BANQUE GÉNÉRALE DU LUXEMBOURG

50, avenue J.F. Kennedy, L-2951 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 B6481)

EUR 10,000,000
(subject to be increased up to EUR 250,000,000)
Callable Fixed then Cumulative Reverse Floating Rate
(« Snowball 3 ») Notes due 8 September 2015 (the « Notes »)

Public Offering in Belgium
Subscription period:
from 12 August 2005 until 2 September 2005

save in the case of early termination due to oversubscription or to material changes in market conditions

Issue Price: 102.00 per cent.

Issue date: 8 September 2005

Application has been made to list the Notes on Euronext Brussels

Arranger / Dealer

Fortis Bank

This Prospectus is dated 12 August 2005

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.

Save for the public offering in Belgium, no action has been or will be taken by the Issuer, or the Dealer that would permit a public offering of the Notes or the distribution of the Prospectus (or any part thereof) or any offering material in any country or jurisdiction where action for that purpose is required.

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 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 (ii) 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) which has implemented 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**») 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:

(a) 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;

(b) 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);

(c) any legal entities which have two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more that €50,000,000, as shown in their last annual or consolidated accounts;

(d) 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 that Relevant Member State, if available;

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.

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1. SUMMARY OF THE PROSPECTUS

dated 12 August 2005 relating to the issue of Callable Fixed then Cumulative Reverse Floating Rate (« Snowball 3 ») Notes for a minimum amount of EUR 10,000,000 and a maximum amount of EUR 250,000,000 to be reimbursed at par on 8 September 2015

issued by
Banque Générale du Luxembourg S.A.
50, avenue J.F. Kennedy, L-2951 Luxembourg
R.C. Luxembourg B 6481

PUBLIC OFFER AND LISTING IN BELGIUM

Risk factors

1. Performance of the underlying reference rate – determination of coupon

The Notes have a maturity of 10 years. Interest is payable annually in arrear, on 8 September of each year. At the end of the first interest period from, and including the Issue Date to, but excluding 8 September 2006, investors shall receive a gross coupon of 6.00 per cent. per annum, payable on 8 September 2006. Thereafter, for the period from, and including, 8 September 2006 to, but excluding 8 September 2015, the Notes will bear interest according to a formula which is dependant on the evolution of 12 month EURIBOR. The value of this variable rate mechanism is included in the pricing of the Notes (determination of the conditions, level of the first fixed rate).

The historical trend in the value of 12 month EURIBOR set forth in the Prospectus is not necessarily indicative of the future performance of this reference rate EURIBOR.

The Issuer may redeem, at its option, on each Interest Payment Date, all the Notes then outstanding at par. The value of this call option is included in the pricing of the Notes (determination of the conditions, level of the first fixed rate).

2. 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 the Notes prior to the Maturity Date is to sell them in the market at the then market price. The Notes may trade below par during their lifetime.

3. Potential conflicts of interest – combination of functions

Potential investors should pay attention to the fact that Fortis Bank nv-sa is dealer (on a firm underwriting basis), arranger, and market maker under the issue of Notes, so that various potential conflicts of interest may arise. Banque Générale du Luxembourg will act as Issuer and as Calculation Agent so that various potential conflicts of interest may arise. Fortis Bank and Banque Générale du Luxembourg undertake 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 Issuer is a subsidiary of Fortis Bank nv-sa and is also part of Fortis Group.

4. Investment decision

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, potential investors are invited to consult a specialised financial advisor or abstain from investing.

Approval by the Banking, Finance and Insurance Commission

On 9 August 2005, the Prospectus (as defined below), drawn up in accordance with Chapter II of the Regulation (EC) no. 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 of 22 April 2003 on public offerings of securities.

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

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

Warnings

This summary (the "English Summary") contains a brief summary of the principal characteristics of the issuance of Snowball 3 notes (the "Notes") and a description of Banque Générale du Luxembourg S.A. (the "Issuer"). 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 of this summary and this English Summary, only this English Summary will be legally binding.

This English Summary has to be read as an introduction to the prospectus dated 12 August 2005 written in English (the “Prospectus”) and composed of the following chapters :

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

Banque Générale du Luxembourg has prepared the English Summary, including its translations, and assumes the responsibility of the content but only if the English Summary is misleading, inaccurate or inconsistent when read together with the other parties of the Prospectus.

In case of inconsistencies between the Summaries and other parties of the Prospectus, the latest shall prevail. When a claim relating to the information contained in this Prospectus is brought before a Court, the plaintiff investor may have to bear the cost of translating the Prospectus before the legal proceedings are initiated.

Characteristics of the operation

Issuer	:	Banque Générale du Luxembourg S.A.
Total amount	:	Minimum EUR 10,000,000 and maximum EUR 250,000,000
Form of the Notes	:	Bearer securities – NO PHYSICAL DELIVERY – The securities have to be deposited in a securities account.
Denomination	:	EUR 1,000
Minimum amount per subscription	:	EUR 1,000
Issue Date	:	8 September 2005
Maturity Date	:	8 September 2015 (subject to early redemption)
Issue price	:	102%
Status of the Notes	:	The securities constitute unsecured and unsubordinated obligations of the Issuer and rank pari passu among themselves with all other unsubordinated present and future obligations of the Issuer.
Listing	:	Euronext Brussels, starting from 8 September 2005
Calculation Agent	:	Banque Générale du Luxembourg S.A.
Financial Service	:	Principal Paying Agent : Banque Générale du Luxembourg S.A. , 50, avenue J.F. Kennedy, L-2951 Luxembourg Paying Agent : Fortis Bank, Montagne du Parc 3, 1000 Brussels www.fortisbank.com
Subscription period	:	From 12 August to and including 2 September 2005, subject to early termination in case of oversubscription or material changes in market conditions. In case of early termination due to oversubscription or to material changes in market conditions as determined by the Issuer or the Dealer in their sole discretion, allotment of Notes will be made based on objective allotment criteria according to which the first subscriptions received will be the first to be served and, if required, the amount of last subscriptions that will be served will be reduced proportionately in order to reach the total amount of Notes that will be issued. Any payments made in connection with the subscription of Notes and not alloted will be reimbursed 7 Business Days after the date of payment and the holders thereof shall not be entitled to any interest in respect of such payments.
Closing Date	:	8 September 2005
ISIN Code	:	ISIN : XS0227377081

Interest : The Notes shall bear interest from 8 September 2005 (the "**Issue Date**") at the applicable gross interest rate per annum (the "**Interest Rate**") payable annually in arrear on 8 September in each year, except in case of early redemption, (each such date being an "**Interest Payment Date**") for each succeeding period of one year (each of the periods being an "**Interest Period**").

The number of days in an Interest Period is determined using a year of 360 days composed of 12 months of 30 days (30/360 or Bond Basis).

The applicable Interest Rate for the first Interest Period from 8 September 2005 to 8 September 2006, is 6.00 per cent. per annum (the "**Fixed Rate**").

The applicable Interest Rate for each succeeding Interest Period from 8 September 2006 to the Maturity Date, is an interest rate per annum calculated on an Interest Determination Date according to a formula which is dependant on the evolution of 12 month EURIBOR, subject to a minimum of 0.00 per cent.

The Interest Rate I_1 *applicable for the Interest Period from 8 September 2006 to 8 September 2007:*

I_1= 6% + 2.00% - Reference Rate

The Interest Rate I_2 *applicable for the Interest Period from 8 September 2007 to 8 September 2008:*

I_2= I_1 + 2.25% - Reference Rate

The Interest Rate I_3 *applicable for the Interest Period from 8 September 2008 to 8 September 2009 :*

I_3= I_2 + 2.50% - Reference Rate

The Interest Rate I_4 *applicable for the Interest Period from 8 September 2009 to 8 September 2010 :*

I_4= I_3 + 2.75% - Reference Rate

The Interest Rate I_5 *applicable for the Interest Period from 8 September 2010 to 8 September 2011 :*

I_5= I_4 + 3.00% - Reference Rate

The Interest Rate I_6 *applicable for the Interest Period from 8 September 2011 to 8 September 2012 :*

I_6= I_5 + 3.25% - Reference Rate

The Interest Rate I_7 *applicable for the Interest Period from 8 September 2012 to 8 September 2013 :*

I_7= I_6 + 3.50% - Reference Rate

The Interest Rate I_8 *applicable for the Interest Period from 8 September 2013 to 8 September 2014 :*

I_8= I_7 + 3.75% - Reference Rate

The Interest Rate I_9 applicable for the Interest Period from 8 September 2014 to 8 September 2015 :

$I_9 = I_8 + 4.00\%$ - Reference Rate

where:

« **Business Day** » means a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business in Brussels and in Luxembourg and (ii) the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system (the « TARGET System ») is open.

« **EURIBOR** » (Euro Interbank Offered Rate) means the rate at which euro interbank term deposits are offered by one prime bank to another prime bank, published on a daily basis for periods from 1 week to 1 year.

« Interest Determination Date » means, in relation to an Interest Payment Date, a date which falls five Business Days (Brussels, Luxembourg and TARGET) prior to such Interest Payment Date.

« Redemption Date » means 8 September 2015 or the Early Redemption Date of the Notes, if such date is prior to the first.

« Reference Rate » means the 12 month EURIBOR as being the rate for deposits in euros for a period of twelve months which appears on the Telerate Page 248 as of 11.00 a.m. (Brussels time) on each Interest Determination Date. If such rate does not appear on, or is unable to determined, such rate shall be calculated in accordance with Section 4.2.2 of the chapter “Securities Note”.

Redemption at Maturity	:	Each Note will be reimbursed on 8 September 2015 at an amount equal to 100% of the nominal amount of the Notes, subject to Early Redemption.
Early Redemption at the Option of the Issuer	:	The Issuer has the option to redeem all the outstanding Notes on each Interest Payment Date (« **Optional Redemption Date** ») at par, together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date, by giving not less than 5 (five) Business Days’ prior notice.
Redemption for Tax Reasons	:	In case of changes to the Luxembourg tax regime, the Issuer has the possibility to redeem the Notes at any moment, by giving prior notice to the Fiscal Agent and the Noteholders. In such a case, the Notes will be redeemed at their nominal value, together with the interest accrued to (but excluding) the date of redemption. The amount of the interest accrued will be determined by the Calculation Agent.
Governing Law	:	Luxembourg law

Submission to Jurisdiction	:	Any disputes arising out of or in connection with the Notes will be submitted to the exclusive jurisdiction of the Courts of Luxembourg.
Costs and taxes		See "Costs", page < >below See "Tax Treatment", page < >below
Notice	:	Any notice to the Noteholders will be published in the Belgian press (*De Tijd* and *L'Echo*) within 5 five Business Days from the occurrence of the event that requires a notice.
Secondary market	:	Fortis Bank is a market maker for this issue and will, under normal market conditions, guarantee a spread of maximum 1%, until the maturity of the Notes.
The Issuer	:	Banque Générale du Luxembourg S.A. (« **BGL** ») is part of Fortis Group. A full description of the Issuer can be found in the chapter "Registration Document". BGL is one of the largest banks in Luxembourg. The Bank offers Retail Banking for retail and corporate clients, Commercial and Private Banking, and Merchant Banking comprising stock transactions, investment funds and pension funds. The Bank has an international presence through its subsidiaries in France and Switzerland. BGL is part of Fortis Group, a Benelux leader in Bancassurance. Fortis is an international financial services provider, specialised in banking and insurance. Fortis is ranking among the 20 most important European financial institutions.
General information on EURIBOR :	:	EURIBOR (Euro Interbank Offered Rate) is the benchmark rate of the large euro money market that has emerged since 1999. It is sponsored by the European Banking Federation (FBE), which represents the interests of 3,000 banks in the 15 Member States of the European Union and in Iceland, Norway and Switzerland and by the Financial Markets Association (ACI). EURIBOR is the rate at which euro interbank term deposits are placed. It is daily published at 11.00 a.m. (Brussels) for value two days after. EURIBOR was first published on 30 December 1998 for value 4 January 1999. The choice of banks quoting for EURIBOR is based on market criteria. These banks, of first class credit standing, have been selected to ensure that the diversity of the euro money market is adequately reflected. Therefore, EURIBOR may be considered an efficient and representative benchmark. A strict Code of Conduct sets out rules covering, amongst other things: - the criteria used to determine which banks may belong to the panel of banks; - the obligations of the Panel Banks ; and

- the tasks and the composition of the Steering Committee, which is responsible for overseeing EURIBOR.

Since its launch, EURIBOR has become the reference on the derivatives markets and is the underlying rate of many derivatives transactions.

Moneyline Telerate has been chosen as the screen service provider responsible for publishing EURIBOR. It is also published on a daily basis in « *l'Echo* ».

Historical information on 12 month EURIBOR can be found at page 102 of the Prospectus (see also: www.euribor.org.)

On 10 August 2005, the 12 months EURIBOR was of 2.258%.

Simulations at maturity : In the 5 examples as set out below, the theoretical evolution of the yield is calculated on the basis of theoretical values of 12 months EURIBOR.

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.

Examples :

Scenario 1: 12M Euribor unchanged

Interest Determination Date	**Reference Rate (ex)**	**Interest Rate**	**Payment Date**
N/A	2.258%.	6%	8/9/2006 Early Redemption possible
3/9/2007	2.258%.	5.742%	8/9/2007 Early Redemption possible
2/9/2008	2.258%.	5.734%	8/9/2008 Early Redemption possible
1/9/2009	2.258%.	5.976%	8/9/2009 Early Redemption possible
1/9/2010	2.258%.	6.468%	8/9/2010 Early Redemption possible
1/9/2011	2.258%.	7.21%	8/9/2011 Early Redemption possible
3/9/2012	2.258%.	8.202%	8/9/2012 Early Redemption possible
2/9/2013	2.258%.	9.444%	8/9/2013 Early Redemption possible
1/9/2014	2.258%.	10.936%	8/9/2014 Early Redemption possible
1/9/2015	2.258%.	12.678%	8/9/2015

<u>Yield (before costs and taxes)</u>:

- in case of reimbursement after 1 year: 3.92%

- in case of reimbursement after 2 years : 4.80%

- in case of reimbursement after 3 years: 5.09%

- in case of reimbursement after 4 years: 5.29%

- in case of reimbursement after 5 years: 5.50%

- in case of reimbursement after 6 years: 5.74%

- in case of reimbursement after 7 years: 6.03%

- in case of reimbursement after 8 years: 6.36%

- in case of reimbursement after 9 years: 6.73%

- in case of reimbursement on 8 September 2015:7.14%

<u>Scenario 2: 12M Euribor increases by 0.50% per annum</u>

Interest Determination Date	Reference Rate (ex)	Interest Rate	Payment Date
N/A	2.258%.	6%	8/9/2006 Early Redemption possible
3/9/2007	2.758%.	5.242%	8/9/2007 Early Redemption possible
2/9/2008	3.258%.	4.234%	8/9/2008 Early Redemption possible
1/9/2009	3.758%.	2.976%	8/9/2009 Early Redemption possible
1/9/2010	4.258%.	1.468%	8/9/2010 Early Redemption possible
1/9/2011	4.758%.	0.00%	8/9/2011 Early Redemption possible
3/9/2012	5.258%.	0.00%	8/9/2012 Early Redemption possible
2/9/2013	5.758%.	0.00%	8/9/2013 Early Redemption possible
1/9/2014	6.258%.	0.00%	8/9/2014 Early Redemption possible
1/9/2015	6.758%.	0.00%	8/9/2015

Yield (before costs and taxes):

- in case of reimbursement after 1 year: 3.92%

- in case of reimbursement after 2 years: 4.32%

- in case of reimbursement after 3 years:3.97%

- in case of reimbursement after 4 years: 3.38%

- in case of reimbursement after 5 years: 2.74%

- in case of reimbursement after 6 years: 2.30%

- in case of reimbursement after 7 years:1.98%

- in case of reimbursement after 8 years: 1.74%

- in case of reimbursement after 9 years: 1.56%

- in case of reimbursement on 8 September 2015: 1.40%

Scenario 3: 12M Euribor decreases by 0.25% per annum

Interest Determination Date	Reference Rate (ex)	Interest rate	Payment Date
N/A	2.258%.	6%	8/9/2006 Early Redemption possible
3/9/2007	2.008%.	5.992%	8/9/2007 Early Redemption possible
2/9/2008	1.758%.	6.484%	8/9/2008 Early Redemption possible
1/9/2009	1.508%.	7.476%	8/9/2009 Early Redemption possible
1/9/2010	1.258%.	8.968%	8/9/2010 Early Redemption possible
1/9/2011	1.008%.	10.96%	8/9/2011 Early Redemption possible
3/9/2012	0.758%.	13.452%	8/9/2012 Early Redemption possible
2/9/2013	0.508%.	16.444%	8/9/2013 Early Redemption possible
1/9/2014	0.258%.	19.936%	8/9/2014 Early Redemption possible
1/9/2015	0.008%	23.928%	8/9/2015

Yield (before costs and taxes):

- in case of reimbursement after 1 year:3.92%

- in case of reimbursement after 2 years: 5.04%

- in case of reimbursement after 3 years: 5.65%

- in case of reimbursement after 4 years: 6.22%

- in case of reimbursement after 5 years: 6.86%

- in case of reimbursement after 6 years: 7.58%

- in case of reimbursement after 7 years: 8.36%

- in case of reimbursement after 8 years: 9.20%

- in case of reimbursement after 9 years: 10.06%

- in case of reimbursement on 8 September 2015: 10.93%

Scenario 4: 12M Euribor determined on the basis of «Forward Rates» on 11/08/05

Interest Determination Date	Reference Rate (ex)	Interest Rate	Payment Date
N/A	2.258%.	6%	8/9/2006 Early Redemption possible
3/9/2007	2.92%.	5.08%	8/9/2007 Early Redemption possible
2/9/2008	3.20%.	4.13%	8/9/2008 Early Redemption possible
1/9/2009	3.45%.	3.18%	8/9/2009 Early Redemption possible
1/9/2010	3.68%.	2.25%	8/9/2010 Early Redemption possible
1/9/2011	3.87%.	1.38%	8/9/2011 Early Redemption possible
3/9/2012	4.06%.	0.57%	8/9/2012 Early Redemption possible
2/9/2013	4.20%.	0.00%	8/9/2013 Early Redemption possible
1/9/2014	4.30%.	0.00%	8/9/2014 Early Redemption possible
1/9/2015	4.37%	0.00%	8/9/2015

Yield (before costs and taxes):

- in case of reimbursement after 1 year: 3.92%

- in case of reimbursement after 2 years: 4.48%

- in case of reimbursement after 3 years: 4.37%

- in case of reimbursement after 4 years: 4.09%

- in case of reimbursement after 5 years: 3.75%

- in case of reimbursement after 6 years: 3.39 %

- in case of reimbursement after 7 years: 3.01%

- in case of reimbursement after 8 years: 2.66%

- in case of reimbursement after 9 years: 2.39%

- in case of reimbursement on 8 September 2015: 2.16%

Scenario 5: The worst Scenario for 12M Euribor

Interest Determination Date	Reference Rate (ex)	Interest Rate	Payment Date
N/A	2.258%.	6%	8/9/2006 Early Redemption possible
3/9/2007	>= 8%.	0.00%	8/9/2007 Early Redemption possible
2/9/2008	>= 2.25%.	0.00%	8/9/2008 Early Redemption possible
1/9/2009	>= 2.50%.	0.00%	8/9/2009 Early Redemption possible
1/9/2010	>= 2.75%.	0.00%	8/9/2010 Early Redemption possible
1/9/2011	>= 3.00%.	0.00%	8/9/2011 Early Redemption possible
3/9/2012	>= 3.25%.	0.00%	8/9/2012 Early Redemption possible
2/9/2013	>= 3.50%.	0.00%	8/9/2013 Early Redemption possible
1/9/2014	>= 3.75%.	0.00%	8/9/2014 Early Redemption possible
1/9/2015	>=4.00%	0.00%	8/9/2015

Yield (before costs and taxes):

- in case of reimbursement after 1 year: 3.92%

- in case of reimbursement after 2 years: 2.00%

- in case of reimbursement after 3 years: 1.34 %

- in case of reimbursement after 4 years: 1.01%

- in case of reimbursement after 5 years: 0.81%

- in case of reimbursement after 6 years: 0.68%

- in case of reimbursement after 7 years: 0.58%

- in case of reimbursement after 8 years: 0.51%

- in case of reimbursement after 9 years: 0.45%

- in case of reimbursement on 8 September 2015: 0.41%

General Information

The issue of the Notes has been authorised by a decision of the Board of Directors of the Issuer dated 3 February, 2005.

The issue will be fully underwritten by Fortis Bank nv-sa (the "Dealer") on a firm underwriting basis (the « **Underwriting Agreement** »*)* to be dated on or about 6 September 2005.

The Issuer will pay to Fortis Bank a commission of 2% of the aggregate principal amount of the issue. The Issuer will pay the legal, adminisstrative fees and other costs relating to this issue, for an amount expected to be EUR 50,000. The net proceeds from the issue of the Notes will be used for general corporate purposes of the Issuer.

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under Common Code: 022737708 and ISIN Code: XS0227377081

Tax treatment

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

(a) 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** »).

(b) 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 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.

(c) 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.

(d) 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).

(e) 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.

(f) 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 €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 per cent. (subject to a maximum of €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 126/1,2º 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.

(g) 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 (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.

Pursuant to the Savings Directive, Belgian paying agents will as of 1 July 2005 apply a source tax on interest payments to individual Noteholders resident in another EU member state than Belgium or resident in the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands (hereafter, the "Dependant Territories"). This taxation at source is levied in addition to the applicable Belgian withholding tax.

Under the Directive, Member States are since July 1, 2005 required to provide to the tax authorities of other Member States 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 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 information exchange with certain other countries.

The above description constitutes only a summary of the current tax legislation, which may be subject of modifications. In case of doubt, investors are invited to consult their tax advisors.

Costs

- Tax on stock exchange transactions on the purchase/sale after the initial subscription period : 0.07% (with a cap of EUR 500.00 per transaction and per party).
- Costs of subscribing the Notes on a securities account: at the expense of the subscribers; (free at Fortis Bank)(*).
- Financial service: free at Fortis Bank

(*) The opening of a securities account is free of charge at Fortis Bank. The investors must inform themselves well as to the costs that could be charged to them by other financial institutions.

Documentation and notices

The Prospectus and the Dutch and French versions of this summary can be obtained from Fortis Bank NV-SA, Montagne du Parc 3, 1000 Brussels, as well as by phone at 02/565.85.35. Investors may also obtain free of charge, at the same address, a copy of the latest annual financial statements of the Issuer and the latest annual and quarterly financial statements of Fortis Group and the semi-annual accounts of Fortis Group for the year 2005 (which will be published on or about 25 August 2005). The Paying Agency Agreement, as well as the Articles of Association of the Issuer may also be consulted thereof. The latest annual and quarterly financial statements of Fortis Group are available at www.fortis.com.

2. REGISTRATION DOCUMENT[1]

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Clause **Page**

[1] This Section 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**"). Correspondence with each item in Annex IV is indicated in the footnotes.

1

1 PERSONS RESPONSIBLE[2]

BANQUE GÉNÉRALE DU LUXEMBOURG S.A., a limited liability company incorporated for an unlimited duration under the laws of the Grand-Duchy of Luxembourg (hereinafter referred to as the « **Issuer** » or "**Bank**"), with its registered office at 50 avenue J.F. Kennedy, L-2951, Luxembourg, registered with the Luxembourg Registry of Commerce and Companies under number B6481, is responsible for the information given in this Registration Document[3]. The Issuer confirms 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 its knowledge, in accordance with the facts and contains no omission likely to affect its import.[4]

2 STATUTORY AUDITORS[5]

The financial statements of the Issuer for the years ended 31 December 2003 and 31 December 2004 have been audited by KPMG Audit, S.à r.l., 31, Allée Scheffer, L-2520 Luxembourg, who are members of the *Institut des Réviseurs d'Entreprises*, Luxembourg.

3 RISK FACTORS[6]

Any investment in the Notes involves risks, including those described below. Prospective investors should carefully consider the following investment considerations and the other information in this Prospectus before deciding whether an investment in the Notes is suitable. If any of the following risks actually occurs, the trading price of the Notes could decline and an investor could lose all or part of its investment.

The following is some of the investment considerations relating to the business of the Issuer:

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

There is substantial competition in Luxembourg and the other regions in which the Issuer does business for the types of banking and other products and services which the Issuer provides. As a result, the Issuer'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 the Issuer is unable to compete with attractive product and service offerings that are profitable, the Issuer 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.

[2] item 1 of Annex IV of the Regulation.

[3] item 1.1 of Annex IV of the Regulation.

[4] item 1.2 of Annex IV of the Regulation.

[5] item 2 of Annex IV of the Regulation.

[6] item 4 of Annex IV of the Regulation.

Market conditions can adversely affect the Issuer's results.

The Issuer'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 the Issuer's performance.

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

Market risk can adversely affect* the Issuer's *banking activities.

Market risk can negatively affect the Issuer's merchant banking activities. 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 the Issuer (which is after all the difference between its assets and liabilities). A movement in the opposite direction naturally increases the Issuer'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 the Issuer'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 the Issuer'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 the Issuer'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 the Issuer's banking business.

Asset illiquidity can adversely affect the Issuer's business.

Liquidity risk is inherent in much of the Issuer'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, the Issuer requires significant amounts of cash on short notice in excess of anticipated cash requirements, the Issuer may have difficulty selling these investments at attractive prices, in a timely manner, or both.

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

The operational risks that the Issuer 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 the Issuer's reputation. Additionally, the loss of key personnel could adversely affect the Issuer's operations and results.

The Issuer'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 the Issuer's business, accurate records have to be maintained for significant periods.

The Issuer 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.

The Issuer has significant counterparty risk exposure.

The Issuer is subject to general credit risks, including credit risks of borrowers. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans made, the issuers whose securities the Issuer 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 the Issuer 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 the Issuer'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 the Issuer operates and, more specifically, on the business and results of the Issuer in ways that cannot be predicted.

The Issuer's results of operations can be adversely affected by significant adverse regulatory developments including changes in tax law.

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

4 INFORMATION ABOUT THE ISSUER[7]

History and development of the Issuer[8]

The Issuer was founded as a company under Belgian law on 29 September 1919 and was incorporated in the Grand Duchy of Luxembourg on 21 June 1935 for an unlimited duration in the form of a « *Société Anonyme* »[9]. The Bank is registered with the Luxembourg Registry of Commerce and Companies under number B.6481. [10]

The Articles of Association of the Issuer have been amended several times, most recently by notarial deed in Luxembourg on 15 November 2001.

The Issuer's registered office is at 50, Avenue J.F. Kennedy, L-2951 Luxembourg, telephone number +352 4242-1.

With effect from 1 January 2005, all leasing companies of Fortis were integrated into Fortis Lease Group which is a 100% owned subsidiary of the Issuer. The Issuer's Risk Asset Ratio is expected to remain above 12% following this transaction.

5 BUSINESS OVERVIEW[11]

Principal activities[12]

Since its establishment the Bank has been active in both domestic and international financial markets. It has played a key role in the development of Luxembourg as an important international financial centre. In terms of assets, profit and own funds at 31 December 2004, the Bank is one of the leading banks in Luxembourg. It is firmly integrated in the national economy, playing an essential role in the receipt of deposits, the financing of industry, trade, the professions, agriculture and private households.The Bank is active in the following areas:[13]

- Retail Banking
- Commercial & Private Banking
- Merchant Banking

Retail Banking

Retail Banking offers financing and investment support to individuals, professionals and small entreprises through its network of 37 branches in Luxembourg. Through this network, Retail Banking advises customers and offers products and services to its private clients to meet their financing and investment needs.

Retail Banking's range of services also includes the provision of life insurance products and services in close cooperation with Fortis Luxembourg Vie.

Commercial & Private Banking

[7] item 5 of Annex IV of the Regulation.

[8] item 5.1 of Annex IV of the Regulation.

[9] item 5.1.3 and 5.1.4 of Annex IV of the Regulation.

[10] item 5.1.2 of Annex IV of the Regulation.

[11] item 6 of Annex IV of the Regulation.

[12] item 6.1 of Annex IV of the Regulation.

[13] item 6.1.1 of Annex IV of the Regulation.

Through its business centres, Commercial Banking serves medium-sized and large companies in Luxembourg and in the neighbouring "Grande-Région" market (including neighbouring regions of France and Germany) which is strongly interconnected with the Luxembourg economy. It offers comprehensive banking, leasing and factoring services, as well as cross-border skills and services.

Private Banking Luxembourg offers its local and international private clients an array of skilled and innovative services according to their individual needs. The Bank provides comprehensive solutions to wealthy private investors, drawing upon its expertise in asset and portfolio management, legal structuring, fiscal optimization, insurance, financing and real estate.

The Bank operates international Private Banking activities in Luxembourg and Switzerland.

Merchant Banking

Merchant Banking consists of four cross border business lines: Global Markets, Corporate & Investment Banking, Institutional Banking & Funds.

Global Markets focuses on the development of new products and the provision of services with high added value. Moreover, the Global Markets' trading room focuses on niche distribution and sales activities by leveraging the client base through the cross selling of Fortis' products and expertise.

As originator of issues intended primarily for private clients, Global Markets concentrates on the primary market for eurobonds. It is also active on the primary stock market through its regular involvement in international stock issue syndicates. Furthermore, it initiates public issues of tailor made structured products.

Corporate & Investment Banking focuses mainly on large international corporates operating in Luxembourg. It is also in charge of the relations with the German-speaking corporate clientele and with international companies having a link with Luxembourg.

Institutional Banking & Funds offers the group's banking services and products through one-stop-shopping to banks, promoters and distributors of investment and pension funds and to asset management firms.

After the private bank's trust business reorganisation, the Bank now focussed on Luxembourg and Switzerland concerning the Bank's private banking activities. The Bank has been expanding its commercial banking business in Luxembourg's "Grande Région" markets (including France and Germany).

Please see Section 11.1.2 of this Registration Document for more information about the securities issued by the Issuer. Please see Section 12.2 of this Registration Document for more information about the Issuer's object as stated in the Articles of Association.

6 ORGANISATIONAL STRUCTURE[14]

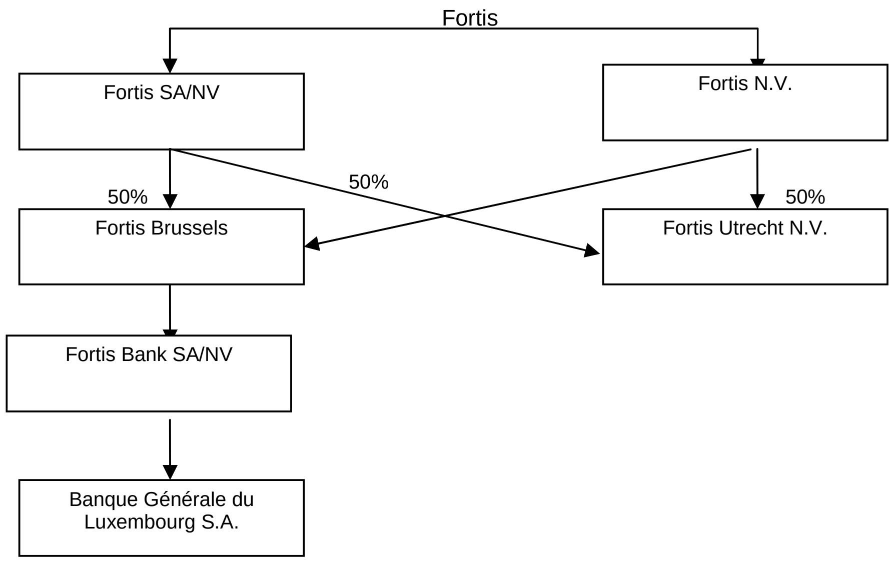
The Issuer is a member of Fortis Group ("**Fortis**"). Within Fortis, the Issuer is a subsidiary of Fortis Bank SA/NV.[15]

The diagram below summarizes the legal structure as of 31 December 2004.[16]

[14] item 7 of Annex IV of the Regulation.

[15] item 7.1 of Annex IV of the Regulation.

[16] item 7.2 of Annex IV of the Regulation.


Fortis
Fortis SA/NV
Fortis N.V.
50%
50%
50%
Fortis Brussels
Fortis Utrecht N.V.
Fortis Bank SA/NV
Banque Générale du Luxembourg S.A.

7 TREND INFORMATION[17]

There has been no material adverse change in the financial position or prospects of the Issuer since 31st December, 2004 and there are no known trends, uncertainties, demands, commitments or events that are likely to have a material effect on the Issuer's financial position or prospects for at least the current financial year.[18]

8 PROFIT FORECASTS OR ESTIMATES[19]

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

9 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES[20]

9.1 Board of Directors and Management Board[21]

As at the date of this Registration Document, the management of the Issuer was comprised of the following persons:

The Board of Directors

Jean Meyer
Doctor of Law, Oberanven, Chairman

Gilbert Mittler
Chief Financial Officer of Fortis, Brussels,Vice-Chairman

Carlo Thill
Chairman of the Management Board, Oberanven, Director

Paul Meyers
Doctor of Law, Luxembourg, Director

Michel Wurth
Economist, Luxembourg, Director

Joseph Kinsch
Chairman of the Board of Directors of ARCELOR, Luxembourg, Director

HRH Prince Guillaume of Luxembourg
Luxembourg, Director

Jean-Claude Gilbertz
Staff representative, Olm, Director

Fernand Gales
Staff representative, Dudelange, Director

Norbert Roos
Staff representative, Pétange, Director

Gabriel Di Letizia
Staff representative, Bergem,Director

[17] item 8 of Annex IV of the Regulation.
[18] item 8.1 of Annex IV of the Regulation.

[19] item 9 of Annex IV of the Regulation.
[20] item 10 of Annex IV of the Regulation.
[21] item 10.1 of Annex IV of the Regulation.

Corinne Ludes
Staff representative, Dudelange,Director

Danielle Raccogli
Staff representative, Dudelange,Director

Joop Feilzer
Member of the Executive Committee of Fortis, Brussels,Director

Robert Scharfe
Member of the Management Board, Niederanven, Director

Camille Fohl
Member of the Management Board, Garnich, Director

Marc-Yves Blanpain

Chairman of the Board of Directors of Banque Mees Pierson BGL S.A., Brussels, Director

Paul Wolff
Commercial Engineer MBA INSEAD, Luxembourg, Director

Jacques Godet
General Manager Corporate Consolidation & Accounting of Fortis Bank, Brussels, Director

Marc Muno
Staff representative, Mensdorf, Director

Michel van Pée
Secretary General of Fortis, Brussels,Director

Christian Schaack
Managing Director of Fortis Bank, Canach,Director

Aloyse Schiltz
Staff Representative, Aspelt, Director

Claude Heirend
Staff representative, Junglingster, Director

The Managment Board

Carlo Thill
Chairman

Robert Scharfe
Member

Camille Fohl
Member

Paul Wolff
Member

Marc Lenert
Member

Thierry Schuman
Member

For the purpose of the Registration Document, the address of the Directors is 50, avenue J.F. Kennedy, L-2951, Luxembourg.

The members of the Management Board work on a full-time basis for the Issuer. In addition to their Luxembourg-based duties, under the group's matrix structure the members of the Management Board also have high level-level responsibilities with Fortis business areas.

9.2 Administrative, Management, and Supervisory bodies conflicts of interests [22]

No conflicts of interests exist between any duties to the issuing entity of the persons referred to in Section 9.1 of this Registration Document and their private interests/or other duties.

10 MAJOR SHAREHOLDERS [23]

Fortis Bank SA/NV holds 99.89% of the Issuer's shares. The Issuer is managed by a Board of Directors and a Management Board. The Board of Directors consists of staff representatives and independent directors. As a credit insitutition, the Issuer is regulated by the Commission de Surveillance du Secteur Financier (the "CSSF").

11 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES[24]

11.1 Historical financial information[25]

11.1.1 2004 Financial statements

SUMMARY FINANCIAL INFORMATION RELATING TO THE ISSUER

The following auditors report, consolidated financial statements and consolidated management report have been extracted from the Issuer's Annual Report dated 17 March, 2005, (approved by the General Assembly of the Issuer on 7 April, 2005) and are a translation of the original versions in French. The Issuer takes responsibility for the accuracy of the translation.

AUDITORS' REPORT

To the Board of Directors
Banque Générale du Luxembourg SA
50, avenue J.F. Kennedy
L-2951 Luxembourg

Following our appointment by the Board of Directors on 13 November 2003, we have audited the accompanying consolidated accounts of Banque Générale du Luxembourg S.A. for the year ended 31 December 2004, and have read the related consolidated management report. These consolidated accounts and the consolidated management report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated accounts based on our audit and to check that the consolidated management report is consistent with them.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

[22] item 10.2 of Annex IV of the Regulation.

[23] item 12 of Annex IV of the Regulation.

[24] item 13 of Annex IV of the Regulation.

[25] item 13.1 of Annex IV of the Regulation.

In our opinion, the attached consolidated accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the consolidated financial position of Banque Générale du Luxembourg S.A. as at 31 December 2004 and of the consolidated results of its operations for the year then ended.

The consolidated management report is consistent with the consolidated accounts.

KPMG Audit S.à r.l.
Réviseur d'enterprises

E. Damotte

Luxembourg, 17 March, 2005

CONSOLIDATED BALANCE SHEET IN EUR AT 31 DECEMBER 2004

ASSETS	**Notes**	**31.12.2004**	**31.12.2003**
Cash, balances with central banks and post office banks	5	568,420,040	501,848,725
Treasury bills and other bills eligible for refinancing with the central bank	6	1,485,194	157,487
Treasury bills and similar securities		1,485,194	157,487
Loans and advances to credit institutions	7	11,113,691,267	13,102,590,895
a) repayable on demand		9,150,362,785	3,753,029,224
b) other loans and advances		1,963,328,482	9,349,561,671
Loans and advances to customers	8	6,750,571,123	6,636,451,661
Leasing transactions	9	849,429,420	800,483,728
Debt securities and other fixed-income securities	10 and 17	13,309,277,517	12,523,759,096
a) issued by public bodies		5,846,166,680	5,899,215,060
b) issued by other borrowers		7,463,110,837	6,624,544,036
Shares and other variable-yield securities	11	401,220,054	400,523,360
Participating interests	12 and 17	78,332,052	88,514,448
Shares in affiliated undertakings	13 and 17	30,294,552	50,809,167
Subsidiaries accounted for under the equity method	17	337,390,211	185,761,650
Intangible assets	14 and 17	1,684,705	2,110,919
Translation differences		515,377	-
Tangible assets	15 and 17	395,493,412	451,721,581
Own shares	18	53,327	-
Other assets	17 and 19	132,193,031	125,726,118
Prepayments and accrued income		580,969,173	2,084,149,153
Total assets		**34,551,020,455**	**36,954,607,988**
LIABILITIES			
Amounts owed to credit institutions	20	2,729,109,730	2,984,731,215
a) repayable on demand		398,826,613	889,629,418
b) with agreed maturity dates or periods of notice		2,330,283,117	2,095,101,797
Amounts owed to customers	21	21,309,519,766	21,465,064,193
a) savings deposits		2,402,352,339	2,482,754,701
b) other debts:		18,907,167,427	18,982,309,492
– repayable on demand		8,008,841,431	7,492,326,807
– with agreed maturity dates or periods of notice		10,898,325,996	11,489,982,685
Debts evidenced by certificates	22	5,734,087,862	6,237,132,454
a) debt securities in issue		3,754,539,532	3,333,805,077
b) other		1,979,548,330	2,903,327,377
Other liabilities	23	784,521,322	864,470,199

Accruals and deferred income		327,486,321	1,767,016,572
Provisions for liabilities and charges		462,188,101	415,747,077
a) provisions for tax		200,333,356	166,786,490
b) other provisions		261,854,745	248,960,587
Subordinated liabilities	24	599,130,147	748,337,638
Special items with a reserve quota portion	25	134,773,678	138,094,274
Fund for general banking risks		586,801,286	588,536,540
Subscribed capital	26	350,000,000	350,000,000
Share premium account	26	633,518,630	633,518,630
Reserves	26	414,802,789	268,974,804
Minority interests		20,250,604	20,056,335
Translation differences		-	2,796,492
Profit brought forward	26	260,255	121,640
Profit for the financial year		464,569,964	470,009,925
a) Net of minority interests		460,540,256	468,685,884
b) Minority interests		4,029,708	1,324,041
Total liabilities		**34,551,020,455**	**36,954,607,988**
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	28	1,677,806,515	1,245,765,743
of which:			
– guarantees and assets pledged as collateral security		1,329,586,045	809,763,813
Commitments	29	5,998,339,388	3,499,504,833
Fiduciary operations		2,882,632,382	3,924,866,794

The notes refer to the Notes to the Accounts.

CONSOLIDATED PROFIT AND LOSS ACCOUNT IN EUR
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	31.12.2004	31.12. 2003
Interest received and similar income	34	2,666,834,207	4,916,634,690
of which: arising from fixed-income securities		559,740,597	498,631,095
Interest paid and similar charges		-2,225,412,726	-4,494,126,307
Income from securities	34	70,051,663	43,572,763
a) income from shares and other variable-yield securities		17,595,288	14,766,161
b) income from participating interests		3,640,358	4,797,176
c) income from shares in affiliated undertakings		2,464,352	16,285,317
d) share of profits of companies accounted for under the equity method		46,351,665	7,724,109
Commissions receivable	34	354,542,630	337,333,975
Commissions payable		-53,446,477	-53,356,630
Net profit on financial operations	34	40,419,751	33,521,897
Other operating income	34 and 35	142,827,911	202,224,311
General administrative expenses		-354,296,840	-348,210,694
a) Staff costs	38 and 39	-229,987,666	-230,745,681
of which: – wages and salaries		-188,994,879	-190,655,313
– social security costs		-32,320,397	-31,904,873
– of which: relating to pensions		-22,972,792	-22,628,065
b) Other administrative expenses		-124,309,174	-117,465,013
Value adjustments in respect of tangible and intangible assets		-60,611,800	-69,763,037
Other operating charges	36	-63,352,741	-65,405,934
Value adjustments in respect of loans and advances and provisions for contingent liabilities and commitments		11,256,747	32,678,039
Value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings		46,746,442	54,372,965
Transfers to “special items with reserve quota portion”		-2,960,840	-2,532,771
Income from the writing back of “special items with reserve quota portion”		4,064,674	190,369
Tax on results on ordinary activities		-111,250,763	-114,483,682
Results on ordinary activities, after tax		*465,411,838*	*472,649,954*
Extraordinary income		1,468,405	244,197
Extraordinary charges		-14,698	-62,149
Extraordinary results	*40*	*1,453,707*	*182,048*
Other taxes not shown under the preceding items		-2,295,581	-2,822,077

PROFIT FOR THE FINANCIAL YEAR	**464,569,964**	**470,009,925**
a) Net of minority interests	460,540,256	468,685,884
b) Minority interests	4,029,708	1,324,041

The notes refer to the Notes to the Accounts.

NOTES TO THE CONSOLIDATED ACCOUNTS

Note 1 – General Information

Founded on 29 September, 1919, Banque Générale du Luxembourg (referred to below as “the Bank”) took the legal form of a limited liability company under Luxembourg law on 21 June, 1935.

The corporate purpose of the Bank is to engage in all types of banking and financial operations and services, to take participating interests in businesses as well as to undertake commercial, industrial and other operations, including transactions in moveable or real property, for its own account and on behalf of third parties, relating directly or indirectly to its corporate purpose or being conducive to favour its achievement. It may perform its activities in the Grand Duchy of Luxembourg or abroad.

The Bank is included in the consolidated accounts of Fortis Bank SA, its principal shareholder. The consolidated accounts of Fortis Bank S.A. are available at its registered address, which is 3 Montagne du Parc, Brussels.

The Bank is a member of the Fortis group, the broadest grouping of businesses in which it is included as a subsidiary. The consolidated accounts of the Fortis group are available at the following addresses:

– Fortis and Fortis SA: Fortis, Rue Royale 20, 1000 Brussels, Belgium

– Fortis and Fortis NV: Fortis, Archimedeslaan 6, 3584 BA Utrecht, the Netherlands

Note 2 – Basis of consolidation

The following consolidation methods have been applied:

Full consolidation

Assets, liabilities, off-balance sheet items and income and expenses of consolidated companies have been added to the corresponding items of the parent company.

The annual accounts of the consolidated companies have been adjusted in order to harmonise them with the annual accounts of the parent company.

Intra-group balances and income and expenses resulting from transactions between consolidated companies have been eliminated.

Interests of minority shareholders in the consolidated net assets and in the consolidated profit are shown separately.

Proportionate consolidation

The annual accounts of companies consolidated on a proportionate basis are included in the consolidated accounts on a pro rata basis based on rights held in the capital of these companies.

Undertakings accounted for under the equity method

The participating interest held by the parent company is replaced by its share of the net assets of the associated undertaking represented by that participating interest. The resulting difference is written to the consolidation reserve. Similarly, dividends received from the participating interests are replaced in the consolidated profit and loss account by the parent company’s share of the profits of the companies concerned.

Note 3 – Scope of consolidation

Full consolidation is applied to banking subsidiaries and non-banking subsidiaries whose activities are a direct extension of banking and in which Banque Générale du Luxembourg (referred to below as “the Bank”) directly or indirectly holds more than 50% of the share capital and which are material for the purposes of a true and fair view of the Bank’s activities.

Proportionate consolidation is applied to companies owned and managed jointly by a limited number of shareholders.

The equity method is used to account for subsidiaries whose activities do not represent a direct extension of banking or services ancillary to banking, as well as to affiliated companies over which one or several companies within the scope of consolidation has significant influence.

As part of the reorganization of the group's trust business, the Bank transferred ownership of BGL-MeesPierson Trust (Luxembourg) S.A., BGL Reads Group Limited, MeesPierson Trust (Schweiz) AG and MeesPierson Trust Reg. (Liechtenstein) and renounced its right of control over the shares held in MeesPierson (C.I.) Ltd in favour of Fortis Bank Nederland NV. As a result, the companies concerned were excluded from the scope of consolidation with effect from 1 October, 2004. The interest in MeesPierson (C.I.) Ltd is held at its value under the equity method at 1 October, 2004. The 25.04% interest in MeesPierson Intertrust Group Holding S.A. received in consideration is accounted for under the equity method from the same date.

The companies Fortis Lease Group SA and Fortis Lease Group Services SA established in December 2004 are fully consolidated. Fortis Lease Group S.A. will take over all the leasing companies of the Fortis group in 2005.

The companies Moray Investments LLP S.à r.l., Cranbourne Investments S.à r.l. and The Rowellan Trust, established in 2004 in connection with refinancing, are fully consolidated.

Fully consolidated companies:

Name	Registered office	Percentage of capital held	Net worth at 31 December, 2004(*)	Profit at 31 December, 2004
BANQUE MEESPIERSON BGL S.A.	NYON	99.98%	CHF 114,784,612	CHF 35,251,979
BGL FINANCE HOLDING SA	LUXEMBOURG	99.99%	EUR 73,542,159	EUR 3,144,648
COFHYLUX S.A.	LUXEMBOURG	99.99%	EUR 26,196,068	EUR 2,850,779
CRANBOURNE INVESTMENTS S.à r.l. (**)	LUXEMBOURG	(***) 0.99%	GBP 1,009,000,000	GBP 15,599,002
EUROLEASE FACTOR SA (Group)	LUXEMBOURG	90.00%	EUR 16,474,211	EUR 6,417,958
FORTIS LEASE GROUP SA	LUXEMBOURG	99.99%	EUR 1,000,000	EUR -1,019
FORTIS LEASE GROUP SERVICES SA/NV (**)	BRUSSELS	99.80%	EUR 500,000	EUR -6,534
MORAY INVESTMENTS LLP S.à.r.l.	LUXEMBOURG	(***) 0.99%	GBP 1,010,099,980	GBP 11,119,413
PBI HOLDING AG	ZUG	100.00%	CHF 109,969,254	CHF 13,319,065
SOCIETE ALSACIENNE DE DEVELOPPEMENT ET D'EXPANSION SA (SADE Group)	STRASBOURG	87.76%	EUR 118,389,590	EUR 29,330,306
THE BANK OF TDW & BGL SA	LUXEMBOURG	75.00%	EUR 14,743,343	EUR -2,787,786
THE ROWALLAN TRUST (**)	LONDON	(***) 0.99%	GBP 1,010,100,000	GBP 6,888

(*) Net worth does not include profit for the financial year.
(**) Companies held through a subsidiary, but directly consolidated by the Bank.
(***) Companies controlled on the basis of provisions in their articles.

Companies consolidated by the equity method:

Name	Registered office	Percentage of capital held	Net worth at 31 December, 2004(*)	Profit at 31 December, 2004
BGL INVESTMENT PARTNERS SA (B.I.P.)	LUXEMBOURG	41.59%	EUR 278,666,853	EUR 8,264,126
BG RÉ S.A.	LUXEMBOURG	99.98%	EUR 6,197,338	EUR 24,174,887
FASTNET BELGIUM S.A.	BRUSSELS	47.80%	EUR 2,315,166	EUR -386,192
FASTNET EUROPE S.A.	LUXEMBOURG	28.00%	EUR 1,343,566	EUR -61,365
FASTNET FRANCE	PARIS	11.43%	EUR 8,741,785	EUR 520,604
FASTNET LUXEMBOURG SA	LUXEMBOURG	47.80%	EUR 5,523,432	EUR 667,398
FASTNET NETHERLANDS NV	AMSTERDAM	47.80%	EUR 1,381,269	EUR 356,217
FORTIS INVESTMENT MANAGEMENT SA	BRUSSELS	25.01%	EUR 207,430,738	EUR 53,211,748
MEESPIERSON INTERTRUST GROUP HOLDING SA	GENEVA	25,04%	EUR -5,982,388	EUR 36,747,192

(*) Shareholders' equity does note include earnings for the year.

Companies excluded from the consolidation pursuant to article 83 of the modified Law of 17 June 1992 on the accounts of credit institutions:

Name	Registered office	Percentage of capital held
BGL INTERNATIONAL B.V. (in liquidation)	ROTTERDAM	100.00%
CETREL S.C.	LUXEMBOURG	26.18%
ELIMMO S.à r.l.	LUXEMBOURG	30.00%
EUROPAY LUXEMBOURG S.C.	LUXEMBOURG	35.20%
FORTIS L CAPITAL S.A.	LUXEMBOURG	99.99%
IMMOBILIERE DAVOUT S.à r.l.	DIJON	87.76%
IMMO-ROYAL CONSEIL SA	LUXEMBOURG	50.00%
NORTHUMBERLAND GROUP Limited (in liquidation)	LONDON	100.00%
PROMINTER CURAÇAO N.V. (in liquidation)	CURAÇAO	99.99%
SCI EUROSUD S.C. (in liquidation)	ERSTEIN	21.94%
MEESPIERSON (C.I.) Limited	GUERNSEY	100.00%
VISALUX S.C.	LUXEMBOURG	33.07%

Information which is of negligible interest in giving a true and fair view of accounts is excluded.

Companies excluded from the consolidation pursuant to articles 103 (9) of the modified Law of 17 June 1992 on the accounts of credit institutions:

Name	Registered office	Percentage of capital held
FORTIS LUXEMBOURG VIE SA	LUXEMBOURG	50.00%

Note 4 – Accounting principles

The Bank's accounting principles are consistent with the legislation and regulations applicable in Luxembourg, and in particular with the modified Law of 17 June 1992 on the accounts of credit institutions.

Translation of items denominated in foreign currencies

The Bank's accounting records are maintained in euros (EUR) and the balance sheet and profit and loss account are expressed in the same currency.

Items denominated in foreign currencies are translated in accordance with the following principles:

Assets and liabilities denominated in currencies are translated at average rates prevailing at the balance sheet date. Any interest in affiliated companies for which cover has not been taken is converted into EUR at the rate prevailing at the date of acquisition (historical rate).

Income and expenses are translated at the exchange rates prevailing on the date on which they are recorded.

Forward exchange transactions covered by spot deals are considered to be neutral with respect to exchange rate fluctuations. Valuation differences which may result are neutralised and have no effect on the profit for the year.

Forward exchange transactions which are not covered and which are outstanding at the balance sheet date are valued at the forward exchange rates prevailing at balance sheet date. Provisions are made for any losses and included in the balance sheet under the item "Provisions for liabilities and charges: other provisions", whereas unrealised gains are not recognised.

Forward exchange positions taken out to cover other forward exchange transactions are valued at the forward exchange rates prevailing at balance sheet date. Latent gains are deducted from latent losses provided they are recognised before or at the same date as the loss from which they are deducted. Provisions are made for residual losses and included in the balance sheet under the item "Provisions for liabilities and charges: Other provisions".

Translation of annual accounts of consolidated companies denominated in foreign currency

Annual accounts of consolidated companies denominated in foreign currency have been converted into EUR at the exchange rates prevailing at the balance sheet date.

Resulting translation differences are recorded under "Translation differences", after deduction of the proportion of such differences attributable to minority interests, which is included in liabilities under the heading "Minority interests".

Derivatives

The Bank's liabilities under derivative transactions, such as interest-rate swaps, forward rate agreements, futures and options, are booked as off-balance sheet items at the date of the transaction.

At the balance sheet date, a provision is created for unrealised losses resulting from the valuation of outstanding transactions at market price. This provision is booked under "Provisions for liabilities and charges: Other provisions".

No provision is made if a derivative specifically covers an asset or liability or if such transactions form an economic unit. Gains and losses on hedging operations to cover market risks are booked to the profit and loss account in the same way as expenses and income relating to the underlying transactions.

Assets and liabilities

Assets and liabilities repayable on demand comprise amounts which can be withdrawn at any time without notice or for which a maximum maturity or notice of 24 hours or one business day has been agreed. The term "with agreed maturity dates" in the various headings refers to a final maturity of more than one business day, including notices of more than one business day. Claims and debts are always classified according to residual maturity, which represents the period from balance sheet date till maturity.

Loans and advances

Loans and advances are recorded in the balance sheet at nominal value. Accrued interest is included in the "Prepayments and accrued income" item under assets. The Bank's policy is to make specific value adjustments with respect to doubtful debts. Such value adjustments are held in the same currency as the asset to which they relate. Value adjustments and readjustments are offset in the profit and loss account. Value adjustments are deducted from the asset items concerned.

Leased equipment

Leasing contracts considered to be finance leases as defined by the Luxembourg supervisory authorities are reported as loans and advances included in the current assets. Loans and advances are recorded at the acquisition value less the proportion of rentals representing repayment of principal.

For leasing contracts considered to be operating lease transactions, the asset in question is recorded among tangible fixed assets. The asset is valued at cost less cumulative value adjustments. Rental income is taken to the profit and loss account.

Securities

Securities are initially recorded at cost. However, in the case of securities issued on a discount basis, accrued interest not payable is added to the acquisition price.

For valuation purposes, the Bank uses the weighted average method. The Bank's securities portfolio is divided into three categories as follows:

– The *investment portfolio* comprises fixed-income securities held as long-term investments and in general held to maturity.

– The *structural portfolio* comprises fixed-income and variable-yield securities held for investment purposes in the medium term (from six months to several years). In addition, this portfolio provides the Bank with alternative liquidity.

– The *trading portfolio* comprises fixed-income and variable-yield securities held by the Bank in order to act in the markets as a placing agent, market maker or counterparty to customers or professionals. The securities are only held for a short period, not exceeding six months.

  Securities are valued as follows:

– *Investment portfolio:* Fixed-income securities in the investment portfolio (including "Asset swaps") are valued at cost provided they are eligible for such treatment under the modified Law of 17 June 1992 on the accounts of credit institutions and prevailing banking regulations.

  When securities in this portfolio do not fulfil the regulatory requirements for being valued at cost, they are valued at the lower of cost or market value.

  Positive and negative differences between the acquisition and redemption value of securities valued at cost are amortised over the residual period to maturity.

– *Trading portfolio and structural portfolio:* Securities in the structural and trading portfolios are valued in accordance with the lower of cost or market value method.

Participating interests and shares in affiliated undertakings

Acquisitions are shown on the assets side of the balance sheet at purchase price or value at which the asset has been contributed. Any proportion of such participating interests or shares representing subscribed capital unpaid is recorded on the off-balance sheet.

At year-end the book value of each security is compared with its market, intrinsic or probable realisation value. If the reduction in value appears to be permanent, a value adjustment is made.

"Beibehaltungsprinzip"

With reference to Articles 56 (2)f and 58 (2)e of the modified Law of 17 June 1992 on the accounts of credit institutions and in application of the Luxembourg tax legislation, the Bank's policy is to retain previous value adjustments on certain securities even if a loss is no longer deemed to be suffered as a result of an increase in valuation.

Own shares

Own shares are recorded at cost on the balance sheet.

Tangible and intangible assets

Tangible and intangible assets are recorded in the balance sheet at acquisition cost less accumulated depreciation.

Organisation costs included in assets on the balance sheet are generally amortised on a straight-line basis over five years.

The rates and methods of depreciation are as follows:

	Depreciation rate	Method
Property	50 years	Straight-line
Fittings	10 years	Straight-line
Equipment	4 years	Straight-line
Computer equipment	4 years	Straight-line
Software	3 years	Straight-line
Furniture	10 years	Declining balance

Equipment costing EUR 870 or less or whose useful life does not exceed one year is expensed.

Provisions for liabilities and charges

Provisions for liabilities and charges cover probable or certain losses, the nature of which is clearly defined but the amount of which or the date on which they will arise are still uncertain at the balance sheet date.

Fund for general banking risks

In accordance with Article 63 of the modified Law of 17 June 1992 on the accounts of credit institutions, the Bank has created a fund to cover specific risks associated with banking operations and arising during the normal course of business. Transfers to this fund are not deductible for tax purposes.

Lump-sum provision for risk assets

In accordance with the applicable tax laws, the Bank has created a lump-sum provision in respect of the non-recovery of amounts owed to the Bank.

The maximum amount of this provision deductible for tax purposes is 1.25% of the risk weighted assets and off-balance sheet items calculated in accordance with CSSF circular 2000/10, specifying capital adequacy ratios.

The lump-sum provision proportion relating to balance sheet items is deducted from the value of the assets concerned. The lump-sum provision proportion relating to off-balance sheet items is allocated to the item "Provisions for liabilities and charges: other provisions" under liabilities.

Legal reserve

In accordance with Luxembourg law, at least 5% of the net profit is allocated annually to a legal reserve until that reserve equals 10% of the subscribed capital. This allocation is carried out in the following financial year. The legal reserve may not be distributed.

Differences on first consolidation ("Goodwill")

Differences on first consolidation represent the difference between the cost of the parent company's participation in the consolidated subsidiaries and its share of the net assets of these companies on the date of acquisition of the participation.

If positive, the difference on first consolidation is deducted from the consolidation reserves on the date on which the company to be consolidated is included in the consolidated accounts for the first time.

If negative, the difference on first consolidation is included on the liabilities side of the consolidated balance sheet.

Taxes

Taxes are charged to the operating profit for the year to which they relate in accordance with the accruals principle and not to the year in which payment occurs. Tax provisions have been created for the years for which the tax authorities have not finally determined the amount of tax due.

Note 5 – Cash, balances with central banks and post offices

All amounts under Cash, balances with central banks and post offices are at sight.

Note 6 – Treasury bills and other bills eligible for refinancing with the central bank

Treasury bills and other bills eligible for refinancing with the central bank have a residual maturity to three months or less.

Note 7 – Loans and advances to credit institutions

Loans and advances to credit institutions, other than those repayable on demand, were according to residual maturity as follows:

	31st December,	
	2004	2003
	Thousands of EUR	
3 months or less	36,313	5,775,127
3 months to a year	117,858	3,197,919
From 1 to 5 years	1,647,080	185,418
Over 5 years	162,077	191,098
	1,963,328	9,349,562

This item includes:

	31st December,	
	2004	2003
	Thousands of EUR	
Loans and advances to affiliated undertakings	10,286,621	6,948,041

The item Loans and advances to credit institutions included subordinated loans in the following amounts:

	31st December,	
	2004	2003
	Thousands of EUR	
For a fixed term	10,000	10,000

Note 8 – Loans and advances to customers

Loans and advances to customers were analysed as follows:

	31st December, 2004	2003
	Thousands of EUR	
3 months or less	2,291,239	2,402,422
3 months to a year	564,311	649,540
From 1 to 5 years	960,078	1,161,043
Over 5 years	2,934,943	2,423,447
	6,750,571	6,636,452

This item includes:

	31st December, 2004	2003
	Thousands of EUR	
Loans and advances to affiliated undertakings	9,348	9,540
Loans and advances to undertakings in which the Bank has a participating interest	10,161	36,586

The item Loans and advances to customers includes subordinated loans in the following amounts:

	31st December, 2004	2003
	Thousands of EUR	
For an indefinite term	122	-
Of which: to affiliated undertakings	*122*	-
For a fixed term	60	66
Of which: to undertakings in which the Bank has a participating interest	*60*	*66*
	182	66

Note 9 – Leasing transactions

Leasing transactions were analysed as follows:

(a) According to counterparty:

	31st December, 2004	2003
	Thousands of EUR	
Credit institutions	88,207	75,771
Customers	761,222	724,713
	849,429	800,484

(b) According to residual maturity:

	31st December, 2004	2003
	Thousands of EUR	
3 months or less	45,468	56,972
3 months to a year	136,069	119,112
From 1 to 5 years	400,444	408,793
Over 5 years	267,448	215,607
	849,429	800,484

Note 10 – Debt securities and other fixed-income securities

Debt securities and other fixed-income securities were analysed as follows:

(a) According to maturity:

	31st December, 2004	2003
	Thousands of EUR	
3 months or less	337,388	433,468
3 months to a year	920,825	1,445,334
From1 to 5 years	6,919,577	5,644,104
Over 5 years	5,131,488	5,000,853
	13,309,278	12,523,759

(b) According to listing on an exchange:

	31st December, 2004	2003
	Thousands of EUR	
Securities listed on an exchange	8,610,097	9,236,583
Securities not listed on an exchange	4,699,181	3,287,176
	13,309,278	12,523,759

(c) According to nature:

	31st December, 2004	2003
	Thousands of EUR	
Securities held in the investment portfolio	9,035,789	9,642,000
Securities held in the structural portfolio	4,192,493	2,811,964
Securities held in the trading portfolio	80,996	69,795
	13,309,278	12,523,759

The item Debt securities and other fixed-income securities includes securities eligible for refinancing with a Central Bank in the Euro zone in an amount of EUR 8,555,152,000 (31 December 2003: EUR 7,552,595,000).

The item Debt securities and other fixed-income securities includes fixed-income securities issued by:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Affiliated undertakings	10,763	5,524
Undertakings in which the Bank has a participating interest	9,960	4,981

Debt securities and other fixed-income securities of a subordinated nature were as follows:

Fixed-income securities

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Fixed-income securities	71,094	120,264
Of which: Affiliated undertakings	-	-

Book and "fair value" values of the trading portfolio were analysed as follows:

Book value

	31st December, 2004	31st December, 2003
	Thousands of EUR	
3 months or less	5,865	3,176
3 months to a year	16,799	13,957
From 1 to 5 years	46,230	44,110
Over 5 years	12,102	8,552
	80,996	69,795

"Fair value"

	31st December, 2004	31st December, 2003
	Thousands of EUR	
3 months or less	6,298	4,070
3 months to a year	17,645	14,899
From 1 to 5 years	47,996	46,551
Over 5 years	12,293	9,157
	84,232	74,677

With reference to Articles 56 (2)f and 58(2)e of the modified Law of 17 June 1992 on the accounts of credit institutions and in compliance with Luxembourg tax law, the group made exceptional value adjustments to this item totalling EUR 33,078,000 (31st December, 2003: EUR 29,471,000). These exceptional value adjustments were analysed as follows:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Securities held in the investment portfolio	27,461	19,003
Securities held in the structural portfolio	4,847	8,603
Securities held in the trading portfolio	770	1.865
	33,078	29,471

The pro rata amounts of premiums and discounts accumulated since the date of their acquisition on debt securities and other fixed-income securities held as financial fixed assets were respectively EUR 74,225,000 (31st December, 2003: EUR 36,482,000) and EUR 12,948,000 (31st December, 2003: EUR 15,597,000).

Note 11 – Shares and other variable-yield securities

Shares and other variable-yield securities were analysed as follows:

(a) According to listing on an exchange

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Securities listed on an exchange	236,959	228,940
Securities not listed on an exchange	164,261	171,583
	401,220	400,523

(b) According to nature:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Securities held in the structural portfolio	395,611	397,090
Securities held in the trading portfolio	5,609	3,433
	401,220	400,523

Book and “fair value” values of the trading portfolio were as follows:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Book value	5,609	3,433
“Fair value”	6,635	3,577

With reference to Articles 58 (2)e of the modified Law of 17th June, 1992 on the accounts of credit institutions and in compliance with Luxembourg tax law, the group made exceptional value adjustments to this item amounting to EUR 29,021,000 (31st December, 2003: EUR 26,657,000).

Exceptional value adjustments were as follows:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Securities held in the structural portfolio	28,537	26,602
Securities held in the trading portfolio	484	55
	29,021	26,657

Note 12 – Participating interests

Participating interests were analysed as follows:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Securities listed on an exchange	54,115	61,960
Securities not listed on an exchange	24,217	26,554
	78,332	88,514
	Thousands of EUR	
Credit institutions	383	5,835
Other undertakings	77,949	82,679
	78,332	88,514

Note 13 – Shares in affiliated undertakings

Shares in affiliated undertakings were analysed as follows:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Securities listed on an exchange	-	6,279
Securities not listed on an exchange	30,295	44,530
	30,295	50,809
	Thousands of EUR	
Other undertakings	30,295	50,809

Note 14 – Intangible assets

Intangible assets, which totalled EUR 1,685,000 (31 December 2003: EUR 2,111,000) include a net amount of EUR 918,000 (31 December 2003: EUR 1,832,000) in organisation costs. These expenses were incurred as a result of the capital increase by contribution in kind of interests in Banque MeesPierson Gonet S.A. and PBI Holding AG in the course of the year 2001.

Note 15 – Tangible assets

Tangible assets, which totalled EUR 395,493,000 (31 December 2003: EUR 451,722,000), include a net amount of EUR 200,312,000 (acquisition price less accumulated depreciation) representing the part of land and buildings used by the group for its own activities (31 December 2003: EUR 221,358,000).

Note 16 – Assets denominated in foreign currencies

Assets denominated in foreign currencies totalled EUR 9,108,661,000 (31 December 2003: EUR 9,748,120,000). This amount includes the spot element of transactions for which the hedging component is included in forward foreign exchange transactions.

Note 17 – Movements in fixed assets

Movements in assets considered as fixed assets under Article 56 of the modified Law of 17 June 1992 on the accounts of credit institutions are set out in the following table:

(Thousands of EUR)

	Gross values					Value adjustments at year-end	Net value at year-end
Items	Gross value at beginning of year	Additions	Disposals	Transfers and exchange rate adjustments	Gross value at year-end	Cumulative adjustments Cumulative write-backs (1) and (2)	
Debt securities and other fixed-income securities	9,793,127	1,910,883	(2,488,137)	(77,234)	9,138,639	(102,850)	9,035,789
Participating interests	95,424	7,432	(18,753)	-	84,103	(5,771)	78,332
Shares in affiliated undertakings	65,180	75	(23,084)	2	42,173	(11,878)	30,295
Subsidiaries accounted for under the equity method	185,762	151,628	-	-	337,390	-	337,390
Intangible assets of which:	5,691	654	(163)	150	6,332	(4,647)	1,685
(a) Organisation costs	4,592	45	-	(185)	4,452	(3,534)	918
(b) Concessions, patents, licences, trade marks and similar rights and assets acquired for valuable consideration but which are not part of goodwill	1,099	609	(163)	335	1,880	(1,113)	767

Tangible assets of which:	931,811	36,027	(142,101)	12,080	837,817	(442,324)	395,493
(a) Land and buildings	539,405	10,248	(16,983)	(21)	532,649	(215,502)	317,147(3)
(b) Plant and machinery	338,207	24,158	(120,919)	12,206	253,652	(189,708)	63,944(3)
(c) Other fixtures and fittings, tools and equipment	54,199	1,598	(4,199)	(105)	51,493	(37,114)	14,379
(d) Payments on account	-	23	-	-	23	-	23
Other assets	11,377	-	(11,254)	-	123	(3)	120

(1) Balance of value adjustments and releases.

(2) The Bank has availed itself of the option under Article 48 of the modified Law of 17 June 1992 on the accounts of credit institutions, of offsetting value adjustments and write-backs of value adjustments on securities considered as financial fixed assets, participating interests and shares in affiliated undertakings.

(3) Assets involved in operating lease transactions represent amounts of EUR 95,654,000 under land and buildings (31 December 2003: EUR 99,661,000) and EUR 27,390,000 under plant and machinery (31 December 2003: EUR 43,724,000).

Note 18 – Own shares

At 31 December 2004, the Bank held 316 of its own shares (31 December 2003: 0) with a book par value of EUR 25.49 each (unchanged from 2003).

At 31 December 2004, the value at cost of own shares was EUR 53,000 (31 December 2003: EUR 0).

Pursuant to the Luxembourg legislation dated August 10, 1915 as amended, a non-distributable reserve was established in the same amount.

Note 19 – Other assets

Other assets were analysed as follows:

	31st December,	
	2004	2003
	Thousands of EUR	
Short-term receivables	47,677	48,766
Option premiums purchased	80,024	61,240
Other	4,492	15,720
	132,193	125,726

Book values of option premiums purchased were analysed as follows:

Book value

	31st December,	
	2004	2003

	Thousands of EUR	
3 months or less	39,553	5,702
3 months to a year	4,660	3,277
From 1 to 5 years	33,256	48,908
Over 5 years	2,555	3,353
	80,024	61,240

The "fair values" of trading portfolio option premiums purchased are shown in Note 31.

Note 20 – Amounts owed to credit institutions

Amounts owed to credit institutions with agreed maturity dates or periods of notice, analysed by residual maturity, were as follows:

	31st December,	
	2004	2003
	Thousands of EUR	
3 months or less	1,987,549	1,621,225
3 months to a year	99,880	146,673
From 1 to 5 years	161,487	30,133
Over 5 years	81,367	297,071
	2,330,283	2,095,102

This item includes:

	31st December,	
	2004	2003
	Thousands of EUR	
Amounts owed to affiliated undertakings	392,426	804,701

Note 21 – Amounts owed to customers

Amounts owed to customers represented by savings deposits, excluding special savings books, are repayable on demand and totalled EUR 2,345,448,000 (31st December, 2003: EUR 2,427,302,000).

Amounts owed to customers recorded under the item "Other amounts owed with agreed maturity dates or periods of notice", analysed by residual maturity, were as follows:

	31st December,	
	2004	2003
	Thousands of EUR	
3 months or less	8,455,241	10,592,579
3 months to a year	859,721	709,289
From 1 to 5 years	150,791	170,767
Over 5 years	1,432,573	17,348
	10,898,326	11,489,983

This item includes:

	31st December, 2004	2003
	Thousands of EUR	
Amounts owed to affiliated undertakings	413,964	297,052
Amounts owed to undertakings in which the Bank has a participating interest	136,433	48,261

Note 22 – Debts evidenced by certificates

Debts evidenced by certificates recorded under the item “Debt securities in issue”, analysed by residual maturity, were as follows:

	31st December, 2004	2003
	Thousands of EUR	
3 months or less	282,041	277,428
3 months to a year	495,395	612,620
From 1 to 5 years	1,596,195	1,416,067
Over 5 years	1,380,909	1,027,690
	3,754,540	3,333,805

Debts evidenced by certificates recorded under the item “Other”, analysed by residual maturity, were as follows:

	31st December, 2004	2003
	Thousands of EUR	
3 months or less	1,441,129	2,174,791
3 months to a year	538,419	728,536
	1,979,548	2,903,327

At 31 December 2004 and 2003, this heading did not include any debt to affiliated undertakings.

The positive difference between the amount repayable on debts evidenced by certificates and the amount received was EUR 16,917,000 (31st December, 2003: EUR 23,180,000), and is included under accruals and deferred income.

Note 23 – Other liabilities

Other liabilities were analysed as follows:

	31st December, 2004	2003
	Thousands of EUR	
Short-term payables	670,206	710,525
Option premiums sold	10,460	22,000
Other	103,855	131,945
	784,521	864,470

Book values of option premiums sold were analysed as follows:

Book value

	31st December, 2004	31st December, 2003
	Thousands of EUR	
3 months or less	2,209	11,488
3 months to a year	3,731	5,075
From 1 to 5 years	3,662	4,708
Over 5 years	858	729
	10,460	22,000

The "fair values" of trading portfolio option premiums sold are detailed in Note 31.

Note 24 – Subordinated liabilities

Subordinated debt is governed generally by the following principles:

In the event of liquidation of the credit institution, the claim from subordinated creditors ranks after those of all non-subordinated creditors. Any early redemption or repurchase and any debt substitution is subject to prior authorisation from the Supervisory Commission for the Financial Sector (*Commission de Surveillance du Secteur Financier* or *CSSF*) and the initial maturity of each such debt cannot be less than five years. Issuance is governed by Luxembourg law. The courts in Luxembourg are competent.

Loans representing over 10% of total subordinated liabilities are as follows:

Amount of loan	Currency	Interest rate	Maturity
100,000,000	USD	6.625%	23 Feb. 2011
100,000,000	EUR	6.50%	27 Oct. 2010
75,000,000	EUR	5.50%	20 Aug. 2009

Subordinated liabilities were analysed as follows:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
3 months or less	-	17,164
3 months to a year	99,157	123,947
From 1 to 5 years	300,244	324,401
Over 5 years	199,729	282,826
	599,130	748,338

Interest expense paid during the year in respect of subordinated liabilities amounted to EUR 41,922,000 (31 December 2003: EUR 44,790,000) and is shown under the item "Interest paid and similar charges" in the consolidated profit and loss account.

Note 25 – Special items with reserve quota portion

The amount reported under "Special items with reserve quota portion" consisted entirely of reinvested capital gains of EUR 134,774,000 under Article 54 of the income tax law (31 December 2003: EUR 138,094,000).

Note 26 – Shareholders' equity

Changes in the shareholders' equity are shown in the table below:

	Capital subscribed	Issuing premiums	Reserves: Legal reserves	Reserves: Free reserves	Reserves: Unavailable reserves	Reserves: Consolidated reserves	Reserves: Goodwill	Profit carried forward
	(Thousands of EUR)							
Balance at 31 December 2003	350,000	633,519	35,000	504,907	148,693	246,795	-666,420	122
2003 profit (net of minority interests)	-	-	-	-	-	-	-	468,686
Profit appropriation:								
– allocation to reserves	-	-	-	96,000	45,000	36,496	-	-177,496
– dividends	-	-	-	-	-	-	-	-289,746
– profit shares	-	-	-	-	-	-	-	-1,306
– transfers	-	-	-	19,837	-19,837	-	-	-
Goodwill 2004	-	-	-	-	-	-	-31,668	-
Balance at 31 December, 2004	350,000	633,519	35,000	620,744	173,856	283,291	-698,088	260

At 31 December 2004, subscribed and paid-up capital amounted to EUR 350,000,000 (authorised capital: EUR 382,350,000) represented by 13,732,035 shares (compared with an authorised maximum of 15,000,000 shares).

The register of registered shares is held at the head office of the Bank.

Goodwill 2004 results from the acquisition of an interest of 25.04% in MeesPierson Intertrust Group Holding SA.

As provided under paragraph 8a of the wealth tax law of 16 October 1934, the Bank opted to reduce wealth tax for the 2004 financial year by EUR 8,600,000 (2003: EUR 9,000,000). To this end, in 2005 the Annual General Meeting will need to appropriate an amount of EUR 43,000,000 to a special reserve representing five times the amount of the wealth-tax liability. This reserve must remain on the balance sheet for the five years following that in which the appropriation is made.

Note 27 – Liabilities denominated in foreign currencies

Liabilities denominated in foreign currencies totalled EUR 9,018,422,000 (31 December 2003: EUR 9,469,112,000). This amount includes the spot element of transactions for which the hedging component is included in forward foreign exchange transactions.

Note 28 – Contingent liabilities

Contingent liabilities consisted of the following principal items:

	31st December, 2004	31st December, 2003
	Thousands of EUR	
Guarantees and other direct credit substitutes	1,279,992	753,415
Documentary credits	49,594	56,349
Counter-guarantees	348,220	436,002
	1,677,806	1,245,766

Contingent liabilities towards affiliated undertakings amounted to EUR 22,288,000 (31 December, 2003: EUR 29,000).

Contingent liabilities were as follows:

	31st December,	
	2004	2003
	Thousands of EUR	
3 months or less	234,580	181,610
3 months to a year	139,915	129,345
From 1 to 5 years	345,522	323,566
Over 5 years	957,789	611,245
	1,677,806	1,245,766

Note 29 – Commitments

The Bank's commitments were analysed as follows:

	31st December,	
	2004	2003
	Thousands of EUR	
Forward purchase of assets	1,969,907	-
Amounts not paid up on securities, participating interests and shares in affiliated undertakings	10,659	13,620
Confirmed credits which are undrawn	4,017,773	3,485,885
	5,998,339	3,499,505

Commitments towards affiliated undertakings amounted to EUR 6,870,000 (31 December 2003: EUR 4,588,000).

Confirmed credits which are undrawn were analysed as follows:

	31st December,	
	2004	2003
	Thousands of EUR	
3 months or less	601,299	541,281
3 months to a year	1,699,421	1,137,496
From 1 to 5 years	1,201,912	1,341,786
Over 5 years	515,141	465,322
	4,017,773	3,485,885

Note 30 – Assets serving as collateral

At 31 December 2004, the Bank had pledged assets amounting to EUR 2,011,483,000 as collateral for its own undertakings (31 December 2003: EUR 2,198,999,000). Transactions guaranteed are primarily those linked to operations concluded with the Luxembourg Central Bank.

Note 31 – Derivatives at balance sheet date

The tables below provide a breakdown of derivative financial assets and liabilities entered into for trading or hedging purposes and traded on an organised market or an OTC (over-the-counter) market. The breakdown into financial assets and liabilities is made on the basis of the market value at the balance sheet date (positive fair value = asset, and negative fair value = liability).

The "fair value" columns show the fair values of traded derivative products at the end of the financial year.

a) Derivative financial products entered into for trading purposes and traded on an organised market

Notional and "fair values" of traded derivative financial products were analysed as follows at the balance sheet date:

At 31 December, 2004	3 months or less		3 months to a year		From 1 to 5 years		Over 5 years		Total	
	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value
	—	—	—	—	—	—	—	—	—	—
	(EUR thousands)									
Assets										
Interest-related operations:										
Futures	20,000	72	—	—	—	—	—	—	20,000	72
Stock market/index-linked operations:										
Options	39,412	1,567	—	—	—	—	—	—	39,412	1,567
								Total	**59,412**	**1,639**
Liabilities										
Interest-related operations:										
Futures	17,200	–64	—	—	—	—	—	—	17,200	–64
Exchange rate operations:										
Futures	—	—	—	—	—	—	—	—		
Stock market/index-linked operations:										
Options	57,532	–2,784	—	—	—	—	—	—	57,532	–2,784
Futures	23,040	–181	—	—	—	—	—	—	23,040	–181
								Total	**97,772**	**3,029**

Notional and "fair values" of traded derivative financial products were analysed as follows at 31 December 2003:

At 31 December, 2003	3 months or less		3 months to a year		From 1 to 5 years		Over 5 years		Total	
	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value
	—	—	—	—	—	—	—	—	—	—
	(EUR thousands)									
Assets										
Interest-related operations:										
Futures	—	—	—	—	—	—	—	—	—	—
Stock market/index-linked operations:										
Options	32,250	404	40	—	—	—	—	—	32,290	404
								Total	**32,290**	**404**
Liabilities										
Interest-related operations:										
Futures	190,000	–93	—	—	—	—	—	—	190,000	–93
Exchange rate operations:										
Futures	1,982	–31	—	—	—	—	—	—	1,982	–31
Stock market/index-linked operations:										
Options	19,750	–285	40	—	—	—	—	—	19,790	–285
Futures	19,710	–354	—	—	—	—	—	—	19,710	–354
								Total	**231,482**	**–763**

(b) Derivative financial products entered into for trading purposes and traded on an OTC market

Notional and "fair values" of traded derivative financial products were analysed as follows at the balance sheet date:

At 31st December, 2004	3 months or less		3 months to a year		From 1 to 5 years		Over 5 years		Total	
	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value
	—	—	—	—	—	—	—	—		—
	(EUR thousands)									
Assets										
Interest-related operations:										
Swap contracts	—	—	78,831	734	832,727	10,998	137,509	10,444	1,049,067	22,176
Options	—	—	29,600	735	147,654	835	20,772	406	210,690	1,408
Exchange rate operations:										
Futures contracts	220	—	699	77	—	—	—	—	919	77
Swap contracts	18,144	826	—	—	79,667	8,696	—	—	97,811	9,522
								Total	**1,358,487**	**33,183**
Liabilities										
Interest-related operations:										
Swap contracts	—	—	78,831	– 806	815,100	– 10,830	137,510	– 10,214	1,031,441	– 21,850
Options	—	—	29,600	– 135	149,687	– 802	20,772	– 406	211,223	– 1,408
Exchange rate operations:										
Futures contracts	282	—	5,361	– 88	4,784	– 12	—	—	10,427	– 100
Swap contracts	18,964	– 826	—	—	88,400	– 8,649	—	—	107,364	– 9,475
								Total	**1,360,455**	**– 32,833**

Notional and "fair values" of traded derivative financial products were analysed as follows at 31 December 2003:

At 31st December, 2003	3 months or less		3 months to a year		From 1 to 5 years		Over 5 years		Total	
	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value
	—	—	—	—	—	—	—	—		
	(EUR thousands)									
Assets										
Interest-related operations:										
Swap contracts	80,000	1,077	25,016	241	567,440	20,170	188,191	13,779	860,647	35,267
Options	—	—	—	—	168,645	1,157	27,875	796	196,520	1,953
Exchange rate operations:										
Futures contracts	92,212	4,787	42,825	4,558	113,699	7,690	—	—	248,736	17,035
Swap contracts	—	—	—	—	17,938	1,929	—	—	17,938	1,929
								Total	**1,323,841**	**56,184**
Liabilities										
Interest-related operations:										
Swap contracts	80,000	– 1,660	25,016	– 237	557,942	– 20,015	192,091	– 13,582	855,049	– 35,494
Options	—	—	—	—	138,665	– 795	22,842	– 712	161,507	– 1,507
Exchange rate operations:										
Futures contracts	98,431	– 7,810	30,417	– 4,432	77,668	– 6,806	—	—	206,516	– 19,048
Swap contracts	—	—	—	—	18,964	– 1,925	—	—	18,964	– 1,925
								Total	**1,242,036**	**– 57,974**

(c) Derivative financial products entered into for hedging purposes and traded on an organised market

At 31 December 2004, the Bank held no derivative financial instruments not traded on an organized market.

Notional values of non traded derivative financial products were analysed as follows at 31 December 2003:

At 31 December 2003	3 months or less	3 months to a year	From 1 to 5 years	Over 5 years	Total
	Notional value	Notional value	Notional value	Notional value	Notional value
			(EUR thousands)		
Assets					
Exchange rate operations:					
Options	300	—	—	—	300
Stock market/index-linked operations:					
Options	4,140	6,823	6,608	—	17,571
				Total	**17,871**
Liabilities					
Exchange rate operations:					
Options	1,298	—	—	—	1,298
Stock market/index-linked operations:					
Options	1,021	2,690	3,330	—	7,041
				Total	**8,339**

(d) Derivative financial products entered into for hedging purposes and traded on an OTC market

Notional values of non traded derivative financial products were analysed as follows at the balance sheet date:

At 31 December 2004	3 months or less	3 months to a year	From 1 to 5 years	Over 5 years	Total
	Notional value	Notional value	Notional value	Notional value	Notional value
			(EUR thousands)		
Assets					
Interest-related operations:					
Swap contracts	64,942	959,083	2,995,422	551,644	4,571,091
Options	2,000	—	51,515	8,753	62,268
Exchange rate operations:					
Futures contracts	2,376,355	381,673	51,940	—	2,809,968
Swap contracts	—	84,497	154,880	43,491	282,868
Options	70,073	90,675	12,383	—	173,131
Stock market/index-linked operations:					
Options	111,143	38,194	192,037	101,578	442,952
				Total	**8,342,278**
Liabilities					
Interest-related operations:					
Swap contracts	399,539	1,064,479	2,974,252	1,515,954	5,954,224
Options	28,000	—	73,658	20,178	121,836
Exchange rate operations:					
Futures contracts	2,408,442	378,595	76,774	—	2,863,811
Swap contracts	—	—	85,418	88,885	174,303
Options	67,396	87,324	10,092	—	164,812

Stock market/index-linked operations:					
Options	20,953	100,933	314,968	11,935	448,789
				Total	**9,727,775**

Notional values of non traded derivative financial products were analysed as follows at 31 December 2003:

At 31 December 2003	3 months or less	3 months to a year	From 1 to 5 years	Over 5 years	Total
	Notional value	Notional value	Notional value	Notional value	Notional value
			(EUR thousands)		
Assets					
Interest-related operations:					
Swap contracts	28,465,394	38,428,238	2,422,474	779,230	70,095,336
Options	64,100	—	—	—	64,100
Exchange rate operations:					
Futures contracts	1,772,740	218,962	8,354	—	2,000,056
Swap contracts	1,295,965	587,057	229,240	22,913	2,135,175
Options	480,602	47,431	8,479	—	536,512
Stock market/index-linked operations:					
Options	6,147	88,572	173,829	107,334	375,882
				Total	**75,207,061**
Liabilities					
Interest-related operations:					
Swap contracts	29,198,380	41,769,625	2,224,864	763,698	73,956,567
Options	64,100	—	—	—	64,100
Exchange rate operations:					
Futures contracts	1,718,206	216,894	18,936	—	1,954,036
Swap contracts	1,253,114	479,037	103,037	60,948	1,896,136
Options	415,253	45,812	6,358	—	467,423
Stock market/index-linked operations:					
Options	19,821	12,225	325,619	14,900	372,565
				Total	**78,710,827**

Note 32 – Credit risk management

The degree of risk in respect of derivatives is measured on the basis of the total replacement cost, that is the estimated amount it would cost the Bank to reconstitute the contract with another counterparty, should the original counterparty default.

The current, potential and total replacement cost is calculated in accordance with the statutory provisions laid down in CSSF Circular 2000/10, defining capital adequacy ratios pursuant to Article 56 of the modified Law of 5 April 1993 on the financial sector.

The “current replacement cost” is determined on the basis of the market value of contracts with a positive fair value at the balance sheet date.

The “potential replacement cost” reflects the likely risk over the residual life of the contract. It is calculated by applying the weighting coefficients defined in CSSF Circular 2000/10 to the notional value of the contracts, for both financial assets and liabilities.

The bank's credit risk exposure can be analysed as follows at the balance sheet date:

At 31 December 2004	Notional amounts	Replacement cost			Guarantees	Net risk exposure
		Current Replacement cost	Potential future exposure	Total		
			(EUR thousands)			
Treasury bills and other bills eligible for refinancing with the central bank	1,485	—	—	—	—	1,485
Loans and advances to credit institutions	11,113,691	—	—	—	36,286	11,077,405
Loans and advances to customers	6,750,571	—	—	—	3,447,782	3,302,789
Leasing transactions	849,429	—	—	—	—	849,429
Debt securities and other fixed-income securities	13,309,278	—	—	—	2,344,195	10,965,083
Shares and other variable-yield securities	401,220	—	—	—	—	401,220
Contingent liabilities and commitments	7,676,146	—	—	—	732,751	6,943,395
Derivative financial products OTC	20,000,363	327,858	222,704	550,562	—	550,562
TOTAL	**60,102,183**	**327,858**	**222,704**	**550,562**	**6,561,014**	**34,091,368**
Derivative financial products OTC						
Interest-related operations:						
Futures contracts	—	—	—	—	—	—
Swap contracts	12,605,821	163,662	72,807	236,469	—	236,469
Options	198,026	1,172	1,050	2,222	—	2,222
FRAs	—	—	—	—	—	—
Exchange rate operations:						
Futures contracts	5,685,126	29,875	62,191	92,066	—	92,066
Swap contracts	662,346	72,400	31,563	103,963	—	103,963
Options	173,131	3,245	2,227	5,472	—	5,472
Stock market/index-linked operations:						
Options	675,913	57,504	52,866	110,370	—	110,370
DERIVATIVES TOTAL	**20,000,363**	**327,858**	**222,704**	**550,562**	**—**	**550,562**

The bank's credit risk exposure can be analysed as follows at 31 December 2003:

At 31 December 2003	Notional amounts	Replacement cost			Guarantees	Net risk exposure
		Current Replacement cost	Potential future exposure	Total		
			(EUR thousands)			
Treasury bills and other bills eligible for refinancing with the central bank	157	—	—	—	—	157
Loans and advances to credit institutions	13,102,591	—	—	—	49,601	13,052,990
Loans and advances to customers	6,636,452	—	—	—	3,219,232	3,417,220
Leasing transactions	800,484	—	—	—	—	800,484
Debt securities and other fixed-income securities	12,523,759	—	—	—	1,472,893	11,050,866
Shares and other variable-yield securities	400,523	—	—	—	—	400,523
Contingent liabilities and commitments	4,745,271	—	—	—	640,099	4,105,172
Derivative financial products OTC	155,607,628	727,717	223,957	951,674	—	951,674
TOTAL	**193,828,865**	**727,717**	**223,957**	**951,674**	**5,381,825**	**33,779,086**
Derivative financial products OTC						
Interest-related operations:						
Futures Contracts	—	—	—	—	—	—
Swap contracts	145,767,599	393,737	55,462	449,199	—	449,199
Options	244,051	1,702	1,153	2,855	—	2,855
FRAs	—	—	—	—	—	—
Exchange rate operations:						
Futures contracts	4,409,344	152,012	52,840	204,852	—	204,852
Swap contracts	4,068,213	150,814	60,900	211,714	—	211,714
Options	536,512	14,919	5,704	20,623	—	20,623
Stock market/index-linked operations:						
Options	581,909	14,533	47,898	62,431	—	62,431
DERIVATIVES TOTAL	**155,607,628**	**727,717**	**223,957**	**951,674**	**—**	**951,674**

Note 33 – Management and agency services provided to third parties

The Bank provides management services and services on an agency basis to third parties, primarily portfolio management, the safekeeping and administration of securities, the renting of vault space, fiduciary services and other agency functions.

Note 34 – Breakdown of income

With reference to Article 68 (3) of the modified Law of 17 June 1992 on the accounts of credit institutions, no breakdown by geographical market is given for income recorded under the headings "Interest received and similar income", "Income from securities", "Commissions received", "Net profit on financial operations" and "Other operating income" since there is no major difference in markets represented.

The group's activities are mainly focused on member countries of the OECD.

Note 35 – Other operating income

Other operating income of EUR 142,828,000 (31 December 2003: EUR 202,224,000) consisted mainly of capital gains on sales of participating interests and shares in affiliated undertakings, income from leases, write-backs of excess tax provisions and write-backs of provisions for liabilities and charges on income relating to previous years.

Note 36 – Other operating charges

Other operating charges of EUR 63,353,000 (31 December 2003: EUR 65,406,000) consisted primarily of allocations to the provision for liabilities and charges and to the provision for the Deposit Guarantee Association (*Association pour la Garantie des Dépôts, Luxembourg or AGDL*), and for charges in relation with leasing activities.

Note 37 – Deposit Guarantee Association

The Bank joined the Deposit Guarantee Association (*Association pour la Garantie des Dépôts, Luxembourg* or *AGDL*), which was set up on 25 September 1989. The Memorandum and Articles of Association of the AGDL were amended at the Annual General Meetings on 24 July 1997 and 14 December 2000 in order to adapt them to the Law of 11 June 1997 and the Law of 27 July 2000, respectively.

The sole object of the AGDL is to establish a mutual system to guarantee cash deposits and claims resulting from investment operations of private customers of AGDL member banks, irrespective of their nationality or place of residence, of companies subject to Luxembourg law or subject to the law of another member state of the European Union, which, because of their size, are authorised to draw up abbreviated accounts in accordance with relevant legislation, as well as of companies of comparable size which are subject to the law of another member state of the European Union.

Guaranteed cash deposits and guaranteed investor claims are reimbursed by the AGDL up to an amount of EUR 20,000 (or the equivalent value in any foreign currency) per guaranteed cash deposit and of EUR 20,000 per guaranteed claim resulting from investment operations other than those concerning cash deposits.

In the event of the guarantee being invoked, the liability of each member of the AGDL is limited to a maximum of 5% of its own funds per year, as defined by the CSSF in application of relevant legislation.

As at 31 December 2004, the bank had a provision for possible future commitments in connection with the guarantee. The amount of this provision is included in the liabilities item “Provisions for liabilities and charges”.

Note 38 – Staff

During 2004 the group employed an average of 3,023 persons, of whom 2,533 were full-time employees and 490 part-time employees (31 December 2003: 3,129 of whom 2,641 were full-time and 488 part-time employees).

The average number of staff employed by the consolidated companies was as follows:

	2004	2003
Senior management	113	118
Other management	491	493
Employees	2,419	2,517
Manual workers	-	1
	3,023	3,129

Employees of trust companies are counted over only nine months in 2004.

Note 39 – Emoluments, loans and guarantees granted to members of the Board of Directors and to Senior Management of the Bank

2004	Position-related remuneration	Authorised lines of credit and guarantees	Lines of credit and guarantees drawn	Pension commitments
		(EUR thousands)		
Members of the Board of Directors	1,365	4,544	4,125	—
Senior management	17,371	18,941	17,229	1,784
	18,736	23,485	21,354	1,784
2003				
Members of the Board of Directors	1,349	4,322	3,178	—
Senior management	16,551	20,033	16,704	1,675
	17,900	24,355	19,882	1,675

Note 40 – Extraordinary results

Extraordinary results amounting to EUR 1,453,707 at 31 December 2004 (31 December 2003: EUR 182,048) mainly result from the sale of fixed assets, in particular property not used for business operation.

CONSOLIDATED MANAGEMENT REPORT

Balance sheet

Banque Générale du Luxembourg's *balance sheet total* at December 31, 2004 came to EUR 34,551.3, million showing a decline of 6.5% from a year earlier.

This was firstly due to the establishment of a *Single Legal Booking Entity* as part of the reorganization of Fortis group's trading room operations, which led to the renewal of certain transactions falling due on Fortis Banque's books rather than on Banque Générale du Luxembourg's, where they had previously been recorded.

A further reason was the reorganization of Trust business that began in 2003 and led to the exclusion from consolidation with effect from October 2004 of trust service companies in Luxembourg, Switzerland and Guernsey.

Amounts owed to customers were the Bank's main source of refinancing, accounting for 78.3% of the total. A decline of 2.4% in their amount from the previous year is due to the repayment of short-term loans from institutional investors, while the impact of the exclusions from consolidation of trust service companies was offset by the issue of a long-term loan at a favourable rate.

Assuming the proposed appropriation of earnings for the year is approved at the General Meeting of April 7, 2005, the Bank's *risk/asset ratio* at December 31, 2004 will stand at 17.5%. The fresh improvement in solvability is essentially due to the rise in shareholders' equity resulting from the appropriation of 2004 earnings. This should allow the Bank to maintain a highly favourable ratio in excess of 12% in 2005 after consolidation of Fortis Group's leasing subsidiaries.

On the assets side of the balance sheet, *loans and advances to credit institutions* declined by almost EUR 2 billion, mainly as a result of the exclusion from consolidation of MeesPierson (C.I.) Ltd. The Bank also favoured investments in *debt securities and other fixed-income securities* at the expense of short-term interbank placements.

A 6.1% increase in *lease financing* reflects customers' growing favour for this form of financing, but traditional *business loans* for property and investment also showed a healthy rise of 15.2% on average from the previous year.

Profit and loss account

Net banking income was up 8.9%, reflecting rises in all main sources of revenues, these being net interest, income on investment securities, net commissions and the net outcome of financial operations. On a pro forma basis eliminating the impact of changes in the scope of consolidation, the rise in net banking income would be 11.2%.

Net interest income, traditionally the Bank's main source of income, rose 4.5% from the previous year, benefiting from firm trends in customer credit and favourable openings during the year for reinvestment of funds collected at higher rates. A EUR 26.5 million rise in *income on investment securities* is chiefly attributable to a sharp increase in equity earnings of BG-Re S.A. following the realisation of substantial capital gains.

Net commission income was up 6% after declines in the two previous years, reflecting renewed growth in the Bank's business, in turn attributable, firstly, to a steep rise in fees received within the framework of the Single Legal Booking entity and, secondly, to the rebound in financial markets. This boosted brokerage revenues and performance-linked management fees charged to Private Banking customers. More vigorous marketing of insurance products and customer banking packages also contributed to this excellent result.

Profit on financial operations came to EUR 40.4 million, showing a rise of 20.6% from 2003.

Other operating income showed a decline of EUR 59.4 million due to the non-recurring capital gain booked in 2003 in connection with reorganization of Asset Management operations in Luxembourg.

Operating expense, which includes general administrative fees and depreciation and amortization, was down 0.7%, but on a pro forma basis neutralizing the impact of changes in the scope of consolidation it was up 3.2% or EUR 13.4 million from the previous year, despite continued commitment to strict cost controls.

As regards the *payroll* component, the pro forma rise reflects salary increases granted by the Bank or resulting from the application of collective labour agreements and indexation rules. Excluding Trust companies, the number of employees was practically unchanged from the previous year. The Bank recruited actively throughout the year to fill positions falling vacant.

The bank has also made the investments needed for business expansion and implementation of programs to meet new regulatory requirements relating to a withholding tax, new accounting principles (IFRS) and Basel II capital adequacy rules.

As in 2003, the *provisions and value adjustments item* included significant write-backs resulting from the repayment of commitments subject to sovereign risk and reduced exposure to sector risk for which provisions had previously been set aside. The Bank nonetheless maintained its prudent policies on cover for risk.

The *tax charge* for the year amounted to EUR 113.6 million, showing a modest 3.2% decline. This corresponds to the fall in pre-tax profit.

Net profit excluding minority interests thus amounted to EUR 460.5 million, showing a decline limited to 1.7% or EUR 8.1 million from 2003, when it benefited from an exceptional EUR 71.7 million capital gain in connection with the reorganization of the group's asset management business in Luxembourg.

Excluding this non-recurring item, net profit was up EUR 63.5 million or 16%.

Consolidated interest-rate risk management

Consolidated interest-rate risk is managed by the Bank's ALM-Risk Management unit.

In addition to procedures for reporting to the Bank, subsidiaries Sade S.A., EuroLease Factor S.A. and Banque MeesPierson BGL S.A. also apply in-house risk monitoring and analysis procedures.

The Bank's exposure to interest-rate risk is subject to several limits as regards value and revenue, applying to both consolidated risk and that of individual subsidiaries. The duration of consolidated own funds is subject to a limit of eight years and stood at 4.61 years at December 31, 2004.

The principles of interest-rate risk management described in the unconsolidated section of the management report also apply to consolidated interest-rate risk. Consolidated exposure and the positions of subsidiaries are regularly reviewed in detail by the Assets and Liabilities Committee (ALCO).

The Bank’s activities within the Fortis Group

To stimulate internal growth, each of the Bank’s core businesses has adopted a range of Growth Initiatives to guide growth in the months and years ahead. These go hand in hand with efforts to identify opportunities for external growth in different business areas.

Network banking

Retail banking

While the overall economic environment was again not very favourable in 2004, lending to households and individuals increased by more than 10%, with the impetus coming from consumer loans and mortgages as well as investment loans for professionals.

The loss of customers and withdrawals of funds in connection with tax amnesties in Belgium and Germany were limited, with many customers contacting our branches for advice before taking their decisions. The transfers that did take place were offset by the arrival of new customers, with the result that our customer base in these countries was very little affected.

In keeping with a marketing strategy focused on customers, the Retail Banking division set up a Contact Centre to deal with customer queries and ensure effective follow-up. Customers thus have a new channel for access to information by phone, e-mail or fax.

New Contact Centre for Retail Banking

In operation since the end of 2004, the Contact Centre responds to customer queries and ensures effective follow-up. Its mission is to

- provide customers with a single point of access to general information, information concerning specific transactions and various certificates
- carry out complex searches in close co-operations with all invloved
- update and maintain databases allowing for the pro-active use of the information collected.

In Personal Banking, the Global Invest, Global Invest Active and Global Invest Comfort offerings proved increasingly popular. This was in particular the case for Global Invest Comfort, which enables customers to delegate management of their assets to specialists selecting the best investment funds in the market under a mandate defining a specific investment profile. Global Invest packages provide all-in-one responses to the varied needs of different types of investors, combining a broad range of financial services and products in a single offering. In September 2004, they were rounded out with a free American Express Gold card, giving all Global Invest customers access to new benefits.

Global Pro and Global Pro+, comprehensive packages combining services needed to ease day-to-day management for the self-employed, professionals and small businesses, continued to gain ground during the year, winning a significant number of new customers.

Turning to Web and Phone Banking, positive trends continued, with the number of electronic banking customers reaching the 100,000 mark in May 2004.

At the beginning of 2004, the Bank's website and the Web Banking on-line transaction service were revamped. The new site enables all customers — individuals, professionals and institutions — to find the information they need quickly and easily, while the Web Banking service has been upgrade to ease access and reinforce security. Customers can thus manage their assets, insurance and loans, or carry out day-to-day banking transactions in a highly user-friendly environment.

In June 2004, BGL successively launched its *bglid* offering for young customers aged 12 to 24. This combines a range of free banking services with non-banking benefits, many associated with mobile phones. The number of bglid subscribers has risen 36% since September.

Finally, in September 2004 the Bank launched Easihome, a new home loan with something for all the family, combining attractive terms, repayment insurance covering disability, and a Multiprotect-habitation home-owner's policy from Fortis Luxembourg Assurances. Easihome also has something special for children: the Bank sets aside EUR 150 a year in an interest-bearing youth savings or home savings account for those already born or born during the life of the loan until they reach the age of 12.

Another highlight of the year was continued work on an extensive programme to modernize branches and enhance facilities, in keeping with a commitment to quality service. The Remich branch thus moved into new premises and work began on refurbishing the Niederanven branch. Branches also continued to play an active role in local community life, with some dozen welcoming customers for events and receptions in the course of the year.

Serving cross-border commuters

Banque Générale du Luxembourg has brought out a special brochure for cross-border commuters, detailing products and services to meet the special needs of customers living in Belgium, France and Germany. These cover a broad range in daily banking, credit and insurance, with examples including Global packages that enable customers to pay for purchases, make transfers and withdraw money without worrying whether the transaction is in Luxembourg or in their country of residence.

In partnership with Fortis Luxembourg Assurances, BGL has continued its drive to build positions in bancassurance, and in 2004 was able to beat its overall targets in this area. Life insurance products, in particular the unit-based policies that are the foundation of its wealth management offering for individuals, were the main contributors in both private and retail banking.

In the range of life insurance products linked to investment funds (Optilife), the Bank has extended its offer with new products for non-residents.

Other initiatives taken in 2004 with a view to winning a leading place in Luxembourg for the Bank's bancassurance business included the launch of Optikids in April. An original product offering high returns on regular savings to help parents build up a reserve for their children, Optikids has proved a big success. The package includes a death benefits clause ensuring that the child who is the beneficiary will receive the agreed amount whatever happens.

The Bank also made a successful move into the field of non-life insurance, offering cover for homes and household liability as part of a banking package. This marks an important new step in the development of BGL's bancassurance operations and reflects commitment to closer co-operation with its partner Fortis Luxembourg Assurances.

Commercial banking

The Commercial Banking business line serves businesses customers in Luxembourg and the areas of neighbouring countries making up the Grande Région through Banking business centres and subsidiaries Eurolease Factor and SADE.

In 2004, BGL consolidated its ranking as benchmark for banking services to business, demonstrating its continued commitment to a central place in the economic development of Luxembourg.

In this, it applies a pro-active approach drawing on close customer relationships to meet individual needs effectively and, in so doing, reinforce its own leading position. To this end, it deploys an extensive range of products, backed up by the capacity for Europe-wide service that goes with membership of the Fortis group. Services include on-line transactions as well as support from expert advisers in all areas of business operation, creation and transfer.

Following the inauguration of the Trier Business Centre in September 2002 and of offices in Sarrebruck in July 2003, the Business Centre in Metz, eastern France has been fully operational since May 2004. This marks the final stage in the strategic program pursued alongside Fortis Bank for the development of a commercial network serving medium-size businesses in the Grande Région. The Business Centres in Luxembourg and the Grande Région are part of a broader network deployed by Fortis group with over 100 centres across eleven countries and are thus ideally placed to serve customers with cross-border and international operations. A dedicated offering that includes automated international cash management, products and services for international trade and tools to manage interest-rate and exchange rate exposure maximizes the benefits of geographical reach. A dedicated adviser is appointed to manage relationships with each customer operating on an international scale.

Eurolease Factor, the bank's leasing and factoring subsidiary in Luxembourg, has continued consolidating its leadership in its areas of business, where it has holds significant shares of the domestic market. The new capital adequacy requirements under Basle II will be particularly favourable for the leasing operations of Eurolease Factor, which should thus post growth significantly higher than that of the Luxembourg economy.

Specializing in property leasing and medium- and long-term development financing, SADE — Société Alsacienne de Développement et d'Expansion SDR — is an 87.76% subsidiary of BGL. Based in Strasbourg, eastern France, it builds on a long-standing presence in the region and outstanding expertise, which enabled it to record an exceptional 40% rise in net profit to EUR 29.3 million in 2004. Its offering, backed up by the resources of group Business Centres, underpins the bank's position as an innovative international business partner.

In keeping with a strategy aimed at winning a leading place on the Europe-wide leasing market, at the end of 2004 Fortis group decided to bring all its leasing businesses together through a new entity, Fortis Lease Group S.A., which is a wholly owned subsidiary of Banque Générale du Luxembourg.

Benefits will include a closer match between legal and management structure, improved risk management and optimization of refinancing and solvency of operating companies. Central corporate management of Fortis Lease Group S.A. is now based in Luxembourg.

Banque Générale du Luxembourg named Best Bank in Luxembourg, 2004

In 2004, Banque Générale du Luxembourg was once again named Best Bank in Luxembourg by three international business magazines — *The Banker*, *EuroMoney* and *Global Finance*. This is in recognition of strengths that include sound finances, a successful growth strategy and the development of new products and services to meet additional needs.

Private Banking

The steep rise in oil prices and the dollar's renewed decline were the main factors affecting financial markets, along with the low volatility of hedge funds, structured products and other alternative investments.

In June, the portfolio management services of the bank completed the switch to new investor risk profiles. These refer explicitly to alternative investments and provide for wider ranges of fluctuation, thus increasing leeway and allowing the bank to respond more quickly to market developments. Broader access to alternative investments will also make for more effective management.

During the year, the environment for Private Banking in Luxembourg was marked by tax amnesties in Germany and Belgium, but the overall impact of these measures on business remained limited.

Private Banking Luxembourg

Private Banking Luxembourg brings together all the bank's businesses in the field, which also include Private Banking Centres at Luxembourg Gare, Clervaux and Wiltz. A new Private Banking Centre in Ettelbruck was added in the third quarter of 2004, while the business of the Grevenmacher Private Banking Centre was transferred to other bank entities in Luxembourg.

Investment in training to enhance expertise and service remained a priority in 2004. As in previous years, the strategic focus was on products and services spanning several different areas of expertise, with programmes for new recruits and in specialized fields including tax, estate planning and prevention of money laundering.

At operational level, centralization of Private Fund Mandate management was completed, allowing for the application of more rigorous methodology, and a new tracing and monitoring system was deployed to review and update all contractual documents.

Turning to new products, alternative investments were in the spotlight in a context of persistently low interest rates and uncertain stock-market trends. All told, 31 structured products representing a total of EUR 176 million were put on the market. Customers showed special interest in target redemption notes, snowball notes and other variable maturity vehicles as well as Collateralized Debt Obligations (CDOs) based on baskets of high-yield bonds.

An important development during the year was the creation of a specialized team to take responsibility for business on new, high-growth markets in Europe and other parts of the world. Main priorities are central Europe including new EU members, Turkey, some Scandinavian markets and the Middle East. This strategy for business expansion is being pursued in close co-operation with the Trust and Commercial Banking business lines and BGL's subsidiary in Switzerland, MeesPierson BGL.

Since January 1, 2004, Private Banking Luxembourg has also taken responsibility for Professional Banking services to independent asset managers needing a depository institution and a banking platform for their private customers. The change has made it possible to pool operations for private investors and generate new synergies.

Investments

Fortis Investments Luxembourg, to which the bank contributed its asset management business in 2003, continued its rapid expansion in 2004, posting an 83% rise in net earnings from the previous year. Results confirm the success of restructuring in asset management.

In March 2004, Fortis Investment Management Luxembourg S.A. received official approval as management company in accordance with the provisions of article 77, Chapter 13 of the Act governing undertakings for collective investment dated December 20, 2002.

Harmonization of the range of investment funds on offer from the Fortis group continued in May 2004 with the transfer of Dutch funds to Luxembourg funds pursuing similar investment policies.

The bank remains an active participant in this area of business and its development through a 25% interest in Fortis Investment Management S.A., the company heading up investment fund business for the Fortis group.

Private Banking International

Banque MeesPierson BGL S.A., the bank' subsidiary in Switzerland, has responded to the rapid expansion of its international customer base with a plant to reinforce commercial staff, working in close cooperation with MeesPierson InterTrust teams in the regions where they are present.

The service and product offering for international and domestic customers was further expanded during the year, with the focus on alternative management and property financing.

In Trust services, the major restructuring programme initiated in 2003 following the Fortis group's acquisition of Intertrust and KPMG Financial Engineering Luxembourg was completed in 2004, bringing together interests previously held at different levels within the group. With a view to ensuring a fully cohesive structure for this area of business, on October 21 Banque Générale du Luxembourg exchanged its direct and indirect interests in BGL MeesPierson Trust (Luxembourg) S.A., BGL Reads Group Ltd (Guernsey), MeesPierson Trust (Schweiz) AG and MeesPierson Trust reg. (Liechtenstein) for a 25% interest in holding company MeesPierson Intertrust Group Holding AG. Based in Geneva, this now heads up all Trust business within the group. Customers will see no change in the management of their business and they keep the same advisers, but will benefit from access to the international network of a world leader in Trust services, present in some 20 countries.

Merchant Banking

Financial market operations

Financial Market business made a healthy contribution to the bank's earnings despite lacklustre macro-economic conditions.

Management responded with a focus on sales, with staff at the desks concerned working to reinforce existing relationships with customers in Luxembourg and in German-speaking countries through varied contacts and meetings, highlighting the group's new offerings.

Customer services were upgraded through reorganization of Sales, Forex and Money Market desks and a new institutional customer section. Sale desks were thus split up to serve specific customer categories including multinationals, other corporate customers, commercial and other banks, wealth managers, investment funds, insurance companies and departments within the bank.

Entities responsible for relationships with banks, insurance companies and other institutional customers continued their drive to forge closer ties to investment fund teams, exploring scope for cross selling.

The Corporate business team was rounded out with the arrival of two new German speakers to step up operations in Germany, Switzerland and Austria.

The year also saw the operational launch of the Single Legal Booking Entity with a single virtual trading room using a common technical platform operating under the name and on behalf of Fortis Bank S.A./N.V., backed up by a centralized back office. Initial results have been highly encouraging in terms of business volumes and earnings as well as the successful integration of staff in cross-border operations. The virtual trading room gives customers access to the full range of services available from the Fortis group at competitive costs, at the same time allowing them to maintain links to local advisers. Merchant Banking Luxembourg business line has readily found its place in the structure, preserving existing teams and improving performances.

Institutional Banking and Funds

In 2004, the Institutional Banking and Funds (IBF) business line posted vigorous growth driven by both relationships with institutions and specialized services to investment funds.

Reflecting the continuing commitment of the bank and the Fortis group as a whole to customer service at its best, a team of experienced relationship managers is charged with customizing often sophisticated solutions to meet the specific requirements of institutional customers, while a specialized branch deals with their day-to-day business.

The Fund Services section acts as a depository bank as well as a registration and accounting agent for major investment funds. The group's flagship product, the Fortis L Fund, counts over 100 compartments together representing assets of some EUR 20 billion.

During 2004, investors showed special interest in alternative investment products and as a result sales teams focused attention on private-equity funds, real-estate funds and funds of hedge funds. A major marketing campaign was also launched to raise potential customers' awareness of investment opportunities in Germany, where alternative funds can now be offered to the general public subject to certain conditions.

Another marketing campaign focused on the new form of investment vehicle provided for under recent Luxembourg legislation, the Société d'Investissement en Capital Risque or Sicar. This combines the security of a regulated vehicle with the flexibility of structures such as limited partnerships in the Channel Islands. Earnings are taxable, albeit benefiting from substantial exemptions relating to income from venture capital investments, which means that the funds are within the scope of Luxembourg's treaties for the avoidance of double taxation.

A major concern for fund promoters is now compliance with the EU's UCITS III Directive. In this area, the Fund Services section helped to overhauls several fund ranges and has developed an attractive offering to help meet the “economic substance” requirements of management companies.

On the IT front, significant progress was made with the implementation of a data warehouse for the business line's financial and operational data. Along with continuing automation of operational business flows, this has helped to significantly improve overall productivity.

At their General Meeting on March 10, 2004, the Shareholders of European Fund Administration S.A. were officially apprized of Banque Générale du Luxembourg's decision to dispose of its 26% interest in the business. The bank thus completed its withdrawal and now supplies accounting and registration services through Fastnet Luxembourg, in which it holds a 47.8% interest.

Human resources

Staffing levels at Banque Générale du Luxembourg were steady in 2004, in line with the general industry trend, as new projects and the increased demands of compliance counterbalanced productivity gains.

Significant resources were committed to training programmes to consolidate the expertise and employability of staff members, in particular for those whose positions could be affected by business developments in the near future.

During the year, a new collective labour agreement was adopted for the Luxembourg banking sector after lengthy negotiations. Against a difficult environment the tradition of responsible cooperation between management and employee representatives continued to favour stability, and was illustrated by a social agreement providing for improvements in working conditions and compensation. The bank once again expresses its gratitude to employees and their representatives for their loyalty and dedication to our common cause.

Human Resources at Banque Générale du Luxembourg S.A.

At December 31, 2004, the bank counted 2,484 employees, of whom 1,354 or 54.5% were men and 1,130 or 45.5% were women. The bank thus remains one of the two largest employers in the Luxembourg banking industry. During the year 124 new employees were recruited and 116 employees left for reasons including transfers to subsidiaries, retirement, family affairs and moves to other employers.

The proportion of employees working part time rose from 14.88% in 2003 to 16.38%, representing a total of 407 people in 2004.

Over 25 nationalities are represented in the bank's workforce, with origins breaking down as follows:

Luxembourg	54.1%
Belgium	17.6%
France	17.5%
Other EU countries	10.2%
Countries outside the EU	0.6%

The average age is 39.24 and average seniority 14.08 years.

IT resources

Upgrading of information systems continued in 2004 with a view to meeting new customer needs, enhancing the efficiency of business processes, reducing operating costs, and keeping step with changes in the banking industry and the regulatory environment.

The main priorities in this area were support for commercial expansion and effective responses to new needs through the continued development of tools for Customer Relationship Management and multi-channel banking, as well as enhancement of Web Banking services to offer more functionalities and ensure user-friendly access. Similarly, in Private Banking, new developments included improvements to management reports and scope for the production on request of reports suited to tax law in customers' countries of residence.

As regards compliance, main concerns were Basel II requirements, *International Financial Reporting Standards*, EU withholding tax and prevention of money laundering.

Work thus continued on preparations for the *Capital Adequacy Directive* implementing Basel II, which comes into force on January 1, 2006, within the framework of group objectives calling for implementation of advanced approaches for the bulk of credit and operational risk by the end of 2007. Supervision of borrower ratings has thus been extended to ratings of individual credits and securities. A new IT application has also been developed for the management of provisions in accordance with Basel II and IFRS.

International Financial Reporting Standards will become compulsory from January 1, 2005 and first reports will have to include comparative data for 2004 presented on the same basis. Turning to harmonization of taxation of savings income in the EU, BGL has responded with new developments in its information systems to meet the requirements of the Directive and ensure optimum calculation of tax bases.

Finally, as part of the fight against money laundering and the financing of terrorism, and with a view to knowing customers better, transactions are now subject to additional a priori controls. The bank also continued deployment of tools to analyse customer behaviour, and completed development of a new IT application for the administration of customer data files.

Within the bank itself, efforts to cut costs and enhance processes included replacement of the documentary credit system and upgrades to payment systems to allow participation in the European Banking Association's clearing system.

The new data warehouse and continued development of reporting systems and decision-making tools were also main focuses of IT investments. The data warehouse is now the hub for all reporting.

Development of IT infrastructure to meet the needs of customers and business operations cost-effectively continued, involving in particular an upgrade to enhance capacity and performance of data entry and storage. Customer service has also benefited from the launch of a telephone support service at the Retail Banking Contact Centre. This follows the overhaul of the branch network's telephone systems in 2004.

The security of information systems was naturally a continuing priority, factored into all development projects and infrastructure upgrades. In this area, a special concern was control and validation of the security of external connections.

Basel II

The central purpose of the new Basel accord is to ensure a better match between capital adequacy requirements and the actual exposure of banks to economic risk. More broadly, it aims to reinforce the stability of the international banking system and encourage banks to adopt stricter methods for the control of risk.

The regulatory text proposed by the Basel Committee was finalized in 2004 and a draft of the EU Directive followed soon after to allow for compliance with the schedule for implementation. Basel II will thus come into force on January 1, 2007 after a so-called parallel run in 2006. In the case of banks opting for the advanced approach provided for in the accord, the parallel run will be extended to the end of 2007.

BGL began preparations for Basel II in the second half of 2001, setting up a cross-functional team to take overall responsibility. Main objectives are to deploy systems for the control of credit risk in operations and create a unified IT environment for all data necessary for Basel II. This will involve installation of the interfaces needed to carry data in encoded form to group systems for processing to generate regulatory reports for the group and the Luxembourg banking supervisor.

Operations

Securities handling

In 2004, the bank took part in a number of Fortis group projects for the development of common operating platforms. Securities handling was a special priority in this, the aim being to reduce the costs of transactions and enhance customer service in a context of growing competition for main markets and product categories.

During the year, the continuing rally on financial markets led to a rise in business volumes, particularly as regards investment funds and transactions for institutional customers. At the same time, the downward trend in volumes of certificated securities and coupons continued, but BGL moved to offset this and maintain profitability through agreements to handle this area of business for other banks in Luxembourg.

Under an agreement taking effect from 2 November 2004, BGL thus took over responsibility for the operations of BNP Paribas as principal paying agent and sub-paying agent for physical securities in Luxembourg, as well as all custody of the physical securities and certificated accounts held by BNP Paribas in its capacity as a specialized depository for Clearstream.

Turning to compliance, the bank has now completed the adaptation of its organization and systems to the new rules resulting from the harmonization of taxation within the EU, and will be ready to apply the new withholding tax from 1 July 2005 on.

BGL has also been granted compliant status as a qualified intermediary on US securities.

Payments

BGL has steadily upgraded structures to meet the new requirements resulting from data privacy and money laundering legislation, as well as the increasingly sophisticated needs of its customers.

Projects for the optimization of services included operational improvements to the processing, storage and security of data collected from customers have been launched.

Turning to payment cards, Luxembourg, and with it BGL, has been one of the first financial centres to adopt the EMV standards for smart cards, which were jointly developed by Europay, MasterCard and Visa and are now becoming the norm in Europe. BGL has thus renewed cards on a massive scale, with data now recorded on an electronic chip as well as on a magnetic strip.

Another step forward has been taken with automated processing of manual transfers which significantly enhances the reliability of data handled on customers' behalf.

Finally, a documentary credit sales team has been set up to back promotion of trade services in the Grande Région and provide support for existing customers using BGL's new dedicated platform for their international business.

RECENT DEVELOPMENTS

Below is an extract of a press release published by the Issuer on 7 April, 2005:

An outstanding performance: profit on ordinary activities of EUR 460.5 million, up 16%

2004 Financial Results

Net banking income *rose by 8.9% on growth from all our main sources of revenue, namely net interest income, securities income, net commission income and profit on financial operations. On a like-for-like basis, i.e. stripping out the impact of changes in the scope of consolidation following restructuring of the trust businesses, net banking income actually increased by 11.2%.*

Net interest income*, traditionally our chief source of revenue, was up 4.5% compared with last year. This latest record-breaking performance was underpinned by strong expansion in lending to clients and by good opportunities for reinvesting customer deposits in 2004.*

Net commission income *increased by 6%, reflecting fresh growth in this area after two years of decline. The upturn in the financial markets played an instrumental role, spurring more sustained activity in stock market orders.*

Profit on financial operations *totalled EUR 40.4 million, up 20.6% on FY2003.*

Other operating income *was down EUR 59.4 million owing to the recognition in 2003 of a non-recurring capital gain resulting from reorganisation of the asset management business in Luxembourg.*

Operating costs*, which include general administrative expenses and impairment charges, were down 0.7%. Stripping out the impact of changes in the scope of consolidation, operating costs rose by 3.2%, or EUR 13.4 million, despite continued application of a strict cost-control policy.*

In *staff costs*, the like-for-like increase can be traced back to wage indexing and to salary increases granted by the bank or provided for in the collective wage agreement. Excluding companies in the trust segment, the payroll remained more or less the same as in the previous year. We were active on the Luxembourg job market throughout the year, finding people to fill vacant posts and recruiting new talent. In all, we hired 124 new people to strengthen BGL today and in the future.

We also made the investments needed to grow our commercial activities and prepare for the changes required under new banking regulations. These include introducing withholding arrangements, switching to IFRS accounting standards and implementing the Basel II capital adequacy framework.

As in 2003, provisions and value adjustments *included sizeable write-backs arising on the repayment of already-provisioned commitments. However, the bank maintained its cautious hedging policy.*

The tax charge *came to EUR 113.6 million for FY2004, a 3.2% decline on the previous year and in line with the bank's profit before tax.*

Net profit *(excluding minority interests) was EUR 460.5 million. This was just 1.7%, or EUR 8.1 million, lower than FY2003, when the bank recorded a non-recurring capital gain of EUR 71.7 million from the reorganisation of the group's asset management business in Luxembourg.*

Excluding non-recurring items, profit on ordinary activities *was up EUR* 63.5 million or 16%.

Total assets *came to EUR 34.55 billion at 31 December 2004, down 6.5% on 31 December 2003. The decline can be primarily attributed to the introduction of the Single Legal Booking Entity (SLBE), carried out as part of restructuring the Fortis group's trading room activities. Under these changes, a number of transactions that had come due and that were previously recognised in BGL's books were transferred to Fortis Banque. The reorganisation of the trust business was another factor in the decline in total assets. Begun in 2003, this process excluded the trust companies in Luxembourg, Switzerland and Guernsey from the bank's scope of consolidation from October 2004.*

Amounts owed to customers are easily our biggest source of refinancing, accounting for 78.3% of the total. This item fell by 2.4% in 2004, mainly because a number of short-term loans from institutional investors fell due.

The bank's *risk asset ratio* was 17.5% at 31 December 2004. The latest improvement in the solvency ratio largely reflects the bank's strengthened own funds following the appropriation of profit for FY2004. This should put us in a position to maintain an excellent ratio of above 12% in 2005 after we integrate the Fortis group's leasing companies.

On the assets side, *loans and advances to credit institutions* fell by nearly EUR 2 billion, principally because MeesPierson (C.I.) Ltd was excluded from the scope of consolidation. Furthermore, the bank focussed on investments in bonds and other fixed-income securities rather than on short-term interbank placements.

Businesses expand strongly

In retail banking, the *package* policy that we introduced some years ago is bearing fruit. We will soon reach the 100,000 mark for youth and adult packages.

The 6.1% increase in *lease financing* reflects growing customer interest in this kind of financing. More traditional lending, in the shape of *property and investment loans to professionals,* also did well, posting average growth of 15.2% relative to the previous year.

As part of BGL's resolutely customer-centred commercial approach, Retail Banking set up a *Contact Centre* to field and follow up customers' requests for information.

We are determined to establish ourselves as a major force in *bancassurance*. In 2004 we announced several innovative developments, including the release of the "Easihome" package, an all-in-one formula combining insurance and savings products with a mortgage. This important step forward in our bancassurance business reflects a desire to work more closely with our local partner Fortis Luxembourg Assurances.

Already Luxembourg's *leading bank for corporate clients*, BGL is making the most of the Fortis group's pan-European solutions to back the cross-border expansion of businesses from Luxembourg and the Grande Région, which includes neighbouring areas in France and Germany. In keeping with the same strategy, the bank extended its network of *Business Centres,* opening a new centre in Metz.

The Fortis group has picked Luxembourg as the nerve centre for its *leasing activities*. The idea is to group together all the lease financing businesses under a new umbrella company called Fortis Lease Group. Based in Luxembourg and 100%-owned by Banque Générale du Luxembourg, Fortis Lease Group will handle strategy, coordination and monitoring for all Fortis leasing activities. By creating Fortis Lease Group, the group brings greater visibility and consistency to its activities in this area and will move faster towards achieving its goal of becoming a European leader in leasing.

In *private banking*, 2004 saw a market recovery and growth in trading volumes, as illustrated above by the increase in our commission income.

It goes without saying that *tax amnesties*, notably in Belgium, featured large in the private banking environment in Luxembourg. Overall, the Belgian tax amnesty, or DLU, did not result in massive capital flight out of BGL. Moreover, outstanding cross-border cooperation saw to it that two-thirds of the funds that were repatriated remained inside the group.

A dedicated sales team was set up to implement our *development strategy for new European and non-European markets*. The team is concentrating on the fast-growth markets of central Europe, including the new EU member states, Turkey, and several countries in Scandinavia and the Middle East.

Turning to the *trust business*, 2004 brought the completion of a major reorganisation project carried out to consolidate holdings at different levels of the Fortis group following the acquisition of Intertrust and KPMG Financial Engineering Luxembourg. With a view to ensuring greater cohesion in this line of business, on 21 October 2004, BGL exchanged its direct and indirect interests in BGL-MeesPierson Trust (Luxembourg) S.A., BGL Reads Group Ltd (Guernsey), MeesPierson Trust (Schweiz) AG and MeesPierson Trust reg. (Liechtenstein) for a 25% interest in MeesPierson Intertrust Group Holding AG (MPIGH), the Geneva-based holding company that will bring together all Fortis group trust services. Customers will see no change, dealing with the same person or institution as before, but now they will have access to the international network of one of the world's biggest providers of trust services, with a presence in some 20 countries.

The *trading rooms* business made a significant contribution to earnings despite unfavourable macroeconomic conditions.

For the last year, the Luxembourg trading room has been operating under the *SLBE (Single Legal Booking Entity).* Their success demonstrates the strength of this innovative concept, which is based on a single virtual trading room serving the entire Fortis group while maintaining local contact with clients.

BGL is also playing an important role in *building up* the group's corporate and institutional client base, by taking responsibility for commercial development in German-speaking areas.

Institutional banking and funds. Rock-bottom interest rates in 2004 generated considerable interest in alternative products. As a result, we directed our commercial efforts towards participants in private equity funds, real estate funds and funds of hedge funds.

Finally, BGL is proud to have once again been named *"Best Bank in Luxembourg" in 2004* by three prestigious international business magazines - EuroMoney, Global Finance and The Banker. These awards recognise our sound structure and acknowledge the successful strategy that we have deployed to grow our business and develop products and services.

Key figures	**2003**	**2004**	**%**
Consolidated accounts (EUR million)			
Total assets	36,954.6	34,551.0	-6.5%
Amounts owed to customers	27,702.2	27,043.6	-2.4%
Statutory own funds	2,533.4	2,848.8	12.5%
Loans and advances to customers and lease financing	7,437.0	7,600.0	2.2%
Securities portfolio	12,924.3	13,710.5	6.1%
Net banking income	783.6	853.0	8.9%
Operating costs	418.0	414.9	-0.7%
Net profit	468.7	460.5	-1.7%
Profit on ordinary activities	397.0	460.5	16.0%

11.1.2 Capitalisation of the Issuer

The following table shows the capitalisation of the Issuer as at 30 June 2005. The Issuer's authorised capital is fixed at at euros ("EUR") 382,350,000 to be represented by 15,000,000 ordinary shares without designation of value.

On 30 June 2005, the Issuer's capital was EUR 350,000,000 represented by 13,732,035 wholly paid up ordinary shares, without designation of value.

	30 June, 2005
	EUR
Subscribed Capital	350,000,000
Share premium account	633,518,630
Reserves	1,252,400,000

Special items with partial reserve character	133,461,935
Subordinated long term debt	717,224,062
Total	3,086,604,627
Unsubordinated long term debt	4,646,177,943
Subordinated Euro Medium Term Notes	
LUF 2,000,000,000 6.00% 1997-2007[3]	49,578,704.95
LUF 2,000,000,000 5.75% 1997-2005[3]	49,578,704.95
LUF 2,000,000,000 5.625% 1997-2005[3]	49,578,704.95
LUF 2,000,000,000 5.50% 1998-2008[3]	49,578,704.96
LUF 2,000,000,000 5.375% 1998-2008[3]	49,578,704.96
LUF 2,000,000,000 5.00% 1998-2008[3]	49,578,704.96
DEM 25,000,000 5.25% 1998-2008[2]	12,782,297.03
EUR 5,000,000 5.35% 1998-2008	5,000,000.00
FRF 60,000,000 5.00% 1998-2006[4]	9,146,941.03
EUR 75,000,000 5.50% 1999-2009	75,000,000.00
EUR 100,000,000 6.50% 2000-2010	100,000,000.00
USD 100,000,000 6.625% 2001-2011[1]	82,822,594.00
EUR 25,000,000 CMS Linked Notes 2005-2020	25,000,000.00
EUR 30,000,000 Fixed Rate to CMS Linked Notes 2005-2020	30,000,000.00
EUR 30,000,000 CMS Linked Notes 2005-2020	30,000,000.00
EUR 30,000,000 Range Accrual Notes 2005-2015	30,000,000.00
EUR 20,000,000 Fixed Rate to CMS Linked Notes 2005-2035	20,000,000.00

	30 June, 2005
	EUR
Unsubordinated Issues	
EUR 35,000,000 PIN 17 0% 1999-2007	31,000,000.00
EUR 10,000,000 PSN10 0% 2000-2007	8,500,000.00
USD 25,000,000 PSN9 0% 2000-2008[1]	20,705,648.50
EUR 6,000,000 PGN1 0% 2001-2007	6,000,000.00
EUR 2,500,000 PIN22 CW 0% 2001-2007	2,500,000.00
EUR 7,000,000 PGN2 0% 2001-2007	7,000,000.00
EUR 4,000,000 CW 0% 2001-2008	4,000,000.00
EUR 15,301,808 PIN24 Step-up 2002-2007	15,301,808.22
EUR 5,500,000 PIN26 Bonus Stoxx 0% 2002-2006	5,500,000.00
USD 4,000,000 PIN27 Global Titans 2002-2007[1]	3,312,903.76
EUR 5,000,000 PGN3 2003-2008	5,000,000.00
EUR 4,750,000 PBPN 01 (Index Basket) 2003-2010	4,750,000.00
EUR 2,800,000 PBPN 01 (Index Basket) 2003-2010	2,800,000.00
EUR 100,000,000 6.25% Snowball Notes 2004-2014	100,000,000.00
EUR 97,000,000 6.00% Snowball Notes 2005-2015	97,000,000.00
Unsubordinated Euro Medium Term Notes	
EMTN in LUF[3] 350,000,000	8,676,273.37
EMTN in EUR 1,465,395,158.55	1,465,395,158.55
EMTN in DEM[2] 28,000,000	14,316,172.67
EMTN in USD[1] 3,007,441,265	2,490,840,868.81
EMTN in FRF[4] 45,000,000	6,860,205.78
EMTN in JPY[6] 16,414,750,000	123,206,109.74
EMTN in CHF[7] 188,294,189	121,574,243.93
EMTN in GBP[11] 15,530,000	23,227,639.84
EMTN in CAD[8] 11,230,000	7,558,217.80
EMTN in AUD[9] 48,910,000	30,928,291.39
EMTN in SEK[5] 95,000,000	10,061,001.44
EMTN in HKD[10] 40,000,000	4,262,847.16

30 June, 2005

	EUR
Unsubordinated Warrant Issue	
Warrant TOC 6 Eurostoxx Telecom 2003-2005	3,100,000.00
Warrant series 35 2004-2007	2,099,924.80
Warrant series 36 2004-2006	1,012,239.20
Warrant series 45 2005-2006	7,288,388.27
Warrant series 46 2005-2006	10,400,000.00
Warrant series 46 Tranche 2 2005-2006	2,000,000.00

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1 converted at the exchange rate as at 30th June, 2005 1 EUR = 1.2074 USD
2 converted at the exchange rate as at 30th June, 2005 1 EUR = 1.95583 DEM
3 converted at the exchange rate as at 30th June, 2005 1 EUR = 40.3399 LUF
4 converted at the exchange rate as at 30th June, 2005 1 EUR = 6.55957 FRF
5 converted at the exchange rate as at 30th June, 2005 1 EUR = 9.4424 SEK
6 converted at the exchange rate as at 30th June, 2005 1 EUR = 133.2300 JPY
7 converted at the exchange rate as at 30th June, 2005 1 EUR = 1.5488 CHF
8 converted at the exchange rate as at 30th June, 2005 1 EUR = 1.4858 CAD
9 converted at the exchange rate as at 30th June, 2005 1 EUR = 1.5814 AUD
10 converted at the exchange rate as at 30th June, 2005 1 EUR = 9.3834 HKD
11 converted at the exchange rate as at 30th June, 2005 1 EUR = 0.6686 GBP

(1) On 30 June 2005, the long term debt (subordinated and unsubordinated) of the Issuer had increased by 2.15% to 5,363,402,005 EUR as compared to 31st December, 2004.

(2) There has been no material change in the capitalisation and indebtedness of the Issuer since 31 December 2004, except as otherwise stated herein. The Issuer's authorised capital is fixed at EUR 382,350,000.

11.2 Financial statements[26]

The Issuer's financial statements included in this Registration Statement are produced on a consolidated basis.

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.

11.3 Auditing of historical annual financial information[27]

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

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

11.4 Age of latest financial information[28]

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

11.5 Interim and other financial information[29]

[26] item 13.2 of Annex IV of the Regulation.
[27] item 13.3 of Annex IV of the Regulation.
[28] item 13.4 of Annex IV of the Regulation.
[29] item 13.5 of Annex IV of the Regulation.

The Issuer does not publish interim financial statements.

11.6 Legal and arbitration proceedings [30]

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's financial position or profitability.

11.7 Significant change in the Issuer's financial or trading position[31]

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

12 ADDITIONAL INFORMATION[32]

12.1 Share capital[33]

The Issuer's authorized share capital at 30 June is EUR 382,350,000 represented by 15,000,000 ordinary shares without designation of value. The Issuer's issued share capital at 30 June 2005 is EUR 350,000,000 represented by wholly paid up 13,732,035 ordinary shares without designation of value. The Issuer has no other classes of shares.

For an overview of the capitalisation of the Issuer, please see Section 11.1.2 of this Registration Document.

12.2 Memorandum and Articles of Association[34]

The corporate purpose of the Issuer is to engage in all types of banking and financial operations and services, to take participating interests in businesses as well as to undertake commercial, industrial and other operations, including transactions in moveable or real property, for its own account and on behalf of third parties, relating directly or indirectly to its corporate purpose or being conductive to favour its achievement. It may perform its activities in the Grand Duchy of Luxembourg or abroad.

The Issuer is registered with the Luxembourg Registry of Commerce and Companies under number B6481.

13 MATERIAL CONTRACTS[35]

The Issuer has not entered into any material contracts that are outside the ordinary course of the Issuer's business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Notes.

[30] item 13.6 of Annex IV of the Regulation.

[31] item 13.7 of Annex IV of the Regulation.

[32] item 14 of Annex IV of the Regulation.

[33] item 14.1 of Annex IV of the Regulation.

[34] item 14.2 of Annex IV of the Regulation.

[35] item 15 of Annex IV of the Regulation.

14 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST[36]

This Registration Document does not contain third party information or statements by experts, except the auditors' report extracted from the 2004 audited financial statements of the Issuer. *KPMG Audit S.à r.l.* agreed to enable the Issuer to include its 2004 audit report dated March 17, 2005 in this Prospectus. The Issuer confirms this audit report has been accurately reproduced in this Prospectus

15 DOCUMENTS ON DISPLAY[37]

For the life of the Notes, the following documents (or copies thereof) may be inspected at Fortis Banque, Montagne du Parc 3, 1000 Brussels, 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.

In addition, the semi-annual accounts of Fortis Group for the year 2005 (which will be published on or about 25 August 2005) will be available at Fortis Bank NV-SA, Montagne du Parc 3, 1000 Brussels (and at www.fortis.com) in Belgium and at Banque Générale du Luxembourg S.A., 50 avenue J.F. Kennedy, L-2951 Luxembourg (acting in its capacity as fiscal agent) in Luxembourg.

[36] item 16 of Annex IV of the Regulation.

[37] item 17 of Annex IV of the Regulation.

3. SECURITIES NOTE[38]

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[38] This Section 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**"). Correspondence with each item in Annex XII is indicated in the footnotes.

1 PERSONS RESPONSIBLE[39]

BANQUE GÉNÉRALE DU LUXEMBOURG S.A., a 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** » or "**Bank**"), with its registered office at 50, avenue J.F. Kennedy, L-2951 Luxembourg, is responsible for the information given in this Securities Note[40]. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note, for which it is responsible, is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.[41]

The Issuer makes no representation nor gives any assurance that information regarding 12 month EURIBOR contained in this Securities Notes is accurate or complete. Furthermore, there can be no assurance that all events occurring prior to the date of this Securities Note that would affect the value of 12 month EURIBOR have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning 12 month EURIBOR could affect the value of 12 month EURIBOR and consequently the value of the Notes.

Except for the section Historical information on 12 month EURIBOR (included in Section 4.2.1(*Type of the underlying*) of this Securities Note), the Issuer accepts responsibility for the information contained in this Securities Note. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of the information.

2 RISK FACTORS[42]

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.

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition.

An investment in the Notes entails significant risks not associated with similar investments in a conventional debt note, including the following:

Interest rate risk – variable rate – call option

With respect to each Interest Period starting on 8 September 2006, the Notes bear interest dependant on a quotation of 12 month EURIBOR on the Telerate Page 248, five Business Days prior to the relevant Interest Payment Date, as more fully specified in the Terms and Conditions of the Notes (see Section 4.1.8 (*Interest rate*) of this Securities Note). Therefore the quotation will affect the interest payable on the relevant Interest Payment Date. The table included in Section 4.2.1 (Type of the Underlying) - Historical information on 12 month EURIBOR sets forth the value of 12 month EURIBOR on the last day of each month for the years 2002, 2003, 2004 and 2005. This table is purely for reference purposes, the historical movement of 12 month EURIBOR under various economic circumstances is not necessarily indicative of the future performance of 12

[39] item 1 of Annex XII of the Regulation.

[40] item 1.1 of Annex XII of the Regulation.

[41] item 1.2 of Annex XII of the Regulation.

[42] item 2 of Annex XII of the Regulation.

month EURIBOR or what the value of the Notes may be in the future. Any historical trend in the value of 12 month EURIBOR set forth in the section Historical information on 12 month EURIBOR is not an indication that 12 month EURIBOR or the value of the Notes is more or less likely to increase or decrease at any time during the life of the Notes.

The value of the variable rate mechanism is included in the pricing of the Notes (determination of the conditions, level of the first fixed rate).

The Issuer may redeem, at its option, on each Interest Payment Date, all the Notes then outstanding at par. The value of this call option is included in the pricing of the Notes (determination of the conditions, level of the first fixed rate).

Liquidity Risk

It is not possible to predict the price at which the Notes will trade in the secondary market or whether such market will be liquid or illiquid. Application has been made to list the Notes on Euronext Brussels. No assurance can be given that there will be a market for the Notes. If the Notes are not traded on any securities exchange, pricing information for the Notes may be more difficult to obtain, and the liquidity and market prices of the Notes may be adversely affected.

The Notes may trade below par during their lifetime. Therefore, 100% of the capital invested is protected at maturity or early redemption of the Notes only.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their nominal amount on 8 September 2015.

Potential Conflicts of interest – combination of functions

Potential investors should pay attention to the fact that Fortis Bank is Dealer (on a firm underwriting basis), Arranger and Market Maker and Banque Générale du Luxembourg S.A. is Issuer and Calculation Agent under the issue of Notes, so that various potential conflicts of interest may arise. Fortis Bank and Banque Générale du Luxembourg S.A. undertake 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.

Banque Générale du Luxembourg S.A. is a subsidiary of Fortis Bank nv-sa and is part of Fortis Group.

Independent review and advice

Each prospective purchaser of Notes should determine whether an investment in the Notes is appropriate in its particular circumstances and make an investment decision based on its own independent review of the financial condition and affairs and the creditworthiness of the Issuer, the Terms and Conditions of the Notes and, in general, the information included in the complete Prospectus (and not only in this Securities Note) and should seek such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the 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 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.

Prospective investors who consider purchasing the Notes should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances.

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.

3 KEY INFORMATION[43]

3.1 Interest of natural and legal persons involved in the issue/offer[44]

Please see the « *Potential Conflicts of interest and combination of functions* » in Section 2 (Risk Factors) of this Securities Note.

3.2 Use of proceeds[45]

The net proceeds from the issue of the Notes will be used by the Issuer for general corporate purposes.

The total net proceeds would amount to €10,000,000 (subject to increase), after deduction of a total amount of €200,0000 (subject to increase) corresponding to the combined management , underwriting and selling commission to be paid to the Dealer.

The Issuer will pay the legal, administrative fees and other costs relating to this issue, for an amount expected to be EUR 50,000. These costs and commissions are included in the pricing of the Notes.

4 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING[46]

4.1 Information concerning the Notes[47]

The following includes a description of the particular terms of the Notes (the « ***Terms and Conditions*** » or **"Conditions"*)*.**

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.

In this Securities Note the following terms shall have the following meanings:

« **30/360** » or « **Bond Basis** » means the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

« **Business Day** » means a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business in Brussels and in Luxembourg and (ii) the

[43] item 3 of Annex XII of the Regulation.

[44] item 3.1 of Annex XII of the Regulation.

[45] item 3.2 of Annex XII of the Regulation.

[46] item 4 of Annex XII of the Regulation.

[47] item 4.1 of Annex XII of the Regulation.

Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system (the « TARGET System ») is open.

« **Calculation Agent** » means Banque Générale du Luxembourg S.A. acting in its capacity as Calculation Agent, or such other leading financial institution as the Issuer may appoint from time to time to be the Calculation Agent.

« **Clearstream, Luxembourg** » means Clearstream Banking, société anonyme.

« **Closing Date** » means 8 September 2005.

« **Euroclear** » means Euroclear Bank S.A./N.V., as operator of the Euroclear System or its successor as operator.

« **Global Note** » means, whenever applicable, a Temporary Global Note or a Permanent Global Note (and together, the « Global Notes »).

« **Interest Period** » means for the first interest period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and, for the succeeding interest periods, the period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date.

« **Issue Date** » means 8 September 2005.

« **Issuer** » means Banque Générale du Luxembourg S.A.

« **Maturity Date** » means 15 September 2015, subject to adjustment in accordance with the Modified Following Business Day Convention.

« **Modified Following Business Day Convention** » means if any Interest Payment Date, Optional Redemption Date or Maturity Date would otherwise fall on a day which is not a Business Day, then such Interest Payment Date, Optional Redemption Date or Maturity Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

« **Noteholders** » means the holders of the Notes.

« **Specified Denomination** » means €1,000 per Note.

Words and expressions defined in the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated.

The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agents. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, which are binding on them.

4.1.1 Type and class of the Notes[48]

The €10,000,000 (subject to be increased up to €250,000,000) Callable Fixed then Cumulative Reverse Floating Rate (« **Snowball 3** ») Notes due 8 September 2015 (the « **Notes** »), which expression shall in these Terms and Conditions, unless the context otherwise requires, include any further Notes issued pursuant to Section 4.1.19 (Further issues) of this securities note and forming a single series with the Notes, are debt securities issued subject to and with the benefit of a fiscal and paying agency agreement dated 8 September 2005 (the « **Agency Agreement** ») made between the Issuer, Banque Générale du Luxembourg S.A., as fiscal and principal paying agent

[48] item 4.1.1 of Annex XII of the Regulation.

(in such capacity the « **Fiscal Agent** ») and the other paying agents named therein (together with the Fiscal Agent, the « **Paying Agents** » and each a « **Paying Agent** »).

The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer dated 3 February 2005.[49]

Application for listing of the Notes on Euronext Brussels will be made.

The Notes have been accepted for clearance through Clearstream and Euroclear (common code : 022737708, ISIN code : XS0227377081)

4.1.2 Ranking of the Notes[50]

The Notes constitute unsecured and unsubordinated obligations of the Issuer and rank pari passu without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.

4.1.3 Denomination and currency[51]

The Notes are issued in the denomination of €1,000. On the primary market, the Notes are subject to a minimum purchase of €1,000 per subscription.

4.1.4 Issue date of the Notes[52]

The Notes will be issued on 8 September 2005.

4.1.5 Redemption of the Notes[53]

The Notes will be redeemed on 8 September 2015 (the « **Maturity Date** »), except if they are previously redeemed, purchased or cancelled as specified in Section 4.1.11 (*Redemption and Purchase*) of this Securities Note.

4.1.6 Form of the Notes[54]

The Notes are issued in bearer form. They will initially be represented by a temporary global note (the « **Temporary Global Note** »), without interest coupon, which will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg on or about 8 September 2005.

Whilst any Note is represented by a Temporary Global Note, payments of principal and interest and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for re-sale to any U.S. person as required by U.S. Treasury Regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Fiscal Agent.

On and after the date which is 40 days after the Closing Date (the « **Exchange Date** »), interests in such Temporary Global Note will be exchangeable (free of charge) upon request as described therein for interests in a permanent global note (the « **Permanent Global Note** ») against certification as to non U.S. beneficial ownership as described above unless such certificate has already been given. The holder of any Temporary Global Note will not be entitled to collect any

[49] item 4.1.8 of Annex XII of the Regulation.

[50] item 4.1.6 of Annex XII of the Regulation.

[51] item 4.1.5 of Annex XII of the Regulation.

[52] item 4.1.9 of Annex XII of the Regulation.

[53] item 4.1.11 of Annex XII of the Regulation.

[54] item 4.1.4 of Annex XII of the Regulation.

payment of interest or principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note is improperly withheld or refused.

The Permanent Global Note will be exchangeable for Notes in definitive form only in the following limited circumstances (i) upon the occuring of any of the events defined in Section 4.1.14 (*Events of Default*) below, (ii) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so (other than in the case of a merger or consolidation of Euroclear and Clearstream, Luxembourg) and no alternative clearing system is available, (iii) if the Issuer has or will become subject to adverse tax consequences to which the Issuer would not be subject were the Notes represented by Notes in definitive form, or (iv) if the Issuer so elects.

Payments of principal and interest or any other amount on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

4.1.7 Transfer and Title

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 EUR 1,000 or integral multiples thereof. On the primary market, the Notes are subject to a minimum purchase of EUR 1,000.

4.1.8 Interest rate[55]

Interest on the Notes will be payable annually in arrear on each 8 September in each year (each such date being an « **Interest Payment Date** »), commencing on 8 September 2006 and ending on the Maturity Date, each such date being adjusted in accordance with the Modified Following Business Day Convention.

Notes bear interest from and including the Issue Date to but excluding the Maturity Date.

For the Interest Period from, and including, the Issue Date to, but excluding, the Interest Payment Date falling on 8 September 2006, the Notes bear interest at the gross rate of 6.00 per cent per annum (the « **Fixed Rate** »).

For the succeeding Interest Periods, the Notes bear interest dependant on a quotation of 12 month EURIBOR as published on the Telerate Page 248, five Business Days prior to the relevant Interest

[55] item 4.1.2 of Annex XII of the Regulation.

Payment Date. Therefore the quotation will affect the interest payable on the relevant Interest Payment Date.

The applicable rate of interest (the « **Rate of Interest** ») shall be determined by the Calculation Agent in the following manner, subject to a minimum of 0.00 per cent. (each, a « **Floating Rate** »):

- for the Interest Period from, and including, the Interest Payment Date falling in September 2006 to, but excluding the Interest Payment Date falling in September 2007, the applicable Rate of Interest (I_1) is:

I_1 = 6.00 per cent. plus 2.00 per cent. minus 12 month EURIBOR

- for the Interest Period from, and including, the Interest Payment Date falling in September 2007 to, but excluding, the Interest Payment Date falling in September 2008, the applicable Rate of Interest (I_2) is:

I_2 = I_1 plus 2.25 per cent. minus 12 month EURIBOR

- for the Interest Period from, and including, the Interest Payment Date falling in September 2008 to, but excluding, the Interest Payment Date falling in September 2009, the applicable Rate of Interest (I_3) is:

I_3 = I_2 plus 2.50 per cent. minus 12 month EURIBOR

- for the Interest Period from, and including, the Interest Payment Date falling in September 2009 to, but excluding, the Interest Payment Date falling in September 2010, the applicable Rate of Interest (I_4) is:

I_4 = I_3 plus 2.75 per cent. minus 12 month EURIBOR

- for the Interest Period from, and including, the Interest Payment Date falling in September 2010 to, but excluding, the Interest Payment Date falling in September 2011, the applicable Rate of Interest (I_5) is:

I_5 = I_4 plus 3.00 per cent. minus 12 month EURIBOR

- for the Interest Period from, and including, the Interest Payment Date falling in September 2011 to, but excluding, the Interest Payment Date falling in September 2012, the applicable Rate of Interest (I_6) is:

I_6 = I_5 plus 3.25 per cent. minus 12 month EURIBOR

- for the Interest Period from, and including, the Interest Payment Date falling in September 2012 to, but excluding, the Interest Payment Date falling in September 2013, the applicable Rate of Interest (I_7) is:

I_7 = I_6 plus 3.50 per cent. minus 12 month EURIBOR

- for the Interest Period from, and including, the Interest Payment Date falling in September 2013 to, but excluding, the Interest Payment Date falling in September 2014, the applicable Rate of Interest (I_8) is:

I_8 = I_7 plus 3.75 per cent. minus 12 month EURIBOR

- for the Interest Period from, and including, the Interest Payment Date falling in September 2014 to, but excluding, the Interest Payment Date falling in September 2015, the applicable Rate of Interest (I_9) is:

I_9 = I_8 plus 4.00 per cent. minus 12 month EURIBOR

Where:

« **12 month EURIBOR** » means the rate for deposits in euros for a period of twelve months which appears on the Telerate Page 248 as of 11.00 a.m. (Brussels time) on each Interest Determination Date.

« **Interest Determination Date** » means the day that is five Business Days prior to each Interest Payment Date relating to the relevant Interest Period (the first date being five Business Days prior to the Interest Payment Date falling in September 2007).

For the avoidance of doubt, accrual of interest and payment will be adjusted in accordance with the Modified Following Business Day Convention.

Each Note will cease to bear interest from and including the due date for redemption or repayment thereof unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at the rate applicable for the relevant interest period (both before and after judgement) until whichever is the earlier of:

- the date on which all amounts in respect of such Note have been paid; and
- five Business Days after the date on which the full amount of the monies has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Section 4.1.17 (Notices), or individually.

For the purpose of this Section, interest will be calculated on a 30/360 or Bond Basis.

4.1.9 Payments[56]

(a) Method of Payment

Subject as provided below, payments will be made by credit or transfer to a euro account specified by the payee.

All payments are subject in all cases to any applicable fiscal or other laws and regulations applicable in the place of presentation, but without prejudice to the provisions of Section 4.1.13 (Taxation).

(b) Payments in respect of Global Notes

Payments of principal and interest in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified in paragraph (a) above and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(c) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial owner of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

(d) Payment Day

[56] item 4.1.13 of Annex XII of the Regulation.

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place of presentation and shall not, except as provided in Section 4.1.8 (Interest rate), be entitled to further interest or other payment in respect of such delay.

For these purposes, « **Payment Day** » means any day which is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business in the relevant place of presentation; and

(ii) a Business Day.

4.1.10 Prescription

The Notes will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Section 4.1.13 (Taxation)).

4.1.11 Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its nominal amount per Specified Denomination of each Note on the Maturity Date.

(b) Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days notice to the Fiscal Agent and, in accordance with Section 4.1.17 (Notices), to the Noteholders (which notice shall be irrevocable), if on the occasion of the next payment due under the Conditions, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Section 4.1.13 (Taxation) as a result of any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date.
Notes redeemed pursuant to this Section will be redeemed at their nominal amount, together (if appropriate) with interest accrued to (but excluding) the date of redemption, as determined by the Calculation Agent in its sole and absolute discretion.

(c) Redemption at the Option of the Issuer (Issuer Call)

The Issuer may redeem, at its option, all of the Notes then outstanding on each Interest Payment Date (« **Optional Redemption Date** ») at par, together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. In the event of any such redemption, the Issuer shall give not less than 5 (five) Business Days' notice prior to the relevant Optional Redemption Date to the Fiscal Agent and the Noteholders in accordance with Section 4.1.17 (Notices) (which notice shall be irrevocable and shall specify the applicable Optional Redemption Date fixed for redemption).

(d) Purchases

The Issuer or any of its subsidiaries may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agents for cancellation.

(e) Cancellation

All Notes which are redeemed shall forthwith be cancelled. All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (d) above shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

4.1.12 Settlement procedure of the Notes[57]

The Notes will be issued in bearer form represented by a Temporary Global Note exchangeable for a Permanent Global Note, which is exchangeable, in limited circumstances, for definitive Notes with interest coupons (the « **Coupons** ») attached, in the denomination of €1,000. The definitive Notes, if any, to be issued will be drafted in the English language and will contain the Terms and Conditions of the Notes. 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 shall be authenticated by or on behalf of the Fiscal Agent (as defined in Section 4.1.16 of this Securities Note).

Upon payment of the net proceeds of the Notes in accordance with the Underwriting Agreement, the Issuer will issue and deliver the Temporary Global Certificate to Banque Générale du Luxembourg S.A. as common depositary (the « **Common Depositary** ») 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 Depositary 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 it 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.

4.1.13 Taxation[58]

(a) *General Provision to Withholding Taxes*

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Luxembourg or any political subdivision or any authority thereof or therein having powers to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of Notes, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

(i) presented for payment by or on behalf of a Noteholder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with Luxembourg other than the mere holding of such Note or the receipt of principal or interest in respect thereof, or

(ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or

(iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

[57] item 4.1.12 of Annex XII of the Regulation.

(iv) presented for payment by or on behalf of a Noteholder who would not be able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union.

As used herein, the « Relevant Date » means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Section 4.1.17 (Notices).

(b) *Tax treatment in Luxembourg*

The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Notes.

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".

(i) Withholding tax

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 per cent. Luxembourg withholding tax on interest payments made by Luxembourg paying agents to Luxembourg individual residents.

However, 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 which has been transposed into Luxembourg domestic law by the law dated 21st June, 2005 that 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 per cent. for the first three years after the date of implementation of the EU Savings Directive, this rate being increased to 20 per cent. for the subsequent three years and 35 per cent. thereafter.

[58] item 4.1.14 of Annex XII of the Regulation.

In Luxembourg, such withholding tax will however not be levied in accordance with article 9.1 b) of the Luxembourg law dated 21^{st} 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 21^{st} 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) Other Taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the Noteholders 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.

(c) *Tax treatment in Belgium*

The following is a general description of certain Belgian tax considerations 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 of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

(i) 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 »).

(ii) 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 paid on the Notes 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 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 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.

Capital losses are in principle not tax deductible.

(iii) 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%.

Capital losses are in principle tax deductible.

(iv) Tax regime applicable to non-residents.

Interest income paid on the Notes 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).

(v) 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 paid on the Notes 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 be subject to 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.

Capital losses are in principle not tax deductible.

(vi) 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 €500 per transaction and per party. The tax is due separately by 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 per cent. (subject to a maximum of €500 per party and per transaction) will be due by 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 126/1,2º 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.

(vii) European Directive on taxation of savings income in the form of interest payments

Pursuant to the Savings Directive, Belgian paying agents will as of 1 July 2005 apply a withholding tax on interest payments to individual Noteholders resident in another EU member state other than Belgium or resident in the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands (hereafter, the “**Dependant Territories**”). This taxation at source is levied in addition to the applicable Belgian withholding tax.

Under the Directive, Member States are since July 1, 2005 required to provide to the tax authorities of other Member States 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 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 information exchange with certain other countries.

On 3 June 2003, the Council of the European Union adopted the Council Directive 2003/48/EC regarding the taxation of savings income (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.

(viii) Inheritance duties

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

4.1.14 Events of Default

If any one or more of the following events (each an « **Event of Default** ») shall have occurred and be continuing:

(i) default is made for more than 30 days in the payment on the due payment of principal or interest in respect of any of the Notes; or

(ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or

(iii) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes;

then any Noteholder may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its nominal amount, together with accrued interest (if any) to (but excluding) the date of repayment as determined by the Calculation Agent without presentation, demand, protest, or other notice of any kind.

4.1.15 Replacement of Notes

Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

4.1.16 Agents

(a) Paying Agents

Banque Générale de Luxembourg S.A., 50 avenue J.F. Kennedy, L-2951 Luxembourg, is fiscal and principal paying agent (the "**Fiscal Agent**") and Fortis Bank S.A./N.V., Montagne du Parc 3, 1000 Brussels is paying agent in Belgium (the « **Belgian Paying Agent** ») (in such capacity together with the Fiscal Agent , the « **Paying Agents** »).

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 4.1.17 (Notices).

(b) Calculation Agent

The Calculation Agent acts solely as agent of the Issuer and shall have no responsibility to Noteholders for good faith errors or omissions in its calculations and determinations as provided in the Conditions, except such as may result from its own wilful default, gross negligence or bad faith. The calculations and determinations of the Calculation Agent shall be made in accordance with the Conditions (having regard in each case to the criteria stipulated herein and where relevant on the basis of information provided to or obtained by employees or officers of the Calculation Agent responsible for making the relevant calculation or determination) and shall, in the absence of manifest error, be final, conclusive and binding on the Noteholders. Noteholders shall not be entitled to make any claim against the Calculation Agent or the Issuer in the case where information related to 12 month EURIBOR, published on Bloomberg and/or Telerate pages, contained any error, omission or other incorrect statement.

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 4.1.17 (Notices).

4.1.17 Notices

Any notice to Noteholders will be validly given if published in a daily newspaper of general circulation in Belgium or, if such newspaper 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. Such notice will be given within five Business Days from the occurrence of the event that requires a notice, except if there is a major obstacle thereto.

Until such time as any Notes in definitive form are issued, there may (provided that, in the case of Notes listed on a stock exchange, such stock exchange permits or any other relevant authority), so long as the Global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, be substituted for such publication mentioned above the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system for communication by them to the holders of the relevant Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system.

Notices to be given by any Noteholder shall be in writing and given by lodging the same with the Fiscal Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Fiscal Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

4.1.18 Representation of Noteholders

Pursuant to the provisions of articles 86 to 95 relating to the representation of Noteholders of the Luxembourg Company Law of 10 August 1915, as subsequently amended, one or more Noteholder representative(s) representing the interests of all the Noteholders, as a Masse, vis-à-vis the Issuer may be appointed in accordance with the procedures set out in the aforementioned law.

The Fiscal Agent and the Issuer agree, without the consent of the Noteholders, to:

(i) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Section 4.1.17 (Notices) as soon as practicable thereafter.

4.1.19 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Notes.

4.1.20 Substitution

Subject to the provisions of this Section, the Noteholders, by subscribing to or purchasing any Notes, expressly consent to the Issuer, or any previously substituted company, at any time, substituting for itself as principal debtor under the Notes, any subsidiary branch or affiliate of the Issuer or the successor company of the Issuer or jointly and severally one or more companies to whom the Issuer has transferred all of its assets and business undertakings (in each case the « **Substitute** ») provided that no payment in respect of the Notes is at the relevant time overdue, no steps have been taken to admit the Issuer to a regime of suspension of payments (sursis de paiement) and (except in the case of a solvent reorganisation or amalgamation) no judgement has been rendered or an effective voluntary resolution has been passed for the dissolution (dissolution) and liquidation (liquidation) of the Issuer. Such substitution effected in accordance with this Section 4.1.20 will release the Issuer or any previous substituted company and the Noteholder expressly consent hereto. The substitution shall be made by a written undertaking (the « **Undertaking** ») and may take place only if:

(i) the Substitute, by means of the Undertaking, agrees to indemnify each Noteholder against any tax, duty, assessment, withholding, deduction or governmental charge which is imposed on it by (or by any taxing authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note which would not have been so imposed had the substitution not been made, as well as against any tax, duty assessment or governmental charge, and any cost or expense, relating to the substitution;

(ii) unless the Substitute is the successor company of the Issuer or one or more companies to whom the Issuer has transferred all of its assets and business undertakings each of whom are to be jointly and severally liable as principal debtor, the obligations of the Substitute under the Undertaking and the Notes are unconditionally and irrevocably guaranteed by the Issuer or its successor or each of the companies to whom together the Issuer has transferred all of its assets and business undertakings (each a « **Guarantor** ») by means of a guarantee;

(iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Undertaking and the Notes represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Guarantee, of the Guarantor have been taken, fulfilled and done and are in full force and effect;

(iv) the Substitute has become party to the Fiscal Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(v) legal opinions addressed to the Noteholders have been delivered to them (care of the Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above as to the fullfilment of the preceding conditions of this Section 4.1.20 and the other matters specified in the Undertaking;

(vi) the substitution does not affect adversely the rating of the Notes; and

(vii) the Issuer has given at least 14 days' prior notice to such substitution to the Noteholders, stating that copies of all documents (in draft or final form) in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

In the event of any substitution in accordance with this Section 4.1.20, the Issuer shall notify Euronext Brussels and prepare, or procure the preparation of, a supplement to this Prospectus.

4.1.21 Rights attaching to the Notes and procedure for exercise[59]

There are no special rights attaching to the Notes.

4.1.22 Governing Law and Submission to Jurisdiction[60]

The Notes are governed by, and shall be construed in accordance with, the laws of the Grand Duchy of Luxembourg.

The Courts of Luxembourg, Grand-Duchy of Luxembourg, shall have exclusive jurisdiction to hear any and all disputes arising out of or in connection with the Notes.

4.2 Information concerning the underlying reference rate[61]

4.2.1 Type of the underlying[62]

EURIBOR (Euro Interbank Offered Rate) is the benchmark rate of the large euro money market that has emerged since 1999. It is sponsored by the European Banking Federation (FBE), which represents the interests of 3,000 banks in the 15 Member States of the European Union and in Iceland, Norway and Switzerland and by the Financial Markets Association (ACI).

EURIBOR is the rate at which euro interbank term deposits are offered by one prime bank to another prime bank and is published at 11.00 a.m. CET for spot value (T+2).

EURIBOR was first published on 30 December 1998 for value 4 January 1999.

The choice of banks quoting for Euribor is based on market criteria. These banks are of first class credit standing. They have been selected to ensure that the diversity of the euro money market is adequately reflected, thereby making Euribor an efficient and representative benchmark.

EURIBOR is the rate at which euro interbank term deposits within the euro zone are offered by one prime bank to another prime bank.

[59] item 4.1.7 of Annex XII of the Regulation

[60] item 4.1.3 of Annex XII of the Regulation

[61] item 4.2 of Annex XII of the Regulation.

For more information on EURIBOR please see www.euribor.org

The Notes shall bear interest at the gross rate of 6.00 per cent. per annum payable annually in arrear on 8 September 2006 for the period from, and including, the Issue Date to, but excluding, 8 September 2006. Thereafter, for the period from, and including, 8 September 2006 to, but excluding, the Maturity Date, the Notes will bear interest according to a formula which is dependant on the evolution of 12 month EURIBOR as shall be determined by the Calculation Agent and as more fully described in Section 4.1.8 (*Interest Rate*), and subject to a minimum of 0.00 per cent. and subject to early redemption.

Historical information on 12 month EURIBOR

The information below has been extracted from publicly available information for the information of investors. The Issuer accepts responsibility as to the correct reproduction of such information, but no further or other responsibility (express or implied) is accepted by the Issuer in respect of such information.

Historical information on 12 month EURIBOR for years 2002, 2003, 2004 and 2005

Date	Value on the last day of each month
31/01/2002	3.624
28/02/2002	3.613
28/03/2002	3.953
30/04/2002	3.759
31/05/2002	3.963
28/06/2002	3.765
31/07/2002	3.539
30/08/2002	3.401
30/09/2002	3.113
31/10/2002	3.125
29/11/2002	3.017
31/12/2002	2.749
31/01/2003	2.636
28/02/2003	2.412
31/03/2003	2.394
30/04/2003	2.423
30/05/2003	2.142
30/06/2003	2.060
31/07/2003	2.112
29/08/2003	2.315
30/09/2003	2.130
31/10/2003	2.386
28/11/2003	2.470
31/12/2003	2.305
30/01/2004	2.263
27/02/2004	2.086
31/03/2004	1.983
30/04/2004	2.239
31/05/2004	2.307
30/06/2004	2.426
30/07/2004	2.387
31/08/2004	2.296
30/09/2004	2.392
29/10/2004	2.307
30/11/2004	2.302

[62] item 4.2.2 of Annex XII of the Regulation.

31/12/2004	2.356
31/01/2005	2.287
28/02/2005	2.335
31/03/2005	2.359
30/04/2005	2.205
31/05/2005	2.173
30/06/2005	2.082
31/07/2005	2.197

Historical evolution of the Euribor 12 months rate from 2002 until July 2005

Period	High	Low	Average
2002	4.101	2.746	3.4933
2003	2.797	1.929	2.3339
2004	2.479	1.947	2.2746
Jan-2005	2.362	2.287	2.3121
Feb-2005	2.341	2.281	2.31
Mar-2005	2.395	2.284	2.3348
Apr-2005	2.335	2.205	2.2651
May-2005	2.229	2.173	2.1933
Jun-2005	2.153	2.057	2.1028
Jul-2005	2.195	2.091	2.168

(Source: Bloomberg)

The Issuer and the Dealer do not accept any responsibility for the calculation, maintenance or publication of EURIBOR 12 months rate or any successor rate.

4.2.2 Market disruption [63]

If, on any Interest Determination Date, such rate does not appear on, or is unable to be determined, from the Telerate Page 248, the 12 month EURIBOR rate for that Interest Determination Date shall be the rate per annum which the Calculation Agent certifies to be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered rates for deposits in EUR for a period of twelve months which four major banks in the Euro-zone interbank market are offering to prime banks in the Euro-zone interbank market, at approximately 11.00 a.m. (Brussels time) on the relevant day provided that at least two such quotations are provided. Such four major banks will be chosen by the Calculation Agent in its sole discretion.

If, on any Interest Determination Date, fewer than two of such offered rates are available, the applicable rate of interest for that day shall be determined by the Calculation Agent in its sole discretion in a fair and commercially reasonable manner.

5 TERMS AND CONDITIONS OF THE OFFER[64]

5.1 Conditions, offer statistics, expected timetable and action required to apply for the offer[65]

5.1.1 Conditions to which the offer is subject.[66]

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

[63] item 4.2.3 of Annex XII of the Regulation.

[64] item 5 of Annex XII of the Regulation.

[65] item 5.1 of Annex XII of the Regulation.

(i) the Notes have been admitted to listing on Euronext Brussels;

(ii) 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 the Dealer after prior consultation with the Issuer 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

(iii) there has been no adverse change, financial or otherwise in the condition or general affairs of the Issuer.

5.1.2 Total amount of the offer[67]

The minimum total nominal amount of the offer is €10,000,000 and may be increased up to a maximum of €250,000,000.The final total amount of the offer will published in daily newspapers with general distribution in Belgium (expected to be *De Tijd* and *L'Echo*).

5.1.3 Subscription period[68]

Investors in Belgium may subscribe the Notes at the branches of Fortis Bank N.V./S.A. during the subscription period from 12 August 2005 until 2 September 2005.

The Issuer reserves the right to modify the total nominal amount of the Notes to which investors can subscribe, to early terminate the subscription period and to cancel the planned issue, in which case no Notes will be issued. Such an event will be published in well-known daily newspapers with general distribution in Belgium (expected to be *De Tijd* and *L'Echo*).

In case of early termination 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 first subscriptions received will be the first to be served and, if required, the amount of last subscriptions that will be served will be reduced proportionately in order to reach the total amount of Notes that will be issued. Any payments made in connection with the subscription of Notes and not alloted will be redeemed 7 Brussels business days after the date of payment and the holders thereof shall not be entitled to any interest in respect of such payments.

5.1.4 Minimum/maximum amount of subscription[69]

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

5.1.5 Method and timing of payment and delivery of the Notes[70]

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 procedure as described in Section 4.1.12 (*Settlement procedures of the Notes*) 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.

[66] item 5.1.1 of Annex XII of the Regulation.

[67] item 5.1.2 of Annex XII of the Regulation.

[68] item 5.1.3 of Annex XII of the Regulation.

[69] item 5.1.4 of Annex XII of the Regulation.

[70] item 5.1.5 of Annex XII of the Regulation

5.1.6 Results of the offer[71]

The results of the offer of Notes will be published as soon as possible in a well-known daily newspaper with general distribution in Belgium (expected to be *De Tijd* and *L'Echo*).

5.2 Plan of distribution and allotment[72]

5.2.1 Target investors[73]

The offer will be mainly targeted at private inviduals in Belgium.

5.2.2 Notification of allotment[74]

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

5.3 Pricing[75]

The issue price is 102%.

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

- Stock on stock market transactions other than upon initial subscription: 0.07% capped at EUR 500 per transaction and per party (see Section 4.1.13 (Taxation) of this Securities Note for more information).
- Costs for the subscribers relating to inscription of the Notes on a securities account: free of charge at Fortis Bank(1).
- Financial service: free of charge at Fortis Bank(1).

(1) The investors are however advised to well inform themselves in respect of costs that can be claimed from them by other financial institutions.

Please also see Section 3.2 of this Securities Note for the costs to be paid by the Issuer in relation to the issue of the Notes.

5.4 Placing and underwritting[76]

5.4.1 Co-ordinator of offer[77]

Fortis Bank S.A./N.V., with registered office at Montagne du Parc 3, 1000 Bruxelles is the coordinator of the offer.

5.4.2 Paying agents [78]

Banque Générale de Luxembourg S.A., 50 avenue J.F. Kennedy, L-2951 Luxembourg, is fiscal and principal paying agent (the **"Fiscal Agent")** and Fortis Bank S.A./N.V., Montagne du Parc 3, 1000 Bruxelles is paying agent in Belgium (the « **Belgian Paying Agent** ») (in such capacity together with the Fiscal Agent , the « **Paying Agents** »).

5.4.3 Underwriters[79]

[71] item 5.1.6 of Annex XII of the Regulation

[72] item 5.2 of Annex XII of the Regulation

[73] item 5.2.1 of Annex XII of the Regulation

[74] item 5.2.2 of Annex XII of the Regulation

[75] item 5.3 of Annex XII of the Regulation

[76] item 5.4 of Annex XII of the Regulation

[77] item 5.4.1 of Annex XII of the Regulation

[78] item 5.4.2 of Annex XII of the Regulation

The issue has been fully underwritten by Fortis Bank SA/NV, Montagne du Parc 3, 1000 Bruxellles as Dealer (the « **Dealer** »).

5.4.4 Underwriting Agreement[80]

The amount that 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 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) 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.

5.4.5 Calculation Agent[81]

Banque Générale du Luxembourg S.A. with its registered office at 50 avenue J.F.Kennedy, L-2951 Luxembourg is the calculation agent (the « **Calculation Agent** »). Please see Section 4.1.16 of the Securities Note.

5.4.6 Financial service

The financial service in Belgium is provided by Fortis Bank NV/SA, Montagne du Parc 1, 1000 Bruxelles, internet: www.fortisbank.com.

6 ADMISSION TO TRADING AND DEALING ARRANGEMENTS[82]

6.1 Application for admission to trading[83]

Application has been made to list the Notes on Euronext Brussels as from or about 8 September 2005.

6.2 Trading of similar securities[84]

Banque Générale du Luxembourg S.A. has issued the following issues (which are similar to the Notes referred to in this Securities Note) and which are admitted to trading on the Luxembourg Stock Exchange:

EUR 100,000,000 Callable Fixed then Cumulative Reverse Floating Rate (“Snowball”) Notes due 29 December, 2014, issued on 29 December 2004;
EUR 97,000,000 Callable Fixed then Cumulative Reverse Floating Rate Notes due 10 March 2015, issuedon 10 March 2005

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[79] item 5.4.3 of Annex XII of the Regulation.

[80] item 5.4.4 of Annex XII of the Regulation.

[81] item 5.4.5 of Annex XII of the Regulation.

[82] item 6 of Annex XII of the Regulation.

[83] item 6.1 of Annex XII of the Regulation.

[84] item 6.2 of Annex XII of the Regulation.

6.3 Secondary trading[85]

Besides the listing of the Notes on Euronext Brussels, Fortis Bank NV/SA, with registered office at Montagne du Parc 3, 1000 Brussels 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 sales price of maximum 1%.

7 ADDITIONAL INFORMATION[86]

7.1 Advisors[87]

Not applicable.

7.2 Audited information in the Securities Note[88]

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

7.3 Expert information[89]

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

7.4 Third party information[90]

All information contained in this prospectus regarding the underlying reference rate has been reproduced from information published by EURIBOR FBE and Bloomberg. The Issuer accepts responsibility for accurately reproducing such information.

The Issuer has not participated in the preparation of such information nor made any due diligence inquiry with respect to the information provided therein or herein and assumes no responsibility for the adequacy or accuracy of such information.

Prospective purchasers of the Notes should conduct their own investigations and, in deciding whether or not to purchase the Notes, should form their own view of the merits of an investment related to 12 month EURIBOR based upon such investigations and not in reliance upon any information given in this document.

7.5 Post-issuance information[91]

Any notice to noteholders will be validly given if published in *De Tijd* and *L'Echo* (Belgium) or, if any of the 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.

7.6 Rating

[85] item 6.3 of Annex XII of the Regulation.

[86] item 7 of Annex XII of the Regulation.

[87] item 7.1 of Annex XII of the Regulation.

[88] item 7.2 of Annex XII of the Regulation.

[89] item 7.3 of Annex XII of the Regulation.

[90] item 7.4 of Annex XII of the Regulation.

[91] item 7.5 of Annex XII of the Regulation.

The long-term obligations of the Issue are rated AA- by Standard&Poor's Ratings Service and Aa3 by Moody's Investors Service Limited.

"Obligations rated Aa are judged to be of high quality and are subject to very low credit risk" (Moody's Rating Definitions).

8 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 and at the principal office of the fiscal agent, Banque Générale de Luxembourg S.A., 50 avenue J.F.Kennedy, L-2951 Luxembourg:

(a) the Fiscal Agency Agreement entered into between the Issuer, Fiscal Agent and Paying Agents;

(b) the memorandum and articles of association of the Issuer;

(c) copies of the two most recent annual accounts of the Issuer; and

(d) the Prospectus.

The Prospectus can be obtained in the branches of Fortis Bank NV-SA, by phone +32 565 8535, as well as on the following web site: www.fortisbank.com

THE ISSUER

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

ARRANGER/DEALER

Fortis Bank nv-sa
Montagne du Parc, 3
B-1000 Bruxelles

FISCAL AND PRINCIPAL PAYING AGENT

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

LISTING AGENT AND PAYING AGENT

Fortis Bank nv-sa
Montagne du Parc, 3
B-1000 Bruxelles

CALCULATION AGENT

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

AUDITORS

KPMG – Audit S.à.r.l
31 allée Scheffer
L-2520 Luxembourg