.98		1.69		17%
Before results on divestments		1.64		1.23	33%
Net equity per share (in EUR)	14.31		12.05 ²⁾		19%
Return on equity (in %)	21.4 ³⁾		21.5 ⁴⁾		

¹⁾ Fortis is publishing its first half 2004 and 2005 results under the new International Financial Reporting Standards (IFRS). Under IFRS, hedge accounting may not be applied retroactively to the 2004 accounts. However, to facilitate comparison, Fortis has published pro-forma net profit for 2004 taking the existing hedging strategies into account. The analysis in this press release refers to movements in the results versus the pro-forma results for first half of 2004, which include hedge accounting.

²⁾ Year-end.

³⁾ Rolling average of the latest four quarters.

⁴⁾ Full-year 2004.

CEO Jean-Paul Votron comments:

"With net profit before results on divestments up 34% to EUR 2.1 billion in the first half of this year, it is clear that Fortis is determined to achieve the ambitious targets set out in its strategic plan.

At EUR 1.1 billion, net profit before results on divestments in the second quarter of this year is even slightly up on the very strong first quarter results. This was due to a sound commercial performance, which was underpinned by sustained benign market conditions. More volatile elements, such as trading and capital gains, also contributed to these solid results. We have continued to pursue sound cost management, and the number of FTEs has remained stable. Operating expenses remained flat, as investments in client-facing staff and the distribution network were offset by lower other expenses. We are on track to deliver the ambitious cost savings of EUR 100 million in support functions by mid-2006. At the same time, we will continue to make investments to improve our services so we can achieve our goal of getting closer to our customers and being stronger in Europe. To pursue our growth strategy, we need the right people in the right place. As part of Fortis's new performance culture, we are developing targeted initiatives at management and senior management level, including leadership training and a more rigorous performance evaluation process.

In the first six months of 2005, we made great strides in achieving our goal of generating 30% of net profit outside the Benelux countries by 2009. We acquired Dışbank in Turkey and our bancassurance

activities in Portugal took off. The recently announced acquisition of Dryden will strengthen our footprint in private banking in the United Kingdom, Asia and other important markets, adding EUR 9 billion in funds under management. The accelerated rollout of our international Commercial & Private Banking network continued with the opening of three new business centres in three new countries in the second quarter, and we are also further investing in our global niche activities, such as Shipping and Commodities.

In Banking, higher revenues, lower impairments on loans and flat costs resulted in a 37% increase in net profit before results on divestments to EUR 1.5 billion and a decline in the cost/income ratio to 56%. Trading results, which are traditionally high in the first half of the year, were very good. Important trends seen in the first quarter continued in the second, e.g. the credit environment is still benign. The low interest rate environment remains very challenging, though. We responded to lower interest rates and the flattening yield curve by adjusting the pricing on deposits, thereby protecting our margins. In Belgium, mortgage and life insurance sales were record high, and the Netherlands saw a further increase in the sale of insurance policies through the banking channel. These are excellent examples of the success of our bancassurance model.

In Insurance, net profit before results on divestments went up 21% to EUR 0.7 billion, driven by better technical results. Our Non-life business in particular benefited from very favourable operating conditions. In both Life and Non-life insurance our aim is to offer innovative solutions to our customers while protecting the underlying margins. In this respect, we have lowered the guaranteed rate on single-premium individual Life insurance in Belgium to 2.5%. Efficient use of capital is key to our strategy. We will therefore pay an interim dividend of EUR 0.52, which is 50% of the previous full-year dividend. This means that by mid-September we will have returned more than EUR 2 billion to shareholders in four months' time. As stated before, our retained earnings will allow us to carry out our organic growth plans while our solvency enables us to consider value-creating add-on acquisitions."

Dividend

In accordance with Fortis's new dividend policy, the Board of Directors has decided to pay an interim dividend of EUR 0.52. The interim dividend will be paid in cash on 15 September 2005. On 26 August, Fortis shares will be quoted ex-interim dividend.

1. Fortis

1.1. First half 2005 compared with first half 2004

- **Total** net profit before results on divestments went up 34% to EUR 2,100 million, due to strong improvements in results at Banking, Insurance and General. Net profit increased by 18% to EUR 2,543 million compared with the very strong first half of 2004.
- At **Banking**, net profit before results on divestments increased sharply from EUR 1,082 million to EUR 1,482 million (+37%). Total revenues went up by 9% to EUR 4,589 million, while total expenses remained stable at EUR 2,568 million. The change in provisions for impairment on loans was lower at EUR 37 million (-66%).
- At **Insurance**, net profit before results on divestments increased by 21% to EUR 684 million, driven by better technical results. Non-life further improved its very strong performance of previous quarters, while the Life result rose sharply in the second quarter. Costs remained tightly controlled. The combined ratio improved from 98% to 94%.
- At **General**, net profit before results on divestments amounted to a loss of EUR 66 million (2004: a loss of EUR 75 million). Net profit increased by 9% to EUR 377 million. This was affected both in 2004 and in 2005 by the transactions with respect to Assurant, which amounted to EUR 443 million in the first quarter of 2005 versus EUR 422 million in the first quarter of last year.

1.2. Second quarter 2005 compared with first quarter 2005

Total net profit before results on divestments amounted to EUR 1,056 million, up 1% compared with the exceptionally strong first quarter. At Banking, net profit before results on divestments decreased by

9% to EUR 706 million, mainly due to lower capital gains on the bond portfolio. At Insurance, net profit before results on divestments rose by 24% to EUR 379 million. Total net profit ended 29% lower, due entirely to the impact of the transactions with respect to Assurant in the first quarter (EUR 443 million).

Key figures Fortis (in EUR million)	Q2 2005		Q1 2005		Change
Net profit before results on divestments	1,056		1,044		1%
- Banking		706		776	(9%)
- Insurance		379		305	24%
- General		(29)		(37)	(23%)
Divestments				443	
- Assurant (General)				443	
Net profit	1,056		1,487		(29%)
EPS (in EUR)	0.82		1.16		(29%)
Before results on divestments		0.83		0.81	2%
Net equity per share (in EUR)	14.31		13.33		7%

1.3. Solvency

in EUR billion	30 June 2005	31 December 2004
Net core capital	21.6	20.2
Legally required minimum	11.3	10.3
Surplus above legally required minimum	10.3	9.9
Surplus above legally required minimum (as %)	90	96
Fortis's floor	17.9	16.4
Surplus above Fortis's floor	3.7	3.8
Surplus above Fortis's floor (as %)	20	23

Net core capital is calculated conservatively. It excludes any unrealised capital gains on the bond portfolio, goodwill, and any elements of embedded value. At 30 June 2005, net core capital was EUR 21.6 billion, which was EUR 10.3 billion (90%) above the legally required minimum and EUR 3.7 billion (20%) above Fortis's own floor. The Tier 1 ratio and total capital ratio remained high, at 7.4% and 11.0%, respectively. The acquisition of Dışbank and the payment of the interim dividend would reduce the surplus above the Fortis floor to 12%.

2. Banking

Key figures – Banking (in EUR million)	H1 2005	H1 2004 Pro-forma	Change	Q2 2005	Q1 2005	Change
Total revenues	4,589	4,191	9%	2,192	2,397	(9%)
Total expenses	2,568	2,562	0%	1,283	1,285	(0%)
Profit before income tax	1,984	1,518	31%	897	1,087	(17%)
Net profit before results on divestments	1,482	1,082	37%	706	776	(9%)
Divestments (Fortis Bank Asia)		18				
Net profit	1,482	1,100	35%	706	776	(9%)
- Cost / Income Ratio	56.0%	61.1%		58.5%	53.6%	
- Operating leverage	9.3%					
- Credit Loss Ratio (basis points) ¹⁾	4	12		3	5	
- Tier 1 ratio	7.4%	8.3% ²⁾				
- FTEs	35,997	35,805 ²⁾	1%	35,997	35,775	1%

¹⁾ Annualised, as a % of average Credit Risk-Weighted Commitments.

²⁾ Year-end 2004.

2.1. First half 2005 compared with first half 2004

Net profit before results on divestments at Banking increased sharply from EUR 1,082 million to EUR 1,482 million (+37%), due to higher total revenues and a lower change in provisions for impairment on loans.

Total expenses remained flat.

Total revenues went up by 9% to EUR 4,589 million¹. Net interest income on interest margin products increased by 2% to EUR 2,113 million as good volume growth compensated for the overall low interest rate environment. Net interest income from Retail Banking and Commercial & Private Banking increased by 3% and 8%, respectively, and net interest income from the corporate segment remained stable. Realised capital gains not linked to financial markets activity amounted to EUR 401 million, down 10% compared with the same period last year. Results of Treasury and financial markets activities doubled to EUR 730 million thanks to exceptionally strong trading results, which typically peak in the second quarter, and positive (realised and unrealised) changes in the fair value of financial markets instruments.

Net commissions and fees rose by 2% to EUR 1,054 million, mainly due to higher asset management fees and higher commissions on securities transactions. Dividends, shares in the results of associates and other investment income benefited from the revaluation of participating interests and higher dividends, increasing by 16% to EUR 123 million. Other revenues amounted to EUR 169 million, including a one-off EUR 48 million repayment of the 'deposit protection fund' in Belgium in the first quarter of 2005.

The change in provisions for impairment on loans ended up 66% lower at EUR 37 million, compared with EUR 110 million last year, mainly due to lower additions and major releases amid a benign credit environment in the corporate loan segment. The credit loss ratio (calculated as a percentage of average Credit Risk-Weighted Commitments) dropped to 4 basis points from 12 basis points last year.

Continued sound cost management has allowed total expenses to remain stable at EUR 2,568 million, despite the 6% increase in staff expenses. Other expenses went down by 7%. The cost/income ratio improved from 61.1% (pro-forma) to 56.0%. FTEs remained virtually stable, at 35,997, compared with year-end 2004. During the first half of the year the operating leverage, calculated as the differential between the growth in revenues and growth in costs, amounted to 9.3%.

Strong inflows of new funds under management both at Private Banking (EUR 1.8 billion) and at Fortis Investments (EUR 6.4 billion) contributed to the 15% increase in funds under management to EUR 143.1 billion compared to year-end 2004.

2.2. Performance per Banking Business

2.2.1. Retail Banking

Key figures - Retail Banking	H1 2005	H1 2004 Pro-forma	Change	Q2 2005	Q1 2005	Change
Net profit (in EUR million)	537	379	42%	217	320	(32%)
Cost / Income Ratio	61.6%	66.1%		68.2%	56.0%	
Operating leverage	7.5%					
FTEs	14,506	14,509 ¹⁾	(0%)	14,506	14,651	(1%)

¹⁾ Year end 2004.

Net profit at Retail Banking increased by 42% from EUR 379 million to EUR 537 million. The 32% drop in net profit in the second quarter compared to the first quarter was caused by the usual seasonal pattern in ALM results. All major revenue components contributed to the 11% increase in total net revenues. Net interest income went up 3% and commissions and fees increased 16% thanks to higher

asset management and securities transactions-related fees. The change in provisions for impairment on loans remained low, despite the growth of the credit portfolio in the past years. Total expenses increased by 3% as higher staff expenses could not be fully offset by the lower level of other expenses. This increase is entirely due to the inclusion of a Consumer Finance entity (International Card Services) and to expansion of the activities of Fortis Investments. In Belgium, mortgage and life insurance sales were record high, due in part to several successful commercial campaigns. The online banking user base has grown by 14% since the beginning of the year to 884,000. In the Netherlands, the rollout of the Direct Service concept is on schedule, with 56 branches out of a network of 169 currently equipped. The bancassurance performance has improved as the sale of insurance contracts rose by 30%. The integration of Dışbank in Turkey is on track, and Dışbank will be rebranded into Fortis by the end of 2005. Total Retail Banking funds under management rose to EUR 101 billion, due to strong net intake (+EUR 6.7 billion) and growth in the equity and bond markets (+EUR 4.3 billion). Fortis Investments accounted for the major part of this increase. Its funds under management grew by 13% to EUR 95.6 billion compared to year-end 2004, largely due to EUR 6.4 billion in new inflows.

2.2.2. Merchant Banking

Key figures - Merchant Banking	H1 2005	H1 2004 Pro-forma	Change	Q2 2005	Q1 2005	Change
Net profit (in EUR million)	651	440	48%	332	319	4%
Cost / Income Ratio	46.8%	55.5%		45.1%	48.4%	
Operating leverage	19.8%					
FTEs	3,999	3,908 ¹⁾	2%	3,999	3,946	1%

¹⁾ Year-end 2004.

Net profit at Merchant Banking went up 48% from EUR 440 million to EUR 651 million. Total net revenues increased by 33%. As is traditionally the case, trading results were very good in the first half of the year. Net interest income on interest margin products in the corporate banking segment remained stable, while net commission income was lower. The decrease in overall net interest income is related to IFRS. Under IFRS results on derivatives are split between net interest income and realised and unrealised gains (losses). In the first half of 2005 this led to lower net interest income and higher realised and unrealised gains. Underlying net interest income remained stable. Total expenses went up 6%, due to higher staff costs related to the increase in provisions for variable compensation.

2.2.3. Commercial & Private Banking

Key figures - Commercial & Private Banking	H1 2005	H1 2004 Pro-forma	Change	Q2 2005	Q1 2005	Change
Net profit (in EUR million)	289	231	25%	142	147	(3%)
Cost / Income Ratio	56.4%	55.9%		58.7%	54.3%	
Operating leverage	(0.9%)					
FTEs	5,459	5,419 ¹⁾	1%	5,459	5,394	1%

¹⁾ Year-end 2004.

Net profit at Commercial & Private Banking advanced 25% from EUR 231 million to EUR 289 million. Total net revenues increased by 11%, mainly due to higher net interest income (+8%) and higher net commission income (+5%). The change in provisions for impairment on loans is historically low, ending up 50% lower than last year. Total expenses increased by 6% in line with the growing activities.

Commercial Banking posted higher results, as revenues grew substantially faster than costs and the

change in provisions for impairment on loans was lower than last year. Commercial Banking announced the opening of three new business centres in the second quarter (Budapest, Prague and Vienna).

At **Private Banking**, funds under management increased by EUR 4.5 billion to EUR 56.8 billion, due to good net intake (+EUR 1.8 billion) and growth in the equity and bond markets.

Late June Private Banking announced the acquisition of Dryden Wealth Management, which will add the UK, Taiwan and Monte Carlo to the countries in which this business line is already active. The acquisition also significantly strengthens Private Banking's position in Asia, Switzerland and the Netherlands.

2.2.4. Other Banking

Other Banking includes all shared services entities and the corporate centre functions within the Bank, Asset and Liability Management (ALM), entities sold in 2004 (Fortis Bank Asia and GWK Bank), Fortis Hypotheekbank and, for 2004 only, International Card Services, which is recognised in Retail Banking for 2005. Income from ALM and expenses related to shared services are both allocated to the Banking business lines.

Net profit in Other Banking decreased from EUR 50 million to EUR 5 million, due principally to lower capital gains, which are not allocated to the Banking business lines, the reallocation of International Card Services to Retail Banking, the sale of GWK Bank and Fortis Bank Asia and a higher change in provisions for impairment on loans.

3. Insurance

Key figures – Insurance (in EUR million)	H1 2005	H1 2004 Pro-forma	Change	Q2 2005	Q1 2005	Change
Net profit before results on divestments	684	564	21%	379	305	24%
- Life	415	355	17%	225	190	19%
- Non-Life	269	177	52%	154	115	33%
- Other		32				
Divestments (Seguros Bilbao)		145				
Net profit	684	709	(4%)	379	305	24%
Operating leverage	20.0%					
FTEs	12,711	12,937 ¹⁾	(2%)			
Life						
Gross written premiums	3,862	3,412	13%	2,014	1,848	9%
Investment contracts without DPF	1,497	598	*	977	520	88%
Gross inflow	5,359	4,010	34%	2,991	2,368	26%
Technical result	341	270	26%	205	136	51%
Operating margin	493	419	18%	287	206	39%
Non-life						
Gross written premiums	2,688	3,124	(14%)	1,050	1,638	(36%)
Excluding Assurant	2,688	2,646	2%	1,050	1,638	(36%)
Technical result	306	214	43%	174	132	32%
Operating margin	329	239	38%	187	142	32%
Combined ratio	94%	98%		93%	95%	

¹⁾ Year-end 2004.

3.1. First half 2005 compared with first half 2004

Net profit before results on divestments – Seguros Bilbao: EUR 145 million in 2004 – increased by 21% to EUR 684 million. Non-life further improved its very strong performance of previous quarters, while the Life result rose sharply in the second quarter. Costs remained tightly controlled: operating costs dropped 18% (mainly due to Assurant), while FTEs went down 2% compared with the year end to 12,711.

3.1.1. Life

Net profit before results on divestments at Life increased 17% to EUR 415 million due to a strong improvement in the technical result. Operating margin went up by 18%, driven by higher investment income and better risk margins. Total gross inflow rose by 34% to EUR 5,359 million, as a result of very strong sales in Portugal and Luxembourg.

3.1.2. Non-life

Net profit before results on divestments at Non-life increased 52% to EUR 269 million. Gross written premiums went up 2% to EUR 2,688 million (excluding gross written premiums from Assurant in January 2004). Technical results ended 43% higher at EUR 306 million. The combined ratio improved from 98% to 94%, thanks to a lower expense ratio and to substantial improvements in claims ratios across all product lines.

3.2. Performance per Insurance Business

3.2.1. Insurance Belgium

Key figures - Insurance Belgium (in EUR million)	H1 2005	H1 2004 Pro-forma	Change	Q2 2005	Q1 2005	Change
Net profit	296	251	18%	156	140	11%
- Life	220	190	16%	118	102	16%
- Non-Life	76	61	25%	38	38	(3%)
Operating leverage	13.5%					
FTEs	4,938	5.172 ¹⁾	(5%)			
Life						
Gross written premiums	1,867	1,752	7%	1,167	700	67%
Investment contracts without DPF	363	359	1%	228	135	69%
Gross inflow	2,230	2,111	6%	1,395	835	67%
Technical result	213	172	24%	131	82	61%
Operating margin	268	221	21%	144	124	16%
Non-life						
Gross written premiums	612	579	6%	276	336	(18%)
Technical result	96	70	38%	49	47	7%
Operating margin	102	85	21%	51	51	0%
Combined ratio	92%	96%		92%	92%	

¹⁾ Year-end 2004.

Net profit rose by 18% to EUR 296 million from EUR 251 million, driven by both Life and Non-Life operations. Operating margin increased by 21% to EUR 370 million as stronger technical results more than offset lower allocated capital gains. Operating costs remained flat at EUR 176 million. At the end of the second quarter the number of FTEs stood at 4,938 (3,546 excluding the employees of Fortis Real Estate), representing a decrease of 5%.

In Life, both the bank and broker channels contributed to the 6% increase in gross inflow to EUR 2,230 million. Production in the second quarter was particularly strong thanks to the successful

commercial campaigns launched by Fortis Bank, yielding more than EUR 640 million in Individual Life.

Gross inflow at Employee Benefits went up 14%, with Fortis Insurance Belgium as market leader aptly responding to market opportunities with a comprehensive product offering.

Gross written premiums in Non-life advanced 6% to EUR 612 million, driven by all product lines.

The Non-life operating margin climbed 21% to EUR 102 million as lower allocated capital gains were offset by a sharp rise in the technical result. The combined ratio improved to 92% from 96% last year due to a drop in the claims ratio.

3.2.2. Insurance Netherlands

Key figures – Insurance Netherlands (in EUR million)	H1 2005	H1 2004 Pro-forma	Change	Q2 2005	Q1 2005	Change
Net profit	276	215	28%	159	117	35%
- Life	163	147	11%	90	73	24%
- Non-Life	113	68	65%	69	44	52%
Operating leverage	5.8%					
FTEs	4,736	4,809 ¹⁾	(2%)			
Life						
Gross written premiums	1,459	1,393	5%	569	890	(36%)
Investment contracts without DPF						
Gross inflow	1,459	1,393	5%	569	890	(36%)
Technical result	123	99	25%	78	45	75%
Operating margin	216	199	8%	145	71	*
Non-life						
Gross written premiums	1,229	1,281	(4%)	401	828	(52%)
Technical result	118	76	56%	62	56	12%
Operating margin	131	86	52%	71	60	20%
Combined ratio	92%	96%		92%	92%	

¹⁾ Year-end 2004.

Net profit increased by 28% to EUR 276 million, mainly due to a strong improvement in Non-life results driven by favourable claims development. Operating margin increased by 22% to EUR 347 million, due to better technical results in Life and Non-life. At the end of the second quarter, the workforce amounted to 4,736 FTEs, a decrease of 2% compared with year-end 2004. A reduction of 480 FTEs has been made so far, compared with a target of 750 FTEs by 2006.

Gross written premiums at Life advanced 5% to EUR 1,459 million, due to an increase in Individual single premiums. Net profit ended 11% higher. The operating margin increased by 8% to EUR 216 million due to better investment results.

Gross written premiums at Non-Life decreased by 4% to EUR 1,229 million, largely due to Accident & Health and Motor. At Accident & Health, gross written premiums declined from EUR 698 million to EUR 687 million, due to a change in legislation. Gross written premiums at Motor decreased from EUR 266 million to EUR 235 million, mainly due to stricter acceptance guidelines now being applied. The focus on a healthier portfolio is clearly reflected in the Non-life results. Net profit jumped to EUR 113 million, up 65% from EUR 68 million last year. The operating margin at Non-life went up 52% to EUR 131 million due to significant improvements in the claims ratio of both Accident & Health and Property & Casualty. As a result, the combined ratio further improved from 96% to 92%.

3.2.3. Insurance International

Key figures - Insurance International (in EUR million)	H1 2005	H1 2004 Pro-forma	Change	Q2 2005	Q1 2005	Change
Net profit	113	67	68%	65	48	36%
- Life	32	19	71%	17	15	8%
- Non-Life	81	48	66%	48	33	49%
Operating leverage	25.7%					
FTEs	3,037	2,955 ¹⁾	3			
Life						
Gross written premiums	537	209	*	278	259	7%
Investment contracts without DPF	1,134	238	*	749	385	95%
Gross inflow	1,671	447	*	1,027	644	59%
Technical result	5	(1)	*	(4)	9	*
Operating margin	9		*	(2)	11	*
Non-life						
Gross written premiums	847	786	8%	372	475	(21%)
Technical result	92	46	100%	62	30	*
Operating margin	96	46	*	65	31	*
Combined ratio	98%	101%		96%	101%	

¹⁾ Year-end 2004.

Net profit increased by 68% from EUR 67 million to EUR 113 million. This very strong performance was driven by Non-life as well as Life operations and the inclusion of Millenniumbcp Fortis as of 1 January 2005. Total gross inflow at Life increased from EUR 447 million to EUR 1,671 million as a result of strong sales at Fortis Luxembourg and the consolidation of Millenniumbcp Fortis (EUR 891 million). At Non-life both technical results and gross written premiums increased (up 8%) due to an overall strong performance, especially at Fortis Corporate Insurance. The Asian joint ventures performed well, as demonstrated by an increase in gross inflow of 25%.

Please see the “Financial and Operational Review” for a detailed analysis of the first half 2005 results.

This document is available on our website: www.fortis.com

Trends

Any information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor’s prospects for the current financial year are set out in Section 4.5.5 above.

4.5.6 Profit Forecasts or Estimates

This Guarantees Building Block does not include any profit forecasts or estimates.

4.5.7 Administrative, Management and Supervisory Bodies

4.5.7.1 Administrative, management and supervisory bodies

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.

The management of the activities of Fortis Bank is the 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 Fortis 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 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.

4.5.7.2 Management of Fortis Bank

4.5.7.2.1 Board of Directors

Jean-Paul Votron	Chairman of the Board of Directors
Herman Verwilt	Chairman of the Management Committee
Jean-Pierre Cardinael	Managing Director
Jos Clijsters	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
Walter Mersch	Director
Jean Meyer	Director
Jean Stephenne	Director
Peer van Harten	Director
Robert van Oordt	Director
Michel van Pée	Director
Luc Vansteenkiste	Director

4.5.7.2.2 Management Committee

Herman Verwilt
Jean-Pierre Cardinael
Jos Clijsters
Karel De Boeck
Filip Dierckx

Patrick Evrard
Joop Feilzer
Gilbert Mittler
Christian Schaack

The business address of the Board of Directors is at 1000 Brussels, Montagne du Parc 3.

4.5.7.2.3 Accredited Statutory Auditors

PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C., of Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Brussels, Belgium, represented by Luc Discry, Partner. Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., of Avenue du Bourget 40, B-1130 Brussels, Belgium, represented by Virgile Nijs, Partner.

4.5.7.2.4 Administrative, Management, and Supervisory bodies conflicts of interests

No conflicts of interests exist between any duties to the Guarantor of the persons referred to in Section 4.5.7 and their private interests and or other duties.

EXTERNAL POSTS HELD BY DIRECTORS AND EXECUTIVES THAT ARE SUBJECT TO A LEGAL DISCLOSURE REQUIREMENT

Pursuant to Article 27 of the Law of 22 March 1993 on the status and supervision of credit institutions and the attendant ruling by the Belgian Banking and Finance Commission relating to external posts held by Executives of credit institutions and investment companies, the bank's Board of Directors has adopted "Internal regulations for Directors and Executives of Fortis Bank SA/NV holding external posts". Inter alia, these regulations stipulate that external posts held by the bank's Executives and Directors in companies other than those falling within the scope of Article 27, § 3, para 3, of the Law of 22 March 1993 shall be disclosed in the annual management report.

The term "Executives" refers to members of the Management Committee and persons in positions at a level immediately below the said Committee, including Managers of foreign branches.

As regards "external posts" - ie, principally posts as Director of a company - that are subject to disclosure, this involves posts held in companies other than family property companies, "management companies", undertakings for collective investment or companies with which the bank has close links as part of the Group.

The 2004 management report of Fortis Bank SA/NV is incorporated by reference and can be obtained free of charge at the head office of Fortis Bank in Belgium, Fortis Bank Nederland, Rokin 65, 1012 KK Amsterdam and at the principal office of the fiscal agent, Fortis BanqueLuxembourg S.A. in Luxembourg.

The external posts held by the members of the Board of Directors are mentioned below:

SURNAME AND FORENAME	POST COMPANY	HEAD OFFICE	BUSINESS ACTIVITY	LISTING	POST BANK'S	STAKE IF 5%
Filip DIERCKX	Member of the Management Committee - DIP N.V. - SD Diensten N.V. - SD Software Solutions N.V. - Informatie verwerkende Diensten van het VEV N.V.	Antwerp Antwerp Antwerp Antwerp	Management services Training & mangmt services IT services Administratives services	- - - -	Director Director Director Director	
Joop FEILZER	Member of the Management Committee - Stichting Administratiekantoor Cumulatief Preferente aandelen Pon Holdings B.V.	Nijkerk (NL)	Administration of shares	-	Member of the Board of Directors	
Christian SCHAACK	Member of the Management Committee - SES Global S.A.	Betzdorf (L)	Satellites	Luxembourg Deutsche Borse Euronext Paris	Director	
Jozef DE MEY	Director - Aviabel S.A. - Bernheim-Comofi S.A. - Brokers Invest S.A.	Brussels Brussels Luxembourg	Insurance Holding company (property) Holding company	- - -	Chairman of the Board of Director Chairman of the Board of Director Director	
	- Fortis Real Estate S.A. - Gamma Capital S.A. - Mayban Fortis Holdings plc - Muang Tahi Fortis Holding Co. Ltd - Portima S.C. - Tai Ping Life Ltd	Brussels Luxembourg Kuala Lumpur (Malaysia) Bangkok (Thailand) Brussels Shanghai (PRChina)	Real Estate Holding company Holding company Holding company Administrative services Insurance	- - - - - -	Director Chairman of the Board of Directors Vice-Chairman Board of Directors Director Chairman of the Board of Director Director	
Walter MERSCH	Director - AstenJohnson Inc. - Bruch et Cie S.A. - Magotteaux International Participations S.A. - Magotteaux Inc. Ltd	Charleston NC (USA) Neu-Moresnet Vaux-sous-Chevremont Brentwood (USA)	Technical textiles Technical textiles Holding company Metal manufacturing	- - - -	Director Director Director Director	
Jean MEYER	Director - Arbed S.A. - Cargolux Airlines International S.A. - Clearstream International S.A. - International Shipowners Reinsurance Company S.A.	Luxembourg (L) Luxembourg (L) Luxembourg (L) Luxembourg (L)	Iron and steel Airfreight Clearing house Reinsurance	- - - -	Director Director Director Director	
	- Luxair S.A.	Luxembourg (L)	Air transport	-	Director	12,15% (through BGL)

Jean STEPHENNE	Director - Aseptic Technologies S.A. - GlaxoSmithKline Biologicals S.A. - GlaxoSmithKline Biologicals Manufacturing S.A. - GlaxoSmithKline Biologicals Services S.N.C. - Groupe Bruxelles Lambert S.A. - Henogen S.A. - Ion Beam Applications S.A. - Nanocyl S.A. - Société Belge des Bétons S.A.	Rixensart Rixensart Rixensart Rixensart Brussels Charleroi Louvain-la-Neuve Namur Brussels	Pharmaceutical industry Pharmaceutical industry Pharmaceutical industry Pharmaceutical Industry Investment Company Pharmaceutical industry Technology Chemicals Construction	- - - - Euronext BXL - Euronext BXL - Euronext BXL	Director Chairman of the Board of Directors Director Director Director Director Director Director	
Jacques van EK	Director - Dinytei B.V.	Amsterdam (NL)	Holding company	-	Member of the Supervisory Board	
	- Polynorm N.V.	Bunschoten (NL)	Holding company	-	Member of the Supervisory Board	
	- Soweco N.V.	Almelo (NL)	Social services	-	Member of the Supervisory Board	
Robert van OORDT	Director - Rodamco Europe N.V.	Rotterdam (NL)	Real estate investment	Euronext Amsterdam, BXL & Paris	Chairman of the Supervisory Board	
	- Draka Holding company N.V.	Amsterdam (NL)	Cable Telecommunications	Euronext Amsterdam	Member of the Supervisory Board	
	- Schering-Plough Inc.	Kenilworth (USA)	Pharmaceutical industry	NYSE, Deutsche Borse	Director	
	- Umicore S.A.	Brussels	Non ferrous metals	Euronext BXL	Director	
Michel van PEE	Director - SN AirHolding company S.A.	Brussels	Brussels		Holding company (aviation)	6,6%
Luc VANSTEENKISTE	Director - Recticel S.A.	Brussels	Chemicals	Euronext BXL	Managing Director (1)	
	- Rec-Hold S.A.	Brussels	Holding company	-	Director (1)	
	- Compagnie Immobilière et Foncière du Bois Sauvage S.A.	Brussels	Investment company	Euronext BXL	Director	
	- Sioen S.A.	Ardoie	Textiles	Euronext BXL	Director (1)	
	- Spector Photo Group S.A.	Wetteren	Photo-finishing	Euronext BXL	Chairman Board of Directors (1)	
	-Telindus Group S.A.	Brussels	Telecommunications	Euronext BXL	Director (2)	
	- Ter Beke S.A.	Waarschoot	Food	Euronext BXL	Director (1)	
					(1) through Veian S.A.	
					(2) through LMCL S.C.A.	

4.5.8 Board Practices

At Fortis group's level, three committees have been set up within the Board of Directors: a Nomination and Remuneration Committee, a Risk and Capital Committee and an Audit Committee. These have a solely advisory function with respect to the Board of Directors, which remains the only body with decision-making powers.

Each committee currently has four members, all of whom are independent non-executives. The role and responsibilities of each committee, together with its structure and organisation, are specified in individual sets of rules that form part of the Fortis Governance Statement (which is available on the Fortis' website: www.fortis.com).

4.5.8.1 Nomination & Remuneration Committee

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

4.5.8.2 Risk & Capital Committee

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

4.5.8.3 Audit Committee

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

The terms of reference under which the Audit Committee operates can be summarised as follows:

IV.4. Terms of reference of the Audit Committee

The Standing Rules applicable to all Fortis Board Committees, as set out above, apply in full to the Audit Committee (AC), taking into account, however, the following;

IV.4.1. Role

The role of the AC is to assist the Board in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense within Fortis, including internal control over financial reporting.

IV.4.2 Responsibilities

The AC monitors:

- the integrity of financial statements and any press release relating to Fortis financial performance. This includes the consistent application of accounting principles (and changes thereto) and the quality of internal control over financial reporting;

- the performance of the external audit process: the AC oversees the work performed by the external auditors, approves their audit plan, formally evaluates their performance at least once every 3 years against stated criteria and makes recommendations to the Board regarding their appointment or reappointment, mandate renewal and remuneration. The AC also monitors adherence to the policy on the independence of external auditors, as adopted by the Board, including the correct implementation of the pre-approval procedure for non-audit services;
- the performance of the internal audit process: the AC oversees the work performed by Fortis Audit Services and approves the annual audit plan, including focal point audit assignments, scope and audit budget. It initiates an external quality assessment at least once every five years and concurs in the appointment or dismissal of the General Auditor;
- the performance of the internal control system in general, and in particular of the risk management system and the processes for monitoring compliance with laws, regulations and the Fortis Principles of Business Conduct. Each year, the AC reviews the assessments of the quality of internal control by management (Control & Risk Self Assessment and Management Certifications on Internal Control), the Compliance report submitted by the Compliance Officer, and the reporting on potentially questionable practices notified to the Fortis Internal Alert System. The Audit Committee concurs in the appointment or dismissal of the Compliance Officer;
- the effectiveness of the AC's governance. This includes establishing rules to govern the creation, composition and functioning of Audit Committees at the level of Fortis operating companies and their relations with the Fortis AC.

In addition, the AC

- reviews the disclosures on internal control and Audit Committee activities in the Annual Report;
- performs such tasks related to internal control, internal or external audit as the Board or the Chairman may require.

IV.4.3. Membership

The AC is currently made up of four Non-executive members, all of whom are independent. Its Chair and members are designated by the Board based on a proposal by the Chairman of the Board, after consulting the NRC.

IV.4.4. Meetings

The regular meeting schedule of the AC plans for at least six meetings each year. Other meetings may be convened as required, at the request of the AC Chair or, after consulting the AC Chair, at the request of the Chairman of the Board, any AC member, the CEO, The General Auditor, the Compliance Officer or the external auditor(s).

Source: Fortis Governance Statement (www.fortis.com).

Fortis is confident that creating a clearly defined framework for corporate governance will help it communicate better with all its stakeholders.

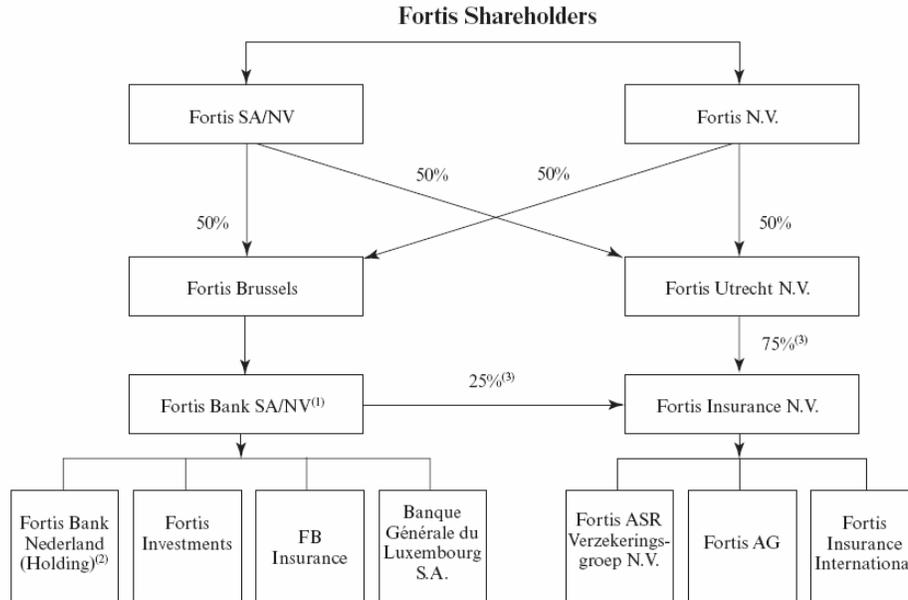
Important developments on the corporate governance front occurred in 2004 both inside Fortis and beyond, reinforcing this theme - as in preceding years - as a constant focus of attention for the Board. Transparent and effective administration - including adherence to high ethical standards - is absolutely crucial to Fortis. Efficient corporate governance should support operational development, while helping to manage risks as effectively as possible. It is a constantly evolving process and responds to the needs of the organisation and to international best practice.

Fortis Bank complies with the Belgian corporate governance regime as laid down in the Belgian company code.

4.5.9 Major Shareholders

The Guarantor is approximately 100% owned by Fortis SA/NV and Fortis N.V.

The diagram below summarizes the legal structure of Fortis as of 31 December 2004(*).



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

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

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

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

Fortis Brussels and Fortis Utrecht N.V. are the sub-holding companies of Fortis SA/NV and Fortis N.V.

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

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

4.5.10 Financial information

4.5.10.1 Historical Financial Information

The reports of the joint statutory auditors issued by Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C and Pricewaterhouse Coopers on 15 March 2004 and 23 March 2005 shall be deemed to be incorporated by reference into and form part of this Prospectus in its entirety. These reports are included in the audited financial statements of 2003 and 2004 and are incorporated by reference into and form part of this Prospectus in its entirety and can be consulted at www.fortis.com (Investor Relations/Debt Investor Info/Credit Analyst Service/Annual Accounts of Subsidiaries).

4.5.10.2 Capitalisation and indebtedness of the Guarantor

The unaudited capitalisation and indebtedness of Fortis Bank as at 30 June 2004 and 30 September 2004 and the audited capitalisation and indebtedness of Fortis Bank as at 31 December 2004, are set forth below on a consolidated basis:

	<u>30 June 2004</u>	<u>31 September 2004</u>	<u>31 December 2004</u>
	(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	2,454	2,849	2,420
Translation differences	8	3	-15
Consolidation differences	<u>0</u>	<u>1</u>	<u>1</u>
Total Shareholders' Equity	<u>10,448</u>	<u>10,839</u>	<u>10,394</u>
Contingency Reserve	1,765	1,764	1,756
Long Term Debt(2)			
Subordinated liabilities	9,647	9,858	10,934
Unsubordinated liabilities	<u>40,503</u>	<u>39,944</u>	<u>42,142</u>
Total Long Term Debt	<u>50,150</u>	<u>49,802</u>	<u>53,076</u>
Total capitalisation	<u>62,363</u>	<u>62,405</u>	<u>65,226</u>

Notes:

As at date of this programme prospectus, the issued and paid-up share capital amounted to EUR 3,111,838,861 and is represented by 160,404,065 no-par-value ordinary shares.

Since 31 December 2004, Fortis Bank guaranteed the following new issues made by Fortis Luxembourg Finance SA:

EUR 3,000,000 Callable Range Accrual Notes due 5 January 2012 EMTN series N° 188 XS0208319870;
 USD 15,000,000 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 25 January 2020 EMTN series N° 191 XS0209607109;
 EUR 5,000,000 Credit Linked Notes due April 18 2007 EMTN series N° 192 XS0210194022;
 EUR 5,000,000 Credit Linked Notes due April 18 2007 EMTN series N° 193 XS0210194451;
 USD 20,000,000 Bermudan Callable Zero Notes due 25 January 2025 EMTN series N° 194 XS0210027719;
 EUR 5,750,000 8.30% Reverse Convertible Notes due 24 January 2007 convertible into ABN-AMRO shares EMTN series N° 195 XS0210749932;
 EUR 3,500,000 7.80% Reverse Convertible Notes due 24 January 2007 convertible into ROYAL DUTCH shares EMTN series N° 196 XS0210750609;
 EUR 4,250,000 9.00% Reverse Convertible Notes due 24 January 2006 convertible into ROCHE shares EMTN series N° 197 XS0210750435;
 USD 2,300,000 USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 15 February 2020 EMTN series N° 198 XS0210881701;
 EUR 30,000,000 Reverse Convertible Notes due 16 August 2006, convertible into Dexia shares XS0211673982
 EUR 25,000,000 3.875% Fixed Rate Notes 2005 due 31 March 2015 guaranteed on a subordinated basis XS0213287070;
 EUR 10,000,000 Credit Linked Notes due April 10 2006 EMTN series N° 199 XS0211846240;
 EUR 10,000,000 Credit Linked Notes due April 10 2007 EMTN series N° 200 XS0211847131;
 USD 10,000,000 Year Callable Range Accrual Notes due 25 February 2015 EMTN series N° 201 XS0211848022;
 USD 20,000,000 Year Callable Zero Coupon Notes due 25 February 2025 EMTN series N° 202 XS0212391519;
 USD 1,700,000 2.5 Years Equity Linked Notes due 2007 EMTN series N° 203 XS0212501554;
 EUR 16,478,000 "Target Snowball" Notes 2005 due 2015 XS0213766636;

EUR 10,000,000 Reverse Convertible Notes 2005/2006 due 8 September 2006 convertible into Deutsche Bank AG shares XS0213297202;
 USD 5,600,000 Callable Range Accrual Notes due 22 March 2020 EMTN series N° 204 XS0213750713;
 USD 8,500,000 Callable Range Accrual Notes due 25 March 2017 series N° 205 XS0214513631;
 EUR 50,000,000, 10 Year Capped CMS-Linked Note due 11 April 2015 guaranteed on a senior subordinated basis, series N° 206 XS0214846874;
 USD 2,000,000 5.00 per cent. Click T BIN (autocallable) Notes due 22 March 2007 EMTN Series N° 207 XS0214989989;
 EUR 15,000,000 Reverse Convertible Notes 2005/2006 due 25 October 2006 convertible into ING Groep N.V. shares XS0216034222;
 EUR 5,000,000 Credit Linked Notes due July 2006 EMTN Series N° 208 XS0215408971;
 EUR 5,000,000 Credit Linked Notes due 23 July 2007 EMTN Series N° 209 XS0215409433;
 USD 15,850,000, USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 11 April 2020 EMTN Series N° 210 XS0215556738;
 USD 6,120,000, 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 11 April 2020, EMTN Series N° 211 XS0215556498;
 USD 15,250,000, 10 Year Callable Daily Accrual Notes linked to 30 year-2 year CMS Spread due 15 April 2015, EMTN Series N° 212 XS0216471101;
 USD 5,550,000, 10 Year Callable Range Accrual Notes due 15 April 2015 EMTN Series N° 213 XS0216433515;
 EUR 3,330,000 Zero Coupon Autocallable Reverse Convertible Notes due 2006 convertible into Endesa S.A. shares EMTN Series N° 216 XS0217230886;
 USD 3,100,000 CMS Spread Range Accrual Notes due 29 April 2020 Series N° 215 XS0217124345
 EUR 1,500,000 Range Accrual Notes due 9 May 2008 Series N°217 XS0218420791
 USD 75,000,000 4.25% Notes due 25 May 2010 Series N°215 XS0218424868
 USD 2,100,000 Bermudan CMS Spread Range Accrual Notes due 1 June 2015 Series N°219 XS0219552568
 EUR 200,000,000 Credit Linked Notes linked to CMS 7 years, floored at 4.75%, due 30 June 2012 Series N° 220 XS0220820608
 EUR 7,000,000 7% Target Redemption Notes on 12 months EUIBOR Notes due 2 June 2020 Series N° 221 XS0220757214
 EUR 12,000,000 TOP Notes due 14 December 2007 Series N°222 XS0220549025
 EUR 20,000,000 Capped CMS Linked Notes due 1 July 2015 XS0221564544
 EUR 6,000,000 Equity Index Linked Notes due 6 July 2015 Series 223 XS0222331810
 USD 10,000,000 Credit Linked Notes to CMS 7 years, floored at 6%, due 30 June 2012 Series N° 224 XS0222427501
 EUR 22,000,000 Capped CMS Linked Notes due 29 July 2015 XS0223235390
 EUR 34,000,000 Swing Notes due 29 July 2012 XS0222939828
 TRL 35,000,000 14% Notes due 27 July 2007 XS0223721654
 EUR 1,500,000 Equity Linked Notes due 17 July 2008 Series N° 225 XS0224156892
 EUR 7,500,000 Credit Linked Notes due 8 October 2007 Series N° 226 XS0224688043
 EUR 3,000,000 11% Reverse convertible on Arcelor Notes due 28 July 2006 Series N° 227 XS0224767698
 TRL 120,000,000 13.70% Notes due 28 July 2008 Series N° 229 XS0225353829
 EUR 65,000,000 FRN 3 months EURIBOR + 0.06% Notes due 28 July 2008 Series N° 228 XS0225296507
 EUR 2,000,000 quanto USD Libor 12 months Range Accrual Notes due 1 August 2008 Series N° 230 XS0225354470
 EUR 30,000,000 Swing 2 Notes due 8 September 2012 XS0226146065
 FLF EUR 42,000,000 CMS Indexed CLN “Velazquez” Notes due 10/10/2013 XS0226638103
 FLF EUR 14,000,000 Swing 3 Notes due 6/10/2012, XS0228595525
 FLF EUR 5,450,000 3 years Participation on Basket Of Energy Stocks Notes due 7/10/2008 series n° 231 XS0231265249
 FLF USD 20,000,000 15 Years Range Accrual Zero Coupon Notes due 12/10/2020 series n° 232 XS0231563007
 FLF EUR 1,000,000 4 Years Index Linked Notes due 14/10/2009 series n° 233 XS0232112465

Fortis Bank 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 Fortis Bank since 31 December 2004.

4.5.10.3 Auditing of historical annual financial information

The 2003 and 2004 financial statements of the Guarantor have been audited without qualification by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C., represented in 2001 and 2002 by Daniel Van Woensel, Partner, and represented by Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe 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.

No other information in this Guarantees Building Block has been audited by the statutory auditors.

4.5.10.4 Cash flow statements for the years ended 31 December 2004 and 2003

Note to the cash flow statements

The purpose of this note is to describe the basis used by the management of Fortis Bank nv-sa (the "Company") to prepare the statements of cash flows for the two years ended 31 December 2004 and 2003, respectively (the "Cash Flow Statements"), which are required to be included in the Prospectus dated 12 October 2005 (the "Prospectus").

The Company's consolidated financial statements as of and for the years ended 31 December 2004 and 2003, respectively (hereafter, "the Company's financial statements"), were prepared in accordance with the relevant Belgian financial reporting regulations, which do not require the Company to report cash flows. The financial statements have been audited by the Company's joint statutory auditors, PricewaterhouseCoopers Réviseurs d'Entreprises SCCRL and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises SCRL civile, who have issued unqualified audit reports thereon.

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

Once so determined, the amounts have been presented in the Cash Flow Statements in accordance with the guidance in paragraphs 10 – 17 of International Accounting Standard IAS 7 – "Cash Flow Statements".

Consolidated cash-flow statement (in thousands EUR)

Fortis Bank nv-sa		Financial year 2004	Financial year 2003
Cash flows form operating activities			
Consolidated profit		1,875,501	1,316,993
Adjustments for			
Net realised gains and losses on investment activities	-520,480		-588,647
Depreciation and amortisation	282,031		995,029
Value adjustments and provisions	264,893		973,981
Other changes	314,623		413,614
		341,067	1,793,977
Cash flow from business operations			
Trading portfolio	-14,460,609		-8,991,471
Receivable from credit institutions (not at sight)	17,216,075		-5,694,526
Receivable from customers	-36,049,579		-11,004,368

Payable to credit institutions	8,761,855	13,723,226	
Payable to clients	33,484,698	21,696,158	
Payable represented by a security	4,539,979	-1,451,139	
Other changes	-1,335,410	1,347,810	
		12,157,009	9,625,690
Net cash generated by operating activities		14,373,577	12,736,660
Cash flows from investing activities			
Investments and purchases			
Investment portfolio	-40,427,206	-71,238,694	
Participating interests	-2,236,291	-910,411	
Tangible and intangible fixed assets	-1,782,949	-1,904,365	
		-44,446,446	-74,053,470
Disposals, redemptions and sales			
Investment portfolio	35,813,070	55,061,064	
Participating interests	39,113	536,480	
Tangible and intangible fixed assets	879,711	863,361	
		36,731,894	56,460,905
Net cash used in investment activities		-7,714,552	-17,592,565
Cash flows from financing activities			
Issuance of subordinated debts	2,033,859	851,717	
Redemption of subordinated debts	-1,352,406	-754,630	
Payment of dividends	-713,185	-872,761	
Net Cash generated by financing activities		-31,732	-775,674
Net increase in cash		6,627,293	-5,631,579
Cash and cash equivalents at 1 January		5,842,900	11,503,366
Effect of exchange rate changes on cash		2,587	-28,887
Cash and cash equivalents at 31 december		12,472,780	5,842,900

Note to the cash flow statements

The purpose of this note is to describe the basis used by the management of Fortis Bank nv-sa (the “Company”) to prepare the statements of cash flows for the two years ended 31 December 2004 and 2003, respectively (the “Cash Flow Statements”), which are required to be included in the Prospectus dated 12 October 2005 (the “Prospectus”).

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

Once so determined, the amounts have been presented in the Cash Flow Statements in accordance with the guidance in paragraphs 10 – 17 of International Accounting Standard IAS 7 – “Cash Flow Statements”.

4.5.10.5 Age of latest financial information

The most recent audited financial information included in this Guarantees Building Block are the audited annual financial statements for the year ending 31 December 2004.

4.5.10.6 Interim and other financial information

Consolidated balance sheet (in EUR)				
		codes	30 June 2005	31 December 2004
	ASSETS			
I.	Cash in hand, balances with central banks & post office banks	101000	2,079,118,844	2,041,255,582
II.	Government securities eligible for refinancing at the central bank	102000	937,240,786	2,462,359,706
III.	Loans & advances to credit institutions	103000	88,853,128,926	73,824,437,995
A.	On demand	103100	11,479,808,918	10,431,523,817
B.	Other loans & advances (forward / at notice)	103200	77,373,320,007	63,392,914,177
IV.	Loans and advances to customers	104000	244,990,239,900	206,652,646,328
V.	Debt securities including fixed-income securities	105000	139,650,918,949	124,734,089,486
A.	From public issuers	105100	91,152,147,428	81,376,737,916
B.	From other issuers	105200	48,498,771,521	43,357,351,569
VI.	Shares and other variable-yield sec.	106000	19,322,220,859	16,858,630,302
VII.	Financial fixed assets	107000	3,764,462,796	3,432,226,486
A.	Companies under the equity method			
	1. Participations	107100	1,740,256,536	1,582,474,939
	2. Subordinated loans	107200	100,000,000	100,000,000
B.	Other companies			
	1. Participations and shares	107300	1,887,548,172	1,721,155,483
	2. Subordinated loans	107400	36,658,088	28,596,063
VIII.	Formation expenses and intangible fixed assets	108000	154,020,891	166,654,206
IX.	Consolidation differences	109000	356,625,195	364,167,103

X.	Tangible fixed assets	110000	5,183,076,001	4,431,497,036
XI.	Own shares	111000		
XII.	Other assets		13,166,689,603	11,913,522,413
A.	Investments of "life insurance" without risk	112100		
B.	Share of reinsurers in technical prov.	112200		
C.	Other	112000	13,166,689,603	11,913,522,413
XIII.	Deferred charges and accrued income	113000	57,205,356,529	38,636,985,617
	TOTAL ASSETS		575,663,099,279	485,518,472,260

LIABILITIES		codes	30 June 2005	30 June 2004
I.	Amounts owed to credit institutions	201000	152,883,975,145	118,119,062,423
A.	On demand	201100	15,553,439,577	4,993,651,638
B.	Debt resulting from mobilization / rediscounting commercial paper	201200		11,300,982
C.	Other debts (forward / at notice)	201300	137,330,535,568	113,114,109,803
II.	Amounts owed to customers	202000	280,091,883,446	249,988,965,229
A.	Savings deposits	202100	48,613,995,454	44,943,269,656
B.	Other debts	202200	231,477,887,992	205,045,695,573
	1) on demand	202201	81,671,720,152	71,335,672,425
	2) forward or at notice	202202	149,806,167,840	133,710,023,148
	3) resulting from rediscounting bills of exchange	202203		
III.	Debts evidenced by certificates	203000	45,577,188,823	42,141,559,468
A.	Debts securities in issue	203100	11,988,149,940	14,576,667,337
B.	Other	203200	33,589,038,883	27,564,892,131
IV.	Other debts		13,027,766,860	12,908,774,419
A.	Technical provisions insurance	204100		
B.	Technical provisions of "life insurance" without risk	204200		
C.	Other	204000	13,027,766,860	12,908,774,419
V.	Accrued charges and deferred income	205000	57,256,020,648	37,345,656,065

VI.	Provisions, deferred tax & potential tax liabilities	206100	1,188,392,903	1,212,759,108
A.	Provisions for risks and charges			
	1. Pensions and similar obligations	206101	240,490,789	245,427,681
	2. Tax charges	206102	15,610,000	9,160,000
	3. Other risks and charges	206103	783,736,688	810,951,363
B.	Deferred taxes & potential tax liabilities	206200	148,555,426	147,220,064
VII.	Fund for general banking risks	207000	1,759,018,121	1,755,685,936
VIII.	Subordinated debts	208000	11,483,580,518	10,933,925,497
	Shareholder's Equity		11,695,420,956	10,393,715,542
IX.	Capital	209000	3,111,838,857	3,111,838,853
A.	Subscribed capital	209100	3,111,838,857	3,111,838,853
			0	0
B.	Uncalled capital	209200	0	0
X.	Issuing premiums	210000	4,874,775,741	4,874,775,742
XI.	Revaluation surpluses	211000	0	0
XII.	Reserves and result carried forward	212000	3,679,336,243	2,420,469,418
XIII.	Consolidation differences	213000	1,606,309	1,270,308
XIV.	Conversion differences (+/-)	214000	27,863,807	-14,638,779
	Minority interests			
XV.	Third party interests	215000	699,822,947	718,368,561
	TOTAL LIABILITIES	299000	575,663,070,367	485,518,472,247

PROFIT AND LOSS ACCOUNT			First half 2005	First half 2004
I.A	Interest and similar income: banking activities	401,000	9,617,312,873	7,634,871,693
	Of which: from fixed-income securities	401,001	2,466,494,522	2,261,809,065
B.a	Interest and similar income: insurance activities	401,100		
B.b	Premiums and other technical income	401,200		
II.A	Interests and similar charges (-)	502,000	-7,349,017,576	-5,324,008,372

B.	Technical charges Insurance	502,100		
III.	Income from variable-yield securities	403,000	195,154,511	105,047,726
A.	From company shares & other variable-yield securities	403,100	29,781,588	19,712,190
B.	From securities & shares (financial fixed assets)	403,200	165,372,923	85,335,536
IV.	Received commissions	404,000	1,302,302,563	1,241,283,626
V.	Commissions paid (-)	505,000	-297,283,833	-257,993,220
VI.	Gain(loss(-)) from financial operations	506,000	374,128,144	501,159,738
A.	From transfer, negotiation of securities & Foreign exchange transactions and transactions in securities		275,956,671	86,445,134
B.	From disposal of investment securities	506,200	98,171,473	414,714,604
VII.	Administration overhead expenses (-)	507,000	-2,322,673,859	-2,129,932,483
A.	Remunerations, social security & pension	507,100	-1,460,818,512	-1,348,033,824
B.	Other administrative charges	507,200	-861,855,346	-781,898,658
VIII.	Depreciation & write-off on tangible & intangible fixed assets	508,000	-515,036,398	-376,294,067
IX.	Write-back of depreciation (Depreciation(-))/ claims and write-back of provisions (-) heading "I. Potential liabilities" & "II. Commitments with potential credit risks" off balance sheet	509,000	13,514,508	-150,130,101
X.	Write-back of depreciation (Depreciation(-)) on investment portfolio of shares, bonds & other fixed or variable-yield securities	510,000	869,912	10,196,242
XI.	Use & write back of contingencies other than those mentioned in headings I. Liabilities & "II. Commitment on credit risk" off balance sheet	411,000	67,937,515	115,435,964
XII.	Provision for risks & charges other than in heading "I. Potential liabilities credit risks" off balance sheet (-)	512,000	-166,175,157	-158,435,226
XIII.	Deduction from/(Allocation to (-))	513,000		

	general bank risks fund			
XIV.	Other operating income	414,000	543,407,130	296,272,082
XV.	Other operating charges (-)	515,000	-39,519,543	-83,658,570
XVI.	Pre-tax profit (loss (-)) of consolidated companies	416,000	1,424,920,791	1,423,815,032
XVII.	Extraordinary income		160,368,361	77,485,812
A.	Write back of depreciation and amortization of intangible and tangible fixed assets	417,100	86,292	316
B.	Write back of depreciations of financial fixed assets	417,200	26,041,972	10,962,852
C.	Write back of provisions for extraordinary risks and charges	417,300		
D.	Gains on disposals of fixed assets	417,400	133,178,493	65,767,033
E.	Other extraordinary income	417,500	1,061,604	755,611
XVIII.	Extraordinary charges (-)	518,000	-72,366,168	-99,029,690
A.	Extraordinary depreciation and write off on intangible and tangible fixed assets and formation expenses	518,100	-956,083	-1,112,145
B.	Write back on financial fixed assets	518,200	-13,474,432	-29,492,447
C.	Provision extraord liabilities & charges	518,300	-11,086,332	-2,987,435
D.	Losses on disposals of fixed assets	518,400	-46,031,375	-28,751,478
E.	Other extraordinary charges	518,500	-817,947	-36,686,185
XIX.	Consolidated profit (loss) for the year before income taxes	419,000	1,512,922,983	1,402,271,154
XIX Bis.	A.Transfer to deferred taxes	520,100	-120,926,718	-16,561,497
	B.Transfer from deferred taxes	420,200	60,111,372	21,386,234
XX.	Income taxes	521,000	-341,434,439	-375,414,153
A.	Income taxes	521,100	-346,916,394	-388,358,977
B.	Adjustments of income taxes			
	Adjustment of income taxes and write-back of	421,200	5,481,955	12,944,824

	tax provisions			
XXI.	Consolidated profit (loss) for the year	422,000	1,110,673,199	1,031,681,738
XXII.	Part of result of participating interests valued by equity method		190,231,050	117,732,384
A.	Profit	423,100	191,344,266	124,983,723
B.	Loss	423,200	-1,113,216	-7,251,339
XXIII.	Consolidated profit	424,000	-1,300,904,248	-1,149,414,122
XXIV.	Share of minority interest in the result	425,000	-28,988,380	-29,787,783
XXV.	Share of the group in the result	426,200	-1,271,915,869	-1,119,626,339

Extracted from the unaudited interim financial statements of Fortis Bank for the 6 month period ending 30 June 2005 which have been prepared in conformity with BGAAP.

See furthermore Section 4.5.5.2 (Recent Developments).

4.5.10.7 Legal and arbitration proceedings

There were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware), during a period covering the 12 months prior to this Guarantees Building Block which may have, or have had in the recent past, significant effects on the Guarantor and/or Fortis group's financial position or profitability.

4.5.10.8 Significant change in the guarantor's financial or trading position

There has been no significant adverse change in the financial or trading position of the Guarantor since 31 December 2004.

4.5.11 Additional Information

4.5.11.1 Share Capital

As at date of this Guarantees Building Block, 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. The Guarantor has no other classes of shares. The share capital is fully paid up.

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

For an overview of the capitalisation of the Guarantor, please see 4.5.10.2 of this Guarantees Building Block.

4.5.11.2 Memorandum and Articles of Association.

As stated in article 3 of its Articles of Association, the Guarantor has as its purpose to carry on the business of a credit institution, including brokerage and transactions involving derivatives. 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 of the realisation thereof. The Guarantor is free to hold shares and share interests within the limits set by the legal framework for banks.

The Guarantor is registered with the Register of Legal Entities under the number 0403.199.702.

4.5.12 Material Contracts

No material contracts have been entered into in the ordinary course of the Guarantor's business, which could result in any member of the Fortis group being under an obligation or entitlement that is material to the Guarantor's ability to meet its obligation to holders of the Notes.

4.5.13 Third Party Information and Statement by Experts and Declarations of any Interest

This Guarantees Building Block does not include any third party information or statement by experts.

4.6 DOCUMENTS ON DISPLAY⁹⁴

For the life of the Notes, the following documents (or copies thereof) may be inspected at Fortis Bank, Montagne du Parc 3, 1000 Bruxelles, Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam and at the principal office of the fiscal agent, Fortis BanqueLuxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg:

- the memorandum and articles of association of the Guarantor;
- the historical financial information of the Guarantor for each of the two financial years preceding the publication of this Guarantees Building Block;
- copies of the Guarantee.

Copies of the Guarantee, the latest published annual account for the financial years ending on 31 December 2003 and 2004, can be obtained free of charge at Fortis Bank, Montagne du Parc 3, 1000 Bruxelles, tel: 02/565 85 35 or, with the exception of the Guarantee, on the website: www.fortisbank.be, Fortis Bank (Nederland) N.V., Rokin 55, 1012 KK Amsterdam and at the principal office of the fiscal agent, Fortis BanqueLuxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg.

⁹⁴ Item 4 of Annex VI of the Regulation.

SELLING RESTRICTIONS

The distribution of the Prospectus (or any part thereof) and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus (or any part thereof) comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions.

Belgium: Public offering

The present Prospectus, drawn up in accordance with Chapter II of the EU Commission Regulation No 809/2004 of 29 April 2004, was approved by the Belgian Banking, Finance and Insurance Commission on 25 October 2005, pursuant to article 14 of the Law dated 22 April 2003 on the public offerings of securities. The present Prospectus constitutes a prospectus for the purposes of Article 5 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the **Prospectus Directive**).

Grand Duchy of Luxembourg: Public offering

The Issuer has requested the Belgian Banking, Finance and Insurance Commission to provide the competent authorities in Luxembourg (the *Commission de Surveillance du Secteur Financier*) with a certificate of approval attesting that the present Prospectus has been drawn up in accordance with the Prospectus Directive.

Netherlands: Public offering

The Issuer has requested the Belgian Banking, Finance and Insurance Commission to provide the competent authorities in The Netherlands (the *Autoriteit Financiële Markten*) with a certificate of approval attesting that the present Prospectus has been drawn up in accordance with the Prospectus Directive.

United States of America

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.

United Kingdom

The Dealer 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.

European Economic Area

In relation to each Member State of the European Economic Area (other than Belgium, Grand Duchy of Luxembourg and The Netherlands) which has implemented the Prospectus Directive or which, pending such implementation, applies Article 3.2 of the Prospectus Directive (each a “**Relevant Member State**”), the Notes can only be offered to the following persons:

- legal entities which are authorised or regulated to operate in the financial markets (including credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, undertakings for collective investment and their management companies, pension and retirement funds and their management companies, commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities;
- national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations);
- any legal entities which have two or more of (i) an average number of employees during the financial year of at least 250, (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in their last annual or consolidated accounts;
- certain natural persons or small and medium-sized enterprises (as defined in the Prospectus Directive) recorded in the register of natural persons and small or medium-sized enterprises considered as qualified investors as held by the competent authority of the relevant member state, if applicable;
- as well as in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

Subscription Application

Exemplaire destiné à l'intermédiaire financier (banque-guichet)

FORTIS LUXEMBOURG FINANCE S.A.

65, boulevard Grand-Duchesse Charlotte, L-1331 Luxembourg
(Incorporated with limited liability under the law of the Grand-Duchy of Luxembourg)
(Registered with the Registre du Commerce et des Sociétés, Luxembourg, under B 24784)

Offre en souscription publique d'un emprunt obligataire d'un montant nominal de EUR 5.000.000 (pouvant être augmenté pendant et après la période de souscription jusqu'à EUR 250.000.000), venant à échéance le 29 décembre 2008, représenté par des Reverse Accumulator obligations, d'une valeur nominale de EUR 1.000 telles que décrites dans le

Prospectus.

ISIN Code XS0236354964

BULLETIN DE SOUSCRIPTION

(à établir en double exemplaire, conformément à la loi)

Je soussigné (nom, prénom).....

demeurant à.....rue.....n°.....

après avoir pris connaissance du Prospectus du 26 octobre 2005, déclare souscrire à:

..... Obligations, au
prix de souscription de 102% (100% à titre de montant nominal + 2% de frais d'émission), soit EUR 1.020 par obligation, soit

EUR au total.

A l'appui de ma souscription et pour contre-valeur des obligations ainsi souscrites :

je prie la banque de débiter le prix de souscription total de mon compte
n°.....

Je souhaite que le(s) titre(s) me soi(en)t délivré(s) sous forme d'une inscription au compte-titres n°.....

Je m'engage à accepter la réduction éventuelle telle qu'elle sera opérée.

Les sommes versées sur les obligations souscrites et non attribuées, seront remboursées sans que les souscripteurs soient fondés à réclamer des intérêts sur leurs versements.

Les statuts de l'émetteur, ainsi que la Notice Légale relative à la présente offre ont été déposés avant le début de la période de souscription auprès du Registre de Commerce et des Sociétés à Luxembourg.

Fait en double à....., le

(signature du souscripteur)

Exemplaire destiné au souscripteur

FORTIS LUXEMBOURG FINANCE S.A.

65, boulevard Grand-Duchesse Charlotte, L-1331 Luxembourg
(Incorporated with limited liability under the law of the Grand-Duchy of Luxembourg)
(Registered with the Registre du Commerce et des Sociétés, Luxembourg, under B 24784)

Offre en souscription publique d'un emprunt obligataire d'un montant nominal de EUR 5.000.000 (pouvant être augmenté pendant et après la période de souscription jusqu'à EUR 250.000.000), venant à échéance le 29 décembre 2008, représenté par des Reverse Accumulator obligations, d'une valeur nominale de EUR 1.000 telles que décrites dans le

Prospectus.

ISIN Code XS0236354964

BULLETIN DE SOUSCRIPTION

(à établir en double exemplaire, conformément à la loi)

Je soussigné (nom, prénom).....
demeurant à.....rue.....n°.....
après avoir pris connaissance du Prospectus du 26 octobre 2005, déclare souscrire à:

..... Obligations d'une valeur nominale de EUR 1000 chacune, au prix de souscription de 102% (100% à titre de montant nominal + 2% de frais d'émission), soit EUR 1.020 par obligation, soit EUR au total.

A l'appui de ma souscription et pour contre-valeur des obligations ainsi souscrites :

je prie la banque de débiter le prix de souscription total de mon compte n°.....

Je souhaite que le(s) titre(s) me soi(en)t délivré(s) sous forme d'une inscription au compte-titres n°.....

Je m'engage à accepter la réduction éventuelle telle qu'elle sera opérée.

Les sommes versées sur les obligations souscrites et non attribuées, seront remboursées sans que les souscripteurs soient fondés à réclamer des intérêts sur leurs versements.

Les statuts de l'émetteur, ainsi que la Notice Légale relative à la présente offre ont été déposés avant le début de la période de souscription auprès du Registre de Commerce et des Sociétés à Luxembourg.

Fait en double à....., le

(signature du souscripteur)

Exemplaar bestemd voor de financiële instelling (bank – loket)

FORTIS LUXEMBOURG FINANCE S.A.

65, boulevard Grand-Duchesse Charlotte, L-1331 Luxembourg
(Incorporated with limited liability under the law of the Grand-Duchy of Luxembourg)
(Registered with the Registre du Commerce et des Sociétés, Luxembourg, under B 24784)

**Openbaar aanbod van een obligatielening met een nominaal bedrag van EUR 5.000.000 (dat tijdens en na de inschrijvingsperiode kan verhoogd worden tot EUR 250.000.000) met vervaldag op 29 december 2008, vertegenwoordigd door Reverse Accumulator obligaties met een waarde van EUR 1.000 zoals beschreven in het prospectus.
ISIN Code XS0236354964**

INSCHRIJVINGSFORMULIER

(overeenkomstig de wet op te stellen in twee exemplaren)

Ik ondergetekende (naam,voornaam).....

verblijvend testraat nr.....

Na kennis genomen te hebben van het prospectus van 26 oktober 2005, verklaar ik in te schrijven op

..... obligaties tegen de inschrijvingsprijs van 102% (100% nominaal bedrag + 2% inschrijvingskosten),
hetzij EUR 1.020 per obligatie,
hetzij in totaal EUR

Ter staving van mijn inschrijving en voor de tegenwaarde van de ingetekende obligaties verzoek ik de bank de totale inschrijvingsprijs te debiteren van mijn rekening nr.....

Ik wens de effecten te ontvangen onder vorm van inschrijving op mijn effectenrekening nr.....

Ik verbind mij ertoe een eventuele vermindering die zou kunnen doorgevoerd worden te aanvaarden.

De sommen die gestort werden ter betaling van de ingetekende en niet toegekende obligaties zullen teruggestort worden zonder dat de inschrijvers enig recht op interesten op de betrokken sommen kunnen doen gelden.

De statuten van de uitgever, alsook het Wettelijk Bericht aangaande dit aanbod werden voor de start van de inschrijvingsperiode gedeponereerd bij het Registre de Commerce et des Sociétés in Luxembourg.

Opgemaakt in dubbel te.....op.....

(Handtekening van de inschrijver).

Exemplaar bestemd voor de inschrijver

FORTIS LUXEMBOURG FINANCE S.A.

65, boulevard Grand-Duchesse Charlotte, L-1331 Luxembourg
(Incorporated with limited liability under the law of the Grand-Duchy of Luxembourg)
(Registered with the Registre du Commerce et des Sociétés, Luxembourg, under B 24784)

**Openbaar aanbod van een obligatielening met een nominaal bedrag van EUR 5.000.000 (dat tijdens en na de inschrijvingsperiode kan verhoogd worden tot EUR 250.000.000) met vervaldag op 29 december 2008, vertegenwoordigd door Reverse Accumulator obligaties met een waarde van EUR 1.000 zoals beschreven in het prospectus.
ISIN Code XS0236354964**

INSCHRIJVINGSFORMULIER

(overeenkomstig de wet op te stellen in twee exemplaren)

Ik ondergetekende (naam,voornaam).....

verblijvend testraat nr.....

Na kennis genomen te hebben van het prospectus van 26 oktober 2005, verklaar ik in te schrijven op

..... obligaties tegen de inschrijvingsprijs van 102% (100% nominaal bedrag + 2% inschrijvingskosten),
hetzij EUR 1.020 per obligatie,
hetzij in totaal EUR

Ter staving van mijn inschrijving en voor de tegenwaarde van de ingetekende obligaties verzoek ik de bank de totale inschrijvingsprijs te debiteren van mijn rekening nr.....

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De sommen die gestort werden ter betaling van de ingetekende en niet toegekende obligaties zullen teruggestort worden zonder dat de inschrijvers enig recht op interesten op de betrokken sommen kunnen doen gelden.

De statuten van de uitgever, alsook het Wettelijk Bericht aangaande dit aanbod werden voor de start van de inschrijvingsperiode gedeponereerd bij het Registre de Commerce et des Sociétés in Luxembourg.

Opgemaakt in dubbel te.....op.....

(Handtekening van de inschrijver).

Copy for the financial institution

FORTIS LUXEMBOURG FINANCE S.A.

65, boulevard Grand-Duchesse Charlotte, L-1331 Luxembourg
(Incorporated with limited liability under the law of the Grand-Duchy of Luxembourg)
(Registered with the Registre du Commerce et des Sociétés, Luxembourg, under B 24784)

**Public offering of Notes for a nominal amount of EUR 5,000,000 (subject to increase during the subscription period up to an amount of EUR 250,000,000) due 29 December 2008, represented by Reverse Accumulator Notes with a nominal value of EUR 1,000 as described in the prospectus.
ISIN CODE XS0236354964**

SUBSCRIPTION FORM

(to be established in 2 copies, in accordance with the law)

I undersigned (surname, first name).....

Domiciled at,.....street nr.....

After having consulted the prospectus of 26 October 2005, declare to subscribe to

..... Notes of a nominal value of EUR 1,000 at the subscription price of 102% (100% nominal amount + 2% subscription costs), either EUR 1,020 per Note, either in total EUR

To support my subscription and for value of the subscribed notes I request the bank to deduct the total subscription price of my account nr.....

I wish to receive the notes under the form of an booking on my securities account nr.....

I commit myself to accept a possible reduction which may occur.

The amounts deposited as payment for the subscribed and not allocated notes will be reimbursed without subscribers having any right to claim any interest on such sums.

The articles of association of the issuer, as well as the Legal Notice regarding this offering were deposited with the Registre de Commerce et des Sociétés in Luxembourg prior to the start of the subscription period.

Made in 2 copies at.....on.....

(Signature of the subscriber).

Copy for the subscriber

FORTIS LUXEMBOURG FINANCE S.A.

65, boulevard Grand-Duchesse Charlotte, L-1331 Luxembourg
(Incorporated with limited liability under the law of the Grand-Duchy of Luxembourg)
(Registered with the Registre du Commerce et des Sociétés, Luxembourg, under B 24784)

Public offering of Notes for a nominal amount of EUR 5,000,000 (subject to increase during the subscription period up to an amount of EUR 250.000.000) due 29 December 2008, represented by Reverse Accumulator Notes with a nominal value of EUR 1,000 as described in the prospectus. ISIN CODE XS0236354964.

SUBSCRIPTION FORM

(to be established in 2 copies, in accordance with the law)

I undersigned (surname, first name).....

Domiciled at,.....street nr.....

After having consulted the prospectus of 26 October 2005, declare to subscribe to

..... Notes of a nominal value of EUR 1,000 at the subscription price of 102% (100% nominal amount + 2% subscription costs), either EUR 1,020 per Note, either in total EUR

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The articles of association of the issuer, as well as the Legal Notice regarding this offering were deposited with the Registre de Commerce et des Sociétés in Luxembourg prior to the start of the subscription period.

Made in 2 copies at.....on.....

(Signature of the subscriber).

REGISTERED OFFICE OF THE ISSUER

Fortis Luxembourg Finance S.A.
65, Boulevard Grande-Duchesse Charlotte,
L-1331 Luxembourg.

REGISTERED OFFICE OF THE GUARANTOR

Fortis Bank nv-sa
Montagne du Parc 3
B - 1000 Brussels

FISCAL AGENT AND PRINCIPAL PAYING AGENT

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

PAYING AGENTS

Fortis Bank nv-sa
Montagne du Parc 3
B - 1000 Brussels

Fortis Bank (Nederland) N.V.
Rokin 55
NL 1012 KK Amsterdam

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
Woluwedal 18
B-1932 Sint-Stevens-Woluwe

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