



**FORTIS
BANK**

Solid partners, flexible solutions

FORTIS BANK nv-sa

(INCORPORATED AS A PUBLIC COMPANY WITH LIMITED LIABILITY (NAAMLOZE VENNOOTSCHAP/SOCIÉTÉ ANONYME) UNDER THE LAWS OF BELGIUM, REGISTERED WITH THE REGISTER OF LEGAL ENTITIES OF BRUSSELS UNDER NO. 0403.199.702)

AND

FORTIS LUXEMBOURG FINANCE S.A.

(INCORPORATED AS A SOCIÉTÉ ANONYME UNDER THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG REGISTERED WITH THE LUXEMBOURG REGISTRY OF COMMERCE AND COMPANIES UNDER NO. B 24,784)

UNCONDITIONALLY* AND IRREVOCABLY GUARANTEED BY

FORTIS BANK nv-sa

EUR 3,000,000,000

EURO MEDIUM TERM NOTES

Under the Euro Medium Term Note Programme (the "Programme") FORTIS BANK nv-sa ("Fortis Bank") and FORTIS LUXEMBOURG FINANCE S.A. ("Fortis Luxembourg" and together with Fortis Bank, the "Issuers" and each an "Issuer"), subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate official or other consents, may from time to time issue outside Luxembourg its Euro Medium Term Notes (the "Notes"). Notes issued by Fortis Luxembourg will be guaranteed on a subordinated or unsubordinated basis by Fortis Bank nv-sa (the "Guarantor"). The aggregate principal amount of Notes outstanding will not at any time exceed EUR 3,000,000,000 (or the equivalent in other currencies), as calculated by reference to the aggregate principal amount of the Notes.

The Notes will be issued on a continuous basis. The Notes may bear interest at a fixed or floating rate, on a variable coupon amount basis or any combination of those or may be issued on a fully discounted basis and not bear interest, and the amount payable on the redemption of Notes may be fixed or variable. Notes will be issued in series (each a "Series") having one or more issue dates and the same maturity date (if any), bearing interest (if any) on the same basis and at the same rate and on terms otherwise identical. The length of interest periods, and the rate of interest in respect thereof, may differ from the length, and the rate of interest in respect of subsequent or, as the case may be, preceding interest periods. Each Series may be issued in tranches (each a "Tranche") on different issue dates. The specific terms of each Series will be set forth in a set of Final Terms to this Base Prospectus (the "Final Terms") which will contain the information described under "General Information". The Issuers may redeem the Notes if certain changes in Luxembourg or Belgian taxation law occur or, if the Final Terms issued in respect of any Series so provides, in the circumstances set out in it. See "Terms and Conditions of the Notes — Redemption, Purchase and Options".

This Base Prospectus has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "CSSF"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "Prospectus Directive") and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg loi relative aux prospectus pour valeurs mobilières of 10 July 2005 and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Consequently Notes issued under the Programme may be offered to the public, in accordance with the requirements of the Prospectus Directive. The Notes will be offered by the Issuers through Fortis Bank nv-sa, ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, BNP Paribas, CALYON, Citigroup Global Markets Limited, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Société Générale, The Royal Bank of Scotland plc and UBS Limited (the "Dealers", which expression shall include any additional Dealers appointed under this Programme from time to time and details of which in relation to each Series will be set forth in the relevant Final Terms). The Issuers or the Dealers may reject any offer as a whole or, subject to the terms of such offer, in part. Dealers may also purchase Notes on their own behalf. An issue of Notes may also be jointly and severally underwritten by two or more Dealers. See "Plan of Distribution".

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange under the Prospectus Directive during the period of 12 months after the date of publication of this Base Prospectus. Application will be made to Euronext Amsterdam N.V. ("Euronext Amsterdam") and Euronext Brussels ("Euronext Brussels") for Notes issued under the Programme to be admitted to listing and trading on Eurolist by Euronext Amsterdam in the Netherlands and on Eurolist by Euronext Brussels once the Prospectus Directive is also implemented in Belgium. The CSSF has been requested to provide the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the "AFM") and the Banking Finance and Insurance Commission (Commission bancaire, financière et des assurances) (in its capacity as the competent authority for the purposes of the Prospectus Directive) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. However, see "Plan of Distribution" for a description of certain restrictions in relation to the admission to trading of certain Notes on Euronext Amsterdam. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuers. Under the Luxembourg Law on Prospectuses for Securities, which implements the Prospectus Directive, prospectuses relating to an offering to the public or to the admission to trading on a regulated market of money market instruments with a maturity at issue of less than 12 months that also comply with the definition of securities are not subject to the approval provisions of such law and do not have to be approved by the CSSF.

Each Tranche of Notes in bearer form will, unless otherwise provided on the Final Terms, initially be represented by a temporary global Note which will be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System (the "Euroclear Operator") and/or Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg") and/or any other relevant clearing system. Interests in temporary global Notes will be exchangeable for interests in permanent global Notes (together with any temporary global Note, the "Global Notes") or, if so provided in the relevant temporary Global Note, for definitive Notes in bearer or registered form after the date falling 40 days after the completion of distribution of the relevant Tranche upon certification as to non-U.S. beneficial ownership in the manner and upon compliance with the procedures described under "Summary of Provisions relating to Global Notes". Interests in a permanent Global Note will be exchangeable for definitive Notes in bearer form or registered form, in each case as described in "Summary of Provisions relating to Global Notes". In the case of Notes issued by Fortis Bank and if so provided in the relevant Final Terms, the Notes will be represented by a permanent Global Note which will be deposited on or about the issue date with the National Bank of Belgium or any successor thereto (the "NBB") as operator of the X/N System or its custodian.

*In the case of Junior Subordinated Notes issued by Fortis Luxembourg only, payments of principal and Interest are conditional upon the Guarantor being solvent at the time of payment and in the event of the winding-up of the Fortis Luxembourg, the Guarantor shall become the principal debtor and the Noteholders shall cease to have any rights or claims against Fortis Luxembourg, as more fully described under "Terms and Conditions of the Notes — Status and Guarantee" and "Terms and Conditions of the Notes — Events of Default".

Arranger for the Programme

FORTIS BANK

Dealers

ABN AMRO
BARCLAYS CAPITAL
CALYON CORPORATE AND INVESTMENT BANK
FORTIS BANK
HSBC
LEHMAN BROTHERS
THE ROYAL BANK OF SCOTLAND

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
BNP PARIBAS
CITIGROUP
GOLDMAN SACHS INTERNATIONAL
JPMORGAN
SG CORPORATE & INVESTMENT BANKING
UBS INVESTMENT BANK

The date of this Base Prospectus is 3 November 2005.

Responsibility Statement

This Base Prospectus has been prepared for the purpose of giving information with regard to the Issuers, the Guarantor, their respective subsidiaries (if any) and the Notes.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus. The Issuer and the Guarantor declare that, having taken all reasonable care to ensure that such is the case the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Notice

Each of the Issuers and the Guarantor have confirmed to the Dealers that this Base Prospectus (subject to being supplemented by the relevant Final Terms) contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuers and, where applicable, the Guarantor and of the rights attaching to the relevant Notes.

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

Neither of the Issuers nor the Guarantor have authorised the making or provision of any representation or information regarding the Issuers, the Guarantor or the Notes other than as contained or incorporated by reference in this Base Prospectus or any Final Terms or as approved for such purpose by the Issuers or the Guarantor. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Issuers or the Guarantor since the date hereof or the date upon which this document has been most recently amended or supplemented.

The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus see "*Plan of Distribution*".

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for or purchase, any Notes.

The Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

The Stabilising Manager, named in the relevant Final Terms, shall comply with all relevant laws, regulations and directives. References in the next paragraph to "this issue" are to each Series in relation to which a Stabilising Manager is appointed.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to listing on the official

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

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

In this Base Prospectus, references to a “Member State” are references to a Member State of the European Economic Area, references to “LUF” are to Luxembourg Francs, references to “EUR” or “euro” are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to “£” are to Sterling, references to “dollars”, “U.S. dollars”, “U.S.\$”, “USD” and “\$” are to United States dollars and references to “billions” are to thousand millions.

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SUMMARY

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

Essential characteristics and risks associated with the Issuers and the Guarantor

Fortis Luxembourg's (the "**Company**") object is to grant loans to the companies which are members of the Fortis group and may issue bonds or similar securities, raise loans, with or without a guarantee and in general have recourse to any sources of finance.

The Company's issued and authorised share capital at 31 December 2004 is EUR 500,000 represented by 20,000 ordinary shares with a nominal value of EUR 25 each, which are fully paid-up. The Company has no other classes of shares.

Fortis Bank holds 99.995 per cent, of the Company's shares.

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

Fortis Bank is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law and its registered office and headquarters are based in Brussels. Fortis Bank was established for an indefinite period.

The corporate purpose of Fortis Bank as stated in its Articles of Association is to carry on the business of a credit institution, including brokerage and transactions involving derivatives. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature to benefit of the realisation thereof. Fortis Bank is free to hold shares and share interests within the limits set by the legal framework for banks.

Fortis Bank and its subsidiaries "regrouped" the banking activities of Fortis, an integrated financial services provider active in the fields of banking and insurance. Fortis offers its private, business and institutional customers a comprehensive package of products and services through its own distribution channels and in cooperation with intermediaries. The banking businesses offer a wide range of financial services (including insurance products), mostly under the Fortis Bank name and via its own networks.

There have been no recent events particular to Fortis Bank which are to a material extent relevant to the evaluation of its solvency, or to the solvency of the Company.

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

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

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

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

In parallel to the organisation of Fortis Bank on the basis of its businesses, the Fortis Bank structure also includes operational and support functions which provide back-up for all the businesses. Fortis Bank's operational activities, such as securities handling, accounts and payments and standardised credits for retail customers, are combined into one general national and cross-border activity.

Fortis Bank is approximately 100 per cent. owned by Fortis.

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

Fortis is one of Europe's biggest financial institutions, with a market capitalisation of EUR 26.5 billion and total assets of EUR 571 billion (based on Belgian GAAP/FAP) as at 31 December 2004. With its sound solvency position, broad risk spread and the extensive expertise of its 51,000 employees, Fortis combines global strength with local flexibility to provide optimum support to its customers.

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

In accordance with the principle of autonomy of the banking function, the decision-making and management structure of Fortis Bank is based on a distinction between the Management Committee and the Board of Directors. The management of Fortis Bank is the exclusive responsibility of the Management Committee, which consists of a number of managing directors and operates within the framework of the general policy outlined by the Board of Directors. The Board of Directors is responsible for the supervision of the management and control of the financial portion of Fortis Bank, and for defining the general policy. All matters not determined by law, the articles of association or the General Shareholders Meeting are the responsibility of the Board of Directors or the Management Committee.

There are no conflicts of interest on the part of the members of the Company or Fortis Bank's administrative, management or supervisory bodies in relation to their duties to the Company or Fortis Bank, respectively, and their private interests.

The following is a summary of some of the investment considerations relating to the business of Fortis:

- (a) As part of the financial services industry, Fortis faces substantial competitive pressures which could adversely affect Fortis' results of operations.
- (b) Market conditions can adversely affect Fortis' results.
- (c) Securities market volatility or downturns can adversely affect Fortis' banking, asset management and insurance activities.
- (d) Volatility in interest rates may adversely affect Fortis' insurance, banking and asset management businesses.
- (e) Asset illiquidity can adversely affect Fortis' business.
- (f) While Fortis manages its operational risks, these risks remain an inherent part of all of Fortis' businesses.
- (g) Fortis' insurance business is subject to risks concerning the adequacy of its technical provisions to cover future losses and benefits.
- (h) Fortis has significant counterparty risk exposure.

- (i) Catastrophic events, terrorist attacks and other acts of war could have a negative impact on Fortis' business and results.
- (j) Fortis' results of operations can be adversely affected by significant adverse regulatory developments including changes in tax law.
- (k) Fortis' financial statements when prepared in accordance with International Financial Reporting Standards (including International Accounting Standards and Interpretations) issued by the International Accounting Standards Board as at 31 December 2004, and as endorsed by the European Commission for financial reporting ("IFRS"), will impact Fortis' financial results as they differ in significant respects from GAAP in accordance with Belgian law.

Essential characteristics and risks associated with the Notes

The Issuers may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in any currency. The aggregate principal amount of Notes outstanding will not at any time exceed EUR 3,000,000,000 (or its equivalent in other currencies), subject to any duly authorised increase.

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

The Notes may be issued as unsubordinated obligations, senior subordinated obligations or junior subordinated obligations of the relevant Issuer. The Guarantor has, for the benefit of the Holders of Notes issued by Fortis Luxembourg from time to time, by the guarantees endorsed on the Notes and, in the case of the Registered Notes, contained in the Deed of Covenant guaranteed the due and punctual payment of all amounts due by Fortis Luxembourg under the Notes as and when the same shall become due and payable. The guarantee relating to such Notes may be a senior guarantee, a senior subordinated guarantee or a junior subordinated guarantee. The Notes will have the benefit of a negative pledge and the events of default set out in the "Terms and Conditions of the Notes".

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

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

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

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

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

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

RISK FACTORS

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

Risk Relating To The Notes

There is no active trading market for the Notes.

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

The Notes may be redeemed prior to maturity.

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

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

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and/or (in the case of Notes issued by Fortis Luxembourg) the Guarantor.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or, the NBB in the case of Notes issued by Fortis Bank where the relevant Global Note is deposited with the NBB as operator of the X/N System. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg or the NBB, as the case may be will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg or the NBB, as the case may be.

While the Notes are represented by one or more Global Notes the relevant Issuer and (in the case of Notes issued by Fortis Luxembourg) the Guarantor will discharge their payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or the NBB, as the case may be for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg or the X/N System, as the case may be, to receive payments under the relevant Notes. The Issuers and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg or the NBB, as the case may be to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

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

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

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

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

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

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

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

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

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

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

Taxation.

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

The Notes or the Guarantees may be subordinated to most of the Issuers' and the Guarantor's liabilities.

If the relevant Issuer or the Guarantor is declared insolvent and any applicable winding up, bankruptcy, insolvency or other similar or analogous proceedings are initiated, such Issuer or the Guarantor (as the case may be) will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors and depositors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the relevant subordinated Notes. If this occurs, the relevant Issuer or Guarantor (as the case may be) may not have enough assets remaining after these payments to pay amounts due under the Notes or the Guarantees (as the case may be).

Credit Rating.

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

Risks Relating To The Issuers And The Guarantor

Any investment in the Notes involves risks, including those described below. Prospective investors of Notes should carefully consider the following investment considerations and the other information in this Base 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. Additional risks not currently known to the relevant Issuer, the Guarantor or Fortis generally or risks that the relevant Issuer, the Guarantor or Fortis generally presently deems immaterial may subsequently harm such Issuer, the Guarantor or Fortis generally and affect an investor's investment.

Investment Considerations Relating to the Business of Fortis.

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

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

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

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

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

Each of Fortis' business segments is affected by market conditions, which can cause results to fluctuate from year to year as well as on a long-term basis. These conditions include economic cycles such as insurance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) Fortis has significant counterparty risk exposure.

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

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

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

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

Catastrophic events, terrorist attacks, other acts of war or hostility, and responses to those acts may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions

in which Fortis operates and, more specifically, on the business and results of Fortis in ways that cannot be predicted.

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

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

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

Fortis' financial statements are prepared on the basis of IFRS as of 2005 (previously known as "International Accounting Standards" or "IAS"). Because IFRS emphasises the measure of the fair value of certain assets and liabilities, applying these standards to our financial statements may have a considerable impact on a number of important areas, including, among others, goodwill and intangible assets and financial instruments (including derivatives), accounting for share-based payments, long-term assets, insurance technical reserves, and business combinations. Because Fortis' financial statements prepared in accordance with IFRS will differ from its financial statements prepared on the basis of GAAP in accordance with Belgian law, the methods used by the financial community to assess Fortis' financial performance and value its publicly-traded securities could be affected and Fortis' financial statements may be materially different from the financial statements included herein. The impact of IFRS is further discussed below on pages 102 to 105.

INFORMATION INCORPORATED BY REFERENCE

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

- 1 audited consolidated annual financial statements of Fortis Bank nv-sa for the financial year ended 31 December 2004, including the notes to the company accounts set out on pages 22 to 81 of the 2004 Management Report Annual Accounts of Fortis Bank nv-sa;
2. audited consolidated annual financial statements of Fortis Bank nv-sa for the financial year ended 31 December 2003, including the:
 - (a) company balance sheet set out on pages 16 to 18 of the 2003 Management Report Annual Accounts of Fortis Bank nv-sa;
 - (b) company income statements set out on pages 20 to 21 of the 2003 Management Report Annual Accounts of Fortis Bank nv-sa;
 - (c) notes to the company accounts set out on pages 22 to 82 of the 2003 Management Report Annual Accounts of Fortis Bank nv-sa; and
 - (d) auditors' report to the audited annual financial statements for the financial year ended 31 December 2003 set out on pages 83 to 84 of the 2003 Management Report Annual Accounts of Fortis Bank nv-sa;
3. audited annual financial statements of Fortis Luxembourg Finance S.A. for the financial year ended 31 December 2003, including the:
 - (a) balance sheet set out on page 2 of the 2003 Annual Accounts of Fortis Luxembourg Finance S.A.;
 - (b) profit and loss account set out on page 3 of the 2003 Annual Accounts of Fortis Luxembourg Finance S.A.;
 - (c) notes to the company accounts set out on pages 4 to 7 of the 2003 Annual Accounts of Fortis Luxembourg Finance S.A.; and
 - (d) auditors' report to the audited annual financial statements for the financial year ended 31 December 2003 set out on page 1 of the 2003 Annual Accounts of Fortis Luxembourg Finance S.A.;
4. unaudited consolidated quarterly report of Fortis group (Fortis SA/NV and Fortis N.V.) for the period ended 30 June 2005 included for information purposes; and
5. articles of association of Fortis Bank nv-sa and Fortis Luxembourg Finance S.A. as at the date hereof, included for information purposes.

Apart from the information itemised in the table above, information contained in the documents which have been incorporated by reference have been included for informational purposes only. This Base Prospectus, together with applicable Final Terms issued in respect of each Tranche of Notes, may only be used in connection with the offer, sale and admission to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system of Notes in an aggregate principal amount of not more than EUR 3,000,000,000 (or its equivalent in other currencies) outstanding at any time.

The Issuers and the Guarantor have undertaken in connection with the admission to listing on the official list and to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, and/or the admission to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, that if at any time there shall occur any significant new factor which is not reflected in this Base Prospectus or any supplements thereto and/or there shall be any material mistake or inaccuracy relating to the information included in this Base Prospectus or any supplements thereto, in each case, which is capable of affecting the assessment of the Notes, the Issuers and the Guarantor will prepare or procure the preparation of and make available an appropriate amendment supplement to this Base Prospectus or, as the case may be, a new Base Prospectus for use in connection with any subsequent issue of Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system. If the terms of the Programme are modified or

amended in a manner which would make the Base Prospectus inaccurate or misleading, a new Base Prospectus or supplement will be prepared.

Copies of this Base Prospectus (and all documents forming part thereof) are available free of charge from the principal offices of the respective Paying Agents and the Listing Agent in Luxembourg and the respective registered offices of the Issuers. In addition, this Base Prospectus the documents incorporated by reference as stated above and the Final Terms of any Tranche admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be available in electronic form on the website of the Luxembourg Stock Exchange.

GENERAL DESCRIPTION OF THE PROGRAMME

The following summary of key features of the Programme is qualified in its entirety by the remainder of this Base Prospectus. The Notes may be issued on such terms as may be agreed between the relevant Dealer(s) and the Issuer(s) and, unless otherwise specified in the applicable Final Terms in relation to any particular Tranche or Series, will be subject to the Terms and Conditions set out on pages 20 to 71. Each Series of Notes will be subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate official or other consents.

Issuers:	Fortis Bank and Fortis Luxembourg.
Guarantor:	Fortis Bank (in respect of Notes issued by Fortis Luxembourg).
Description:	Euro Medium Term Note Programme.
Guarantee:	Each of the Notes issued by Fortis Luxembourg has the benefit of a guarantee (the “ <i>Guarantee</i> ”) from the Guarantor.
Arranger:	Fortis Bank nv-sa.
Dealers:	ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, BNP PARIBAS, CALYON, Citigroup Global Markets Limited, Fortis Bank nv-sa, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Société Générale, The Royal Bank of Scotland plc, UBS Limited and such other Dealers as may be appointed under the Programme.
Fiscal Agent and Principal Paying Agent:	Banque Générale du Luxembourg S.A.
Domiciliary Agent:	Fortis Bank nv-sa.
Alternative Principal Paying Agent:	Fortis Bank nv-sa
Paying Agents:	Fortis Bank nv-sa, Fortis Bank (Nederland) N.V. and Citibank, N.A.
Amsterdam Listing Agent:	Fortis Bank (Nederland) N.V.
Belgian Listing Agent:	Fortis Bank nv-sa.
Luxembourg Listing Agent:	Banque Générale du Luxembourg S.A.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a drawdown prospectus (each a “ <i>Drawdown Prospectus</i> ”) prepared in connection with a particular Tranche of Notes.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final

Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus.

Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Notes a copy of which will, in the case of Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange be delivered to the Luxembourg Stock Exchange and in the case of Notes to be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, be delivered to such listing authority, stock exchange and/or quotation system. The terms and conditions applicable to each Tranche will be those set out herein under “ <i>Terms and Conditions of the Notes</i> ” as supplemented, modified or replaced by the relevant Final Terms.
Size:	Up to EUR 3,000,000,000 (or its equivalent in other currencies at the date of issue) in aggregate principal amount of Notes outstanding at any one time.
Currencies:	Notes may be issued in U.S. dollars, Canadian dollars, Australian dollars, New Zealand dollars, Sterling, Euro, Japanese yen, Swedish kronor or Danish kroner or, in any other currencies if the relevant Issuer and the Dealers so agree, subject in each case to all necessary consents being obtained and, subject to compliance with all relevant laws, regulations and directives.
Maturities:	<p>Any maturity or no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by that Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “<i>FSMA</i>”) by that Issuer.</p>
Issue Price:	Notes may be issued at par or at a discount or premium to par or with a zero coupon as specified in the relevant Final Terms. Partly-paid Notes may also be issued, the issue price of which will be payable in two or more instalments. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer, where applicable, the Guarantor, and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Method of Issue:	The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes with respect to each Series will either mature on the same date or have no fixed maturity date, bear interest (if any) on the same basis and otherwise be subject to identical terms and may be issued in Tranches on a continuous basis with, save as mentioned below, no minimum issue size. Further Notes may be issued as part of an existing Series.
Fixed Interest Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms and at maturity (if any).
Floating Rate Notes:	Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other

benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes: Zero Coupon Notes may be issued at their principal amount or at a discount to par and will not bear interest.

Variable Coupon Amount Notes: The Final Terms issued in respect of each issue of Variable Coupon Amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to an index or formula or as otherwise provided in the relevant Final Terms.

Fixed Redemption Amount Notes: Fixed Redemption Amount Notes may be redeemable at par, at a premium to par or at a discount to par by specifying the redemption amount in the relevant Final Terms.

Variable Redemption Notes: The Final Terms in respect of each issue of Variable Redemption Amount Notes should specify the basis for calculating the redemption amounts payable, which may be calculated by reference to an index or formula or as otherwise provided in the relevant Final Terms.

Other Notes: Further terms applicable to Indexed Notes, High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Dual Currency Notes, Reverse Dual Currency Notes, Optional Dual Currency Notes, Partly paid Notes, Credit-linked Notes and any other type of Note which the relevant Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.

Form of Notes: Notes may be in bearer or (only in the case of Notes issued by Fortis Luxembourg) registered form. Each Tranche of bearer Notes will, unless otherwise provided in the relevant Final Terms initially be represented by a temporary Global Note held by a common depository on behalf of the Euroclear Operator and/or Clearstream, Luxembourg and/or any other relevant clearing system and interests therein will be credited to the accounts of the relevant purchasers with the Euroclear Operator and/or Clearstream, Luxembourg and/or any other relevant clearing system. Interests in each temporary Global Note will be exchanged for interests in a permanent Global Note not earlier than 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in each permanent Global Note may be exchanged for definitive Notes in bearer form or (only in the case of Notes issued by Fortis Luxembourg) registered form on 60 days' prior notice. In the case of Notes issued by Fortis Bank and if so provided in the relevant Final Terms, the Notes will be represented by a permanent Global Note which will be deposited on or about the issue date with the NBB as operator of the X/N System or its custodian and interests therein will be credited to the accounts of the relevant purchasers with the X/N System, the Euroclear Operator and/or Clearstream, Luxembourg and/or any other relevant clearing system. See "*Summary of Provisions relating to Global Notes*".

Denominations: Notes will be issued in any denominations agreed between the relevant Issuer and the relevant Dealer(s), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Optional Redemption: The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed at the option of the relevant Issuer or the Guarantor (as the case may be) (either in whole or in part) and/or the holders, and if so, the terms applicable to such redemption.

Early Redemption: Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer only for tax reasons.

Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Admission to Trading:	Notes may be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system specified in the relevant Final Terms. Notes issued under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms “regulated market” and “offer to the public” are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency) or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuers or by any entity belonging to the Issuers’ group. Subject thereto, Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.
Status of Notes and the Guarantee:	Notes issued by the Issuers may either be direct, unconditional, unsubordinated and unsecured obligations, or subordinated obligations of such Issuer. The Guarantees will either be direct, unconditional, unsubordinated and unsecured obligations of the Guarantor or subordinated obligations of the Guarantor.
Cross Default:	The Unsubordinated Notes will contain a cross default in respect of indebtedness for borrowed money of the Issuers and the Guarantor (in respect of Notes issued by Fortis Luxembourg) as more fully set out in “ <i>Terms and Conditions of the Notes – 10. Events of Default</i> ”.
Negative Pledge:	A negative pledge will be contained in the Notes in respect of any Unsubordinated Note or Coupon which remains outstanding as more fully set out in “ <i>Terms and Conditions of the Notes – 4. Negative Pledge</i> ”.
Taxation:	All payments of principal and interest in respect of the Notes and the Guarantees by the Issuer or the Guarantor will be made without deduction for or on account of withholding taxes (if any), imposed in Luxembourg (in the case of Fortis Luxembourg) or Belgium (in the case of Fortis Bank) subject to customary exceptions as specified in the Terms and Conditions.
Governing Law:	The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law except for (i) in the case of Notes issued by Fortis Luxembourg, Conditions 3(b) and 3(c) which shall be governed by, and construed in accordance with Luxembourg law and Conditions 3(e) and 3(f) which shall be governed by, and construed in accordance with Belgian law and (ii) in the case of Notes issued by Fortis Bank, Conditions 3(b), 3(c) and 11(a)(ii) which shall be governed by, and construed in accordance with Belgian law. Guarantees to which Condition 3(d) applies are governed by, and shall be construed in accordance with English law.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material under the laws of the United States of America, the European Economic Area, the United Kingdom, Japan, The Netherlands, Belgium and the Kingdom of Norway see under “ <i>Plan of Distribution</i> ”.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms in relation to any particular Tranche or Series, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series, details of the relevant Series being shown on the relevant Notes and in the relevant Final Terms:

Notes will be issued in series (each a “Series”) having one or more issue dates and the same maturity date (if any), bearing interest (if any) on the same basis and at the same rate and on terms otherwise identical. The length of interest periods, and the rate of interest in respect thereof, may differ from the length, and the rate of interest in respect of subsequent or, as the case may be, preceding interest periods. Each Series may be issued in tranches (each a “Tranche”) on different issue dates. The specific terms of each Series will be set forth in a set of final terms (“Final Terms”) based on the form included in the Base Prospectus dated 3 November 2005.

The Notes are issued pursuant to an Amended and Restated Agency Agreement dated 3 November 2005 (as amended or supplemented from time to time, the “Agency Agreement”) between Fortis Luxembourg Finance S.A. (“Fortis Luxembourg”) and Fortis Bank nv-sa (“Fortis Bank” and together with Fortis Luxembourg, the “Issuers” and each, an “Issuer”), Fortis Bank (the “Guarantor”), Banque Générale du Luxembourg, S.A. as fiscal agent (the “Fiscal Agent”), registrar (the “Registrar”), principal paying agent (the “Principal Paying Agent”), transfer agent (the “Transfer Agent”) and calculation agent (the “Calculation Agent”), Fortis Bank nv-sa as alternative principal paying agent (the “Alternative Principal Paying Agent”), Fortis Bank (Nederland) N.V. and Citibank, N.A. as paying agents (together with the Principal Paying Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the “Paying Agents”) and as transfer agents (together with the Transfer Agent referred to above and any additional or other transfer agents in respect of the Notes from time to time appointed, the “Transfer Agents”) and Fortis Bank nv-sa as domiciliary agent (“Domiciliary Agent”). For the purposes of these Conditions, “Principal Paying Agent” means, in relation to any series of Notes, the Fiscal Agent or the Principal Paying Agent specified above or the Alternative Principal Paying Agent, as specified on the relevant Note. The initial Calculation Agent (if any) is specified on the relevant Note. In relation to the Notes issued by Fortis Bank which are to be cleared through the book-entry clearance and settlement system (the “X/N System”) “X/N Notes” operated by the National Bank of Belgium or any successor thereto (the “NBB”), if so specified in the relevant Final Terms, Fortis Bank has in addition to the Agency Agreement it entered into with, *inter alia*, Fortis Bank nv-sa as Domiciliary Agent, also entered into a clearing agreement with the NBB and the Domiciliary Agent on 3 November 2005 (as amended or supplemented from time to time, the “Clearing Agreement”). The Notes have the benefit of a deed of covenant dated 3 November 2005 (the “Deed of Covenant” as amended, supplemented and replaced) executed by the Issuers and the Guarantor. The Noteholders (as defined below), the holders of the coupons (the “Coupons”) appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the instalment receipts (the “Receipts”) appertaining to the payment of principal by instalments (the “Receipholders”) are deemed to have notice of all of the provisions of the Agency Agreement and the Deed of Covenant applicable to them.

Copies of the Agency Agreement, the Clearing Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1. Form, Denomination and Title

Notes are issued in bearer form (“Bearer Notes”, which expression includes Notes which are specified to be Exchangeable Bearer Notes) in the Specified Denomination(s) (as specified in the relevant Final Terms), (in the case of Notes issued by Fortis Luxembourg only) in registered form (“Registered Notes”) in amounts of the Denomination or an integral multiple thereof (“Authorised Denominations”) or (in the case of Notes issued by Fortis Luxembourg only) in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) and, in each case, serially numbered.

Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Bearer Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the Register which the relevant Issuer shall procure to be

kept by the Registrar in accordance with the provisions of the Agency Agreement; and an up-to-date copy of the Register shall be kept at the registered office of the relevant Issuer all changes in the inscriptions in the Register being notified and made available to the relevant Issuer. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, “*Noteholder*” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “*holder*” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them on this Note, the absence of any such meaning indicating that such term is not applicable to this Note.

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

2. Exchanges of Bearer Notes and Transfers of Registered Notes

(a) Exchange of Bearer Notes

Subject as provided in Condition 2(e), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes of an Authorised Denomination at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unexpired Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

A Registered Note may be transferred in whole or in part in an Authorised Denomination upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Note a new Registered Note in respect of the balance not transferred will be issued to the transferor.

(c) Delivery of new Registered Notes

Each new Registered Note to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within three business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or transfer shall have been delivered) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed at the risk of the holder entitled to the new Registered Note to such address as may be specified in such request for exchange or form of transfer.

(d) Exchange free of charge

Exchange of Notes on registration or transfer will be effected without charge by or on behalf of the relevant Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(e) Closed periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for any payment of principal on that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the relevant Issuer at its option pursuant to Condition 6(e) or (iii) after any such Note has been

drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note which is simultaneously surrendered not later than the relevant Record Date.

3. Status and Guarantee

(a) Senior Notes

This Condition 3(a) is applicable in relation to Notes issued by the relevant Issuer on an unsubordinated basis (the “*Senior Notes*”).

The Senior Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 below) unsecured and general obligations of the relevant Issuer and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations, including guarantees and other obligations of a similar nature of such Issuer.

(b) Senior Subordinated Notes

This Condition 3(b) is applicable in relation to Notes issued by the relevant Issuer to which both the following conditions apply, namely (i) the Notes have a Maturity Date and (ii) the Notes are being issued on a subordinated basis (“*Senior Subordinated Notes*”).

The obligations of the relevant Issuer in respect of the Senior Subordinated Notes constitute senior subordinated obligations of such Issuer. Accordingly, the liabilities of the relevant Issuer under or pursuant to the Senior Subordinated Notes shall not be required to be satisfied until satisfaction of all indebtedness of such Issuer to the depositors (in the case of Fortis Bank) and Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment. For the purposes of this Condition 3(b), “*Senior Creditors*” means all present and future unsubordinated creditors of the relevant Issuer.

(c) Junior Subordinated Notes

This Condition 3(c) is applicable in relation to Notes issued by the relevant Issuer to which both the following conditions apply, namely (i) the Notes do not have a Maturity Date and (ii) the Notes are issued on a subordinated basis (“*Junior Subordinated Notes*”).

The obligations of the relevant Issuer in respect of Junior Subordinated Notes constitute direct, unsecured and junior subordinated obligations of such Issuer, conditional as described below, and rank (i) *pari passu* without any preference among themselves and with any other Junior Subordinated Notes and, in the case of Fortis Bank, the Junior Subordinated Guarantees granted by the Guarantor under Condition 3(f), (ii) junior to all present and future unsecured obligations of such Issuer which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of such Issuer but not further or otherwise (“*Senior Subordinated Obligations*”), (iii) at least equally and rateably with all other present and future obligations of such Issuer which rank or are expressed to rank junior to the Senior Subordinated Obligations and (iv) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by such Issuer, subject to mandatory provisions of Belgian law (in the case of Junior Subordinated Notes issued by Fortis Bank) or the laws of Luxembourg (in the case of Junior Subordinated Notes issued by Fortis Luxembourg).

Claims in respect of the Junior Subordinated Notes are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Senior Subordinated Notes and, in the case of Fortis Bank, holders of Senior Subordinated Notes issued by Fortis Luxembourg, in respect of a Senior Subordinated Guarantee granted by the Guarantor, and payments of principal and interest by the relevant Issuer in respect of Junior Subordinated Notes will be conditional upon such Issuer being solvent at the time of payment by that Issuer and no principal or interest shall be due and payable in respect of Junior Subordinated Notes except to the extent that (assuming a payment was then due by the relevant Issuer) such Issuer could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims (as defined below), and still be solvent immediately thereafter. For the purposes of these Conditions the relevant Issuer shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets exceed its Liabilities (in each case as defined below) (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the relevant Issuer by two directors of such Issuer or (if such Issuer is in winding-up, liquidation or bankruptcy) the liquidator of such Issuer, shall in the absence of proven error be treated and accepted by such Issuer, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of this Condition 3(c), “*Senior and Subordinated Creditors*” means, all creditors of the relevant Issuer (including any holders of Senior Subordinated Notes, in the case of Fortis Bank, holders of Notes

issued by Fortis Luxembourg, in respect of a Senior Subordinated Guarantee granted by the Guarantor, other than creditors whose claims are in respect of: (i) any class of equity (including preference shares), subject to mandatory provisions of Belgian law (in the case of Junior Subordinated Notes issued by Fortis Bank) or the laws of Luxembourg (in the case of Notes issued by Fortis Luxembourg), or (ii) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations or (iii) any other obligations which rank or are expressed to rank either *pari passu* with or junior to the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto; “*Assets*” means the total assets of the relevant Issuer and “*Liabilities*” means the total liabilities of such Issuer, each as shown by the latest published audited balance sheet of such Issuer but adjusted for contingencies and for subsequent events, all valued in such manner as such directors or liquidator (as the case may be) may determine; and “*Other Pari Passu Claims*” means claims of creditors of the relevant Issuer which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto.

If the relevant Issuer would not otherwise be solvent for the purposes of these Conditions, the amount of the principal and sums which would otherwise be payable as interest on Junior Subordinated Notes will be available to meet the losses of such Issuer.

(d) *Senior Guarantee*

This Condition 3(d) is applicable in relation to any Senior Notes issued by Fortis Luxembourg.

The Guarantor has, by the guarantees endorsed on such Senior Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the “*Senior Guarantees*”), unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due from Fortis Luxembourg under such Senior Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 8 below), when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Senior Guarantees constitute direct, unconditional, irrevocable, unsubordinated and (subject to the provisions of Condition 4 below) unsecured obligations of the Guarantor and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.

(e) *Senior Subordinated Guarantee*

This Condition 3(e) is applicable in relation to any Senior Subordinated Notes issued by Fortis Luxembourg.

The Guarantor has, by the guarantees endorsed on such Senior Subordinated Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the “*Senior Subordinated Guarantees*”), unconditionally and irrevocably guaranteed, on a subordinated basis, the due and punctual payment of all amounts due from Fortis Luxembourg under such Senior Subordinated Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 8 below) when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

As more fully described in the Senior Subordinated Guarantees, the obligations of the Guarantor in respect of the Senior Subordinated Guarantees constitute senior subordinated obligations of the Guarantor. Accordingly, in the events specified in the Senior Subordinated Guarantees, the liabilities of the Guarantor under or pursuant to the Senior Subordinated Guarantees shall not be required to be satisfied until satisfaction of all indebtedness of the Guarantor to the depositors and Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment. As more fully described in the Guarantees, “*Senior Creditors*” means all present and future unsubordinated creditors of the Guarantor.

(f) *Junior Subordinated Guarantee*

This Condition 3(f) is applicable in relation to Junior Subordinated Notes issued by Fortis Luxembourg.

The Guarantor has, by guarantees endorsed on such Junior Subordinated Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the “*Junior Subordinated Guarantees*” and together with the Senior Guarantees and the Senior Subordinated Guarantees, the “*Guarantees*”), as primary obligor guaranteed, on a subordinated basis, the due and punctual payment of all amounts payable by Fortis Luxembourg on or in respect of such Junior Subordinated Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 8 below) when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Junior Subordinated Guarantees constitute direct, unsecured and junior subordinated obligations of the Guarantor, conditional as described below, and rank (i) *pari passu* without any preference among the other Junior Subordinated Guarantees and the Junior Subordinated Notes, (ii) junior to all present and future unsecured obligations of the Guarantor which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of the Guarantor but not further or otherwise (“*Senior Subordinated Obligations*”), (iii) at least equally and rateably with all other present and future obligations of the Guarantor which rank or are expressed to rank junior to the Senior Subordinated Obligations and (iv) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by the Guarantor, subject to mandatory provisions of Belgian law.

Claims in respect of the Junior Subordinated Guarantees are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Senior Subordinated Notes issued by Fortis Bank and holders of Senior Subordinated Notes issued by Fortis Luxembourg in respect of a Senior Subordinated Guarantee granted by the Guarantor, and payments of principal and interest by Fortis Luxembourg in respect of such Junior Subordinated Notes will be conditional upon the Guarantor being solvent at the time of payment by Fortis Luxembourg and no principal or interest shall be due and payable in respect of such Junior Subordinated Notes except to the extent that (assuming a payment was then due by the Guarantor) the Guarantor could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims (as defined below), and still be solvent immediately thereafter. For the purposes of these Conditions the Guarantor shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets exceed its Liabilities (in each case as defined below) (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the Guarantor by two directors of the Guarantor or (if the Guarantor is in winding-up, liquidation or bankruptcy) the liquidator of the Guarantor, shall in the absence of proven error be treated and accepted by the relevant Issuer, the Guarantor, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of this Condition 3(f), “*Senior and Subordinated Creditors*” means all creditors of the Guarantor (including any holders of Senior Subordinated Notes issued by Fortis Bank and holders of Senior Subordinated Notes issued by Fortis Luxembourg in respect of the Senior Subordinated Guarantee granted by the Guarantor) other than creditors whose claims are in respect of: (i) any class of equity (including preference shares), subject to mandatory provisions of Belgian law, or (ii) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations of the Guarantor or (iii) any other obligations which rank or are expressed to rank either *pari passu* with or junior to the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto under the Junior Subordinated Guarantees; “*Assets*” means the total assets of the Guarantor and “*Liabilities*” means the total liabilities of the Guarantor, each as shown by the latest published audited balance sheet of the Guarantor but adjusted for contingencies and for subsequent events, all valued in such manner as such directors or liquidator (as the case may be) may determine; and “*Other Pari Passu Claims*” means claims of creditors of the Guarantor which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto under the Junior Subordinated Guarantees.

If the Guarantor would not otherwise be solvent for the purposes of these Conditions, the amount of the principal and sums which would otherwise be payable as interest on Junior Subordinated Notes will be available to meet the losses of the Guarantor.

4. Negative Pledge

This Condition 4 is not applicable to Senior Subordinated Notes and Junior Subordinated Notes.

So long as any of the Notes, Receipts or Coupons remains outstanding (as defined in the Agency Agreement), neither of the Issuers nor the Guarantor will create or permit to exist any mortgage, lien (other than liens arising by operation of law), pledge, charge or other security interest upon the whole or any part of its present or future assets or revenues (i) in the case of the relevant Issuer, to secure any loan debt, guarantee or other obligation or (ii) in the case of the Guarantor, to secure any indebtedness represented by, or in the form of, bonds, notes, debentures or other securities or any guarantee or indemnity from the Guarantor in respect of such indebtedness of others, in each case unless the Notes, Receipts and Coupons share in and are equally and rateably secured by such mortgage, lien, pledge, charge or other security interest, and the instrument creating such mortgage, lien, pledge, charge or other security interest expressly so provides.

5. Interest

(a) *Accrual of interest*

Each Note bears interest on its outstanding principal amount or, in relation to Cash-Settled Credit Linked Notes, its average daily Principal Amount Outstanding from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate payable (subject, in the case of Junior Subordinated Notes, to Condition 3(c) and (f), if such Notes have the benefit of a Junior Subordinated Guarantee) in arrear on each Interest Payment Date provided (in the case of Junior Subordinated Notes) that such date is a Compulsory Interest Payment Date in which case interest shall be payable in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date.

In the case of Junior Subordinated Notes, on any Optional Interest Payment Date there may be paid (if the relevant Issuer or the Guarantor, as the case may be, so elects but subject to Condition 3(c) and (f), if such Notes have the benefit of a Junior Subordinated Guarantee) the interest accrued in the Interest Period ending on the day immediately preceding such date but the relevant Issuer or the Guarantor, as the case may be, shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the relevant Issuer or (where such Issuer is Fortis Luxembourg) the Guarantor for any purpose. Any interest not paid in respect of Junior Subordinated Notes on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute "*Arrears of Interest*" which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may at the option of the relevant Issuer or the Guarantor as the case may be, be paid in whole or in part at any time upon the expiration of not less than seven days notice to such effect given to the Noteholders in accordance with Condition 14, but all Arrears of Interest on all Notes outstanding shall (subject to Condition 3(c) and (f), if the Notes have the benefit of a Junior Subordinated Guarantee) become due in full on whichever is the earliest of (i) the Interest Payment Date immediately following the date upon which a dividend is next declared or paid on any class of share capital of Fortis Luxembourg or the Guarantor (as the case may be), (ii) the date set for any redemption pursuant to Condition 6(b) or (e) and (iii) the date that an order is made or an effective resolution is passed for the winding-up, liquidation or bankruptcy of Fortis Luxembourg or the Guarantor (as the case may be) or the commencement of judicial composition proceedings ("*concordat judiciaire*") in respect of Fortis Luxembourg or the Guarantor (as the case may be). If notice is given by the relevant Issuer or the Guarantor, as the case may be, of its intention to pay the whole or part of Arrears of Interest, the relevant Issuer shall be obliged (subject to Condition 3(c) or (f), as the case may be,) to do so upon the expiration of such notice. Where Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall bear interest at the rate applicable to the Notes.

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(b) *Business Day Convention*

If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

(c) *Interest Rate on Fixed Rate Notes*

If the Interest Rate is specified as being Fixed Rate and unless otherwise specified in the relevant Final Terms and unless the Notes are Cash-Settled Credit Linked Notes, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Interest Rate on Floating Rate Notes*

If the Interest Rate is specified as being Floating Rate and Screen Rate Determination is specified in the relevant Final Terms, the Interest Rate will be determined by the Calculation Agent on the basis of the following provisions:

(i) At or about the Relevant Time on the Interest Determination Date in respect of each Interest Accrual Period, the Calculation Agent will:

(A) in the case of Notes which specify that the Primary Source for Interest Rate Quotations shall be derived from a specified page, section or other part of a particular information service (each as specified on such Notes), determine the Interest Rate for each Interest Accrual Period which shall, subject as provided below, be (x) the Relevant Rate so appearing in or on that page, section or other part of such information service as aforesaid (where such Relevant Rate is a composite quotation or interest rate per annum or is customarily supplied by one entity) or (y) the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates of the persons at the time whose Relevant Rates so appear in or on that page, section or other part of such information service as aforesaid, in any such case in respect of euro-currency deposits in the relevant currency for a period equal to the Specified Duration and as adjusted by the Spread or Spread Multiplier (if any) or by the Maximum or Minimum Interest Rate; and

(B) in the case of Notes which specify that the Primary Source for Interest Rate Quotations shall be the Reference Banks specified on such Notes and in the case of Notes falling within paragraph (i)(A) above but in respect of which no Relevant Rate appears at or about such Relevant Time or, as the case may be, which are to be determined by reference to quotations of persons appearing in or on the relevant page, section or other part of such information service as aforesaid but in respect of which less than two Relevant Rates appear at or about such Relevant Time, request the principal offices in the Relevant Financial Centre (or, in the case of Notes denominated in euro, the principal offices in the euro-zone selected by the Calculation Agent) of each of the Reference Banks specified on such Notes (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to paragraph (g) below) to provide the Calculation Agent with its Relevant Rate quoted to leading banks for euro-currency deposits in the relevant currency for a period equivalent to the Specified Duration. Where this paragraph (i)(B) shall apply, the Interest Rate for the relevant Interest Accrual Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of such Relevant Rates as adjusted by the Spread or Spread Multiplier (if any) or by the Maximum or Minimum Interest Rate, as calculated by the Calculation Agent.

(ii) If, at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to paragraph (i)(B) in respect of a Note, two or three only of such Reference Banks provide such relevant quotations, the Interest Rate for the relevant Interest Accrual Period shall, subject as provided below, be determined as aforesaid on the basis of the Relevant Rates quoted by such Reference Banks.

(iii) If, at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to paragraph (i)(B), only one or none of such Reference Banks provide such Relevant Rates, the Interest Rate for the relevant Interest Accrual period shall be, subject as provided below, whichever is the higher of:—

(A) the Interest Rate in effect for the last preceding Interest Accrual Period to which paragraphs (i)(A) or (B) or (ii) above shall have applied (after readjustment for any difference between any Spread or Spread Multiplier applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period); and

(B) the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates in respect of the relevant currency which banks in the principal financial centre of the country of such currency (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent) selected by the Calculation Agent (after consultation with the relevant Issuer and (in the case of Notes issued by Fortis Luxembourg) the Guarantor) are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to the Specified Duration to leading banks carrying on business in that principal financial centre (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent), as adjusted by the Spread or Spread Multiplier (if any) except that, if the banks

so selected by the Calculation Agent are not quoting as aforesaid, the Interest Rate shall be the Interest Rate specified in paragraph (iii)(A) above.

(e) *ISDA Determination for Floating Rate Notes*

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

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

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

(3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) for a currency, the first day of that Interest Period, (ii) if the applicable Floating Rate Option is based on the euro-zone inter-bank offered rate (“EURIBOR”), the first day of that Interest Period or (iii) in any other case, as specified in the applicable Final Terms .

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

(f) *Minimum/Maximum Interest Rates, Spreads and Spread Multipliers*

If any figure is expressed to be as adjusted by a Spread or Spread Multiplier, such adjustment shall be made by adding or subtracting any Spread specified on this Note or multiplying by any Spread Multiplier specified on this Note, subject always to the next paragraph.

If a Maximum or Minimum Interest Rate is specified on this Note, then the Interest Rate shall in no event exceed the maximum or be less than the minimum.

(g) *Calculation*

The amount of interest payable in respect of any Note for any period for which a Fixed Coupon Amount is not specified or not applicable shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note by the Day Count Fraction and rounding, if necessary, the resultant figure to the nearest minimum unit of the relevant currency (half of such unit being rounded upwards). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(h) *Determination and Publication of Interest Rate and Interest Amounts by the Calculation Agent*

If a Calculation Agent is provided for on this Note, it will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Interest Rate and calculate the amount of interest payable (the “*Interest Amounts*”) in respect of each Denomination of the Notes (in the case of Bearer Notes) and the minimum Denomination (in the case of Registered Notes) for the relevant Interest Accrual Period and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the relevant Issuer, the Guarantor, the Registrar, each of the Paying Agents, any listing authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation and the Noteholders as soon as possible after their determination but in no event later than the fourth Relevant Business Day thereafter. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of the Interest Rate and the Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(i) *Calculation Agent and Reference Banks*

The relevant Issuer will procure that there shall at all times be four Reference Banks with offices in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in the financial centre or centres selected by the relevant Issuer) and a Calculation Agent if provision is made for them in the Conditions applicable to this Note and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Calculation Agent will appoint another Reference Bank with an office in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in the financial centre or centres in the euro-zone) to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts, the relevant Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(j) *Definitions*

As used in these Conditions:—

“*Additional Business Centre(s)*” means the city or cities specified as such in the relevant Final Terms.

“*Compulsory Interest Payment Date*” means any Interest Payment Date if, in the calendar year immediately preceding such Interest Payment Date, any dividend has been declared or paid on any class of share capital of the Guarantor and if the Guarantor is solvent.

“*Day Count Fraction*” means, in respect of the calculation of an amount of interest on any Note for any period of time (the “*Calculation Period*”, whether or not constituting an Interest Period):—

- (i) if “*Actual/365*” or “*Actual/Actual (ISDA)*” is specified on the face of the Note, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365, or means such other basis as may be specified on the face of the Notes as being “*Actual/Actual*”);
- (ii) if “*Actual/365 (Fixed)*” is specified on the face of the Note, the actual number of days in the Calculation Period divided by 365;
- (iii) if “*Actual/360*” is specified on the face of the Note, the actual number of days in the Calculation Period divided by 360;
- (iv) if “*30/360*”, “*360/360*” or “*Bond Basis*” is specified on the face of the Note, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if “*30E/360*” or “*Eurobond Basis*” is specified on the face of the Note, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (vi) if “*Actual/Actual (ICMA)*” is specified in the applicable Final Terms, means:—
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year.

“euro” means the single currency of the participating member states of the European Union, as contemplated by the Treaty on European Union.

“euro-zone” means the region comprising the member states of the European Union which adopt or have adopted the euro as their lawful currency in accordance with the Treaty establishing the European Communities, as amended.

“Interest Accrual Period” means the period beginning on the Interest Commencement Date and ending on the first Interest Period Date and each successive period beginning on an Interest Period Date and ending on the next succeeding Interest Period Date.

“Interest Commencement Date” means the date of issue of this Note (the “Issue Date”) or such other date as may be specified on it.

“Interest Determination Date” means, in respect of any Interest Accrual Period, that number of Relevant Business Days prior to the first day of such Interest Accrual Period or to the relevant Interest Payment Date as is set out on this Note.

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

“Interest Period” means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified on this Note.

“Interest Rate” means the rate of interest payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions, on this Note.

“Optional Interest Payment Date” means any Interest Payment Date other than a Compulsory Interest Payment Date.

“Regular Period” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and

- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where

“*Regular Date*” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“*Relevant Business Day*” means:—

(A) in the case of a specified currency other than euro, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are generally open for business in the principal financial centre for that currency and/or each of the Additional Business Centre(s) so specified; and/or

(B) in the case of euro, a day on which the TARGET System is operating and a day on which banks and foreign exchange markets are generally open for business in each (if any) Additional Business Centre.

“*Relevant Financial Centre(s)*” means London or such other financial centre as may be specified on such Note.

“*Relevant Rate*” means:—

(A) an offered rate in the case of a Note the Benchmark for which relates to an offered rate;

(B) a bid rate in the case of a Note the Benchmark for which relates to a bid rate; and

(C) the mean of an offered and bid rate in the case of a Note the Benchmark for which relates to the mean of an offered and bid rate.

“*Relevant Time*” means the local time in the Relevant Financial Centre specified on this Note or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in that Relevant Financial Centre.

“*Specified Duration*” means the Interest Period unless otherwise specified on this Note.

“*TARGET System*” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(k) *Interest Rate on Zero Coupon Notes*

Where a Note the Interest Rate of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Redemption Amount of such Note as determined in accordance with Condition 6(d)(iii). As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on such Note.

(l) *Interest Rate on Variable Coupon Amount Notes*

If the Variable Coupon Amount Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.

6. Redemption, Purchase and Options

(a) *Final Redemption*

Unless this Note is a Junior Subordinated Note, or it is previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer’s or Noteholder’s option in accordance with Condition 6(e) or (f), this Note will be redeemed at its Redemption Amount (which, unless otherwise provided, is its principal amount) or, in relation to a Cash-Settled Credit Linked Note, its Principal Amount Outstanding on the later of (i) the Maturity Date specified on this Note; (ii) to the extent that “Grace Period Extension” is applicable in relation to Cash-Settled Credit Linked Notes, the Business Day following the latest Grace Period Extension Date, if applicable; (iii) the Business Day following the latest Repudiation/Moratorium Evaluation Date in relation to Cash-Settled Credit Linked Notes, if applicable and (iv) the Business Day following the last Cash Settlement Date to occur. If this Note is a Junior Subordinated Note, the relevant Issuer shall not be at liberty to redeem the Note except pursuant to Condition 6(b) or (if applicable) Condition 6(e) and references to Maturity Date in these Conditions are not applicable.

(b) *Redemption for taxation reasons*

If, as a result of any amendment to or change in the laws or regulations of Luxembourg or Belgium or any political subdivision thereof or any authority or agency therein or thereof or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date, the Issuer (or, if the Guarantees were called, the Guarantor) would, on the occasion of the next payment date in respect of the Notes, be required to pay additional amounts as provided in Condition 8, the relevant Issuer may, at its option, on any Interest Payment Date or, if so specified on this Note, at any time on giving not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 14 redeem all, but not some only, of the Notes at their Redemption Amount which, unless otherwise provided, is its principal amount or, in relation to a Cash-Settled Credit Linked Note, its Principal Amount Outstanding together with interest accrued to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer (or (in the case of Notes issued by Fortis Luxembourg) the Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantees) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the relevant Issuer shall deliver to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent a certificate signed by two persons each of whom is a Director of the relevant Issuer stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred.

(c) *Purchases*

The Issuers, the Guarantor and any of their subsidiaries may at any time purchase Notes (provided that, in the case of Bearer Notes, all unmaturing Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

(d) *Early Redemption of Zero Coupon Notes*

(i) The Redemption Amount payable in respect of any Note the Interest Rate of which is specified to be Zero Coupon upon redemption of such Note pursuant to Condition 6(b) or, if applicable, Condition 6(e) or (f) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of sub-paragraph (iii) below, the "*Amortised Face Amount*" of any such Note shall be the sum of (A) the Reference Price shown on such Note and (B) the aggregate amortisation of the difference between the Reference Price and the principal amount of such Note from its date of issue to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on such Note compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on such Note.

(iii) If the Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(b) or, if applicable, Condition 6(e) or (f), or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the principal amount of such Note together with any interest which may accrue in accordance with Condition 5(k).

(e) *Redemption at the Option of the relevant Issuer and Exercise of such Issuer's Options*

If so provided on this Note or in any event if this Note does not have a Maturity Date, the relevant Issuer shall, on such Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor giving irrevocable notice to the Noteholders falling within such Issuer's Option Period (as specified in the Final Terms) redeem, or exercise any such Issuer's option in relation to, all or (in the case only of Notes which have a Maturity Date), if so provided, some of such Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount (as specified in the Final Terms) together with interest accrued (if any) to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the relevant Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of such option the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and listing authority, stock exchange or quotation system requirements.

(f) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If so provided on this Note, the relevant Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Redemption Amount (as specified in the Final Terms) together with interest accrued (if any) to the date fixed for redemption.

To exercise such option or any other Noteholders' option which may be set out on this Note the holder must deposit such Note with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("*Exercise Notice*") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent within the Noteholders' Option Period (as specified in the Final Terms). No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

(g) *Redemption by Instalments*

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified on this Note) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(e) or (f), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(h) *Cancellation*

All Notes redeemed by the relevant Issuer and all Notes purchased (otherwise than in the ordinary course of business of dealing in securities or as a nominee) by or on behalf of such Issuer (in the case of Notes issued by Fortis Luxembourg), the Guarantor or any of their subsidiaries will be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith) and may not be reissued or resold and the obligations of such Issuer and/or (in the case of Notes issued by Fortis Luxembourg) the Guarantor in respect of any such Notes shall be discharged, and where such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange, the Issuer will forthwith inform the Luxembourg Stock Exchange of any such cancellation.

(i) *Consents*

Any redemption by the relevant Issuer of such Junior Subordinated Notes pursuant to Condition 6(b) or (if applicable) Condition 6(e) and any purchase and cancellation of such Junior Subordinated Notes pursuant to Condition 6(c) and (h) will be subject to the prior consent of the Belgian Banking, Finance and Insurance Commission (*Commissie voor Bank-, Financier- en Assurantiewezen/ Commission bancaire, financière et des assurances*).

(j) *Early redemption in whole upon the occurrence of a Credit Event*

If:

(A) the Notes are specified in the Final Terms to be Cash-Settled Credit Linked Notes; and

(B) no Succession Event has occurred with respect to a Reference Entity for which more than one Successor was determined:

(i) Upon the occurrence of a Credit Event during the Notice Delivery Period, the Determination Agent as agent for the Issuer shall, upon the instructions of the Issuer, procure the delivery of a Credit Event Notice to the Principal Paying Agent for delivery to Noteholders as soon as practicable in accordance with Condition 14. For the avoidance of doubt, if a Credit Event has occurred in respect of more than one Reference Entity, the Issuer may determine in its sole and absolute discretion which such Reference Entity will be the subject of a Credit Event Notice.

(ii) Upon delivery of a Credit Event Notice in accordance with the provisions of (i) above, no other redemption of the Notes pursuant to the provisions of this Condition 6 shall be permitted and interest shall cease to accrue or be payable in respect of the Notes from and including the Event Determination Date.

(iii) The Issuer shall, on giving not less than two (2) Business Days notice to the Noteholders, redeem the Notes in whole (subject to the application of Condition 6(l), in which case the provisions of Condition 6(k) shall be deemed to apply in respect of the Notes; provided that references in Condition 6(k) to Reference Entity Notional Amount shall be construed as a reference to the then aggregate Principal Amount Outstanding of the Notes and Condition 6(k) shall be subject to such further amendments permitted under the terms of Condition 6(l)) by payment of the Early Redemption Amount pro rata to the Noteholders on the Cash Settlement Date or, to the extent that a “Fixed Final Price” is specified in the Final Terms and a “Fixed Recovery Redemption Date” is specified in the Final Terms, that date, (such date of redemption being the “**Early Redemption Date**”), together with accrued interest for the period to but excluding the Event Determination Date in full and final settlement of all amounts owing to the Noteholders in respect of the Notes, and the Noteholders shall have no further right or claim whatsoever against the Issuer in respect of the Notes.

(k) *Partial early redemption upon the occurrence of a Credit Event*

If:

(A) the Notes are specified in the Final Terms to be Cash-Settled Credit Linked Notes; and

(B) a Succession Event occurred with respect to a Reference Entity and more than one Successor was determined

(i) Upon each occurrence of a Credit Event during the Notice Delivery Period, the Determination Agent as agent for the Issuer shall, upon the instructions of the Issuer, procure the delivery of a Credit Event Notice to the Principal Paying Agent for delivery to Noteholders as soon as practicable in accordance with Condition 14.

(ii) Upon delivery of a Credit Event Notice in accordance with the provisions of (i) above, (a) no other redemption of the Redeeming Portion of Notes pursuant to the provisions of this Condition 6 shall be permitted; (b) interest shall cease to accrue or be payable in respect of the Redeeming Portion of Notes from and including the Event Determination Date and (c) the aggregate Principal Amount Outstanding shall be reduced from and including the Early Redemption Date by an amount equal to the Redeeming Portion of Notes.

(iii) The Issuer shall, on giving not less than two (2) Business Days notice to the Noteholders, redeem the Notes in part in an aggregate principal amount equal to (subject to Condition 6(c)) the Reference Entity Notional Amount of the Reference Entity which is the subject of the Credit Event Notice (the “**Redeeming Portion of Notes**”) by payment of the Early Redemption Amount pro rata to the Noteholders on the Cash Settlement Date or, to the extent that a “Fixed Final Price” is specified in the Final Terms and a “Fixed Recovery Redemption Date” is specified in the Final Terms, that date (such date of redemption being the “**Early Redemption Date**”) in full and final settlement of all amounts owing to the Noteholders in respect of the Redeeming Portion of Notes, and the Noteholders shall have no further right or claim whatsoever against the Issuer in respect of the Redeeming Portion of Notes.

(l) *Multiple Exercise upon the occurrence of a Restructuring Credit Event*

If “Multiple Exercise upon Restructuring” is specified in the Final Terms to be applicable then, notwithstanding the other provisions of Conditions 6(j) and 6(k):

(i) the Issuer may deliver multiple Credit Event Notices with respect to a Restructuring Credit Event, each such Credit Event Notice setting forth the amount of the relevant Reference Entity Notional Amount to which such Credit Event Notice applies (the “**Exercise Amount**”);

(ii) if the Issuer has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the then outstanding Reference Entity Notional Amount, Conditions 6(j) and 6(k) shall, with effect from the date such Credit Event Notice is effective, be construed as if references to Reference Entity Notional Amount were to the Exercise Amount and the outstanding Reference Entity Notional Amount shall be reduced by an amount equal to the relevant Exercise Amount. Thereafter the Issuer shall be entitled, without the consent of Noteholders, to make such amendments to the Conditions and the relevant Final Terms as it deems necessary in its sole discretion to preserve the economic effect of the Notes;

(iii) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Reference Entity Notional Amount (and not a portion thereof); and

(iv) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the Reference Entity Notional Amount is denominated or an integral multiple thereof or, if less, the entire then outstanding Reference Entity Notional Amount.

7. Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below and (in the case of Junior Subordinated Notes) subject to Condition 3(c) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holders, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; Provided that (i) in the case of Sterling, the cheque shall be drawn on a town clearing branch of a bank in the City of London, (ii) in the case of euro, the transfer may be to a euro account or on an account which accepts euro payments and (iii) in the case of Japanese yen, the transfer will be to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan).

(b) Registered Notes

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be made, subject (in the case of Junior Subordinated Notes) to Condition 3(d) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, against presentation and surrender of the relevant Notes at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (a) above.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid, subject (in the case of Junior Subordinated Notes) to Condition 3(d) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “*Record Date*”). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank (being a town clearing branch of a bank in the case of Sterling) in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Registrar maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency or, in the case of euro, to a euro account or an account to which euro can be paid.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the relevant Issuer, adverse tax consequence to such Issuer.

(d) Payments subject to law etc

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuers and the Guarantor and their respective specified offices are listed below. The Paying Agents, the

Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuers and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuers and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuers will at all times maintain (i) a Fiscal Agent, (ii) a Principal Paying Agent, (iii) a Registrar in relation to Registered Notes, (iv) at least a Transfer Agent in relation to Registered Notes having a specified office in a European city outside Belgium which, so long as the Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, shall be Luxembourg and/or such other place as may be required by the rules of such other listing authority, stock exchange and/or quotation system, (v) a Calculation Agent where the Conditions so require one, (vi) at least a Paying Agent having a specified office in a European city outside Belgium which, so long as the Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange shall be Luxembourg and/or such other place as may be required by the rules and regulations of such other listing authority, stock exchange and/or quotation system, and (vii) the relevant Issuer and (in the case of Notes issued by Fortis Luxembourg) the Guarantor will ensure that they maintain a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any law implementing or complying with, or introduced to conform to, such Directive.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

For as long as any Notes issued by Fortis Bank and cleared through the X/N System, Fortis Bank nv-sa, in its capacity as Domiciliary Agent, has agreed in the Agency Agreement to perform all its duties and obligations under the Clearing Agreement and has undertaken (i) to remain a participant in such X/N System as long as possible and (ii) to appoint an appropriate substitute agent which will assume all such duties and obligations should Fortis Bank nv-sa no longer be able to do so.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 14.

(f) *Unmatured Coupons and Receipts and unexchanged Talons*

(i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of that amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) If the relevant Notes so provide, upon the due date for redemption of any Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, and where any Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provisions of such indemnity as the relevant Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(g) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “*business day*” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation and in such jurisdictions as shall be specified as “*Business Day Jurisdictions*” on the Note and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) on which the TARGET System is operating.

(h) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent in exchange for a further Coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 9).

8. Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) (if the Guarantees were called) the Guarantor will be made without deduction or withholding for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of (in the case of Fortis Luxembourg) Luxembourg or any political subdivision thereof or any authority or agency therein or thereof having the power to tax or, where applicable, (in the case of the Guarantor) Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such deduction or withholding is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders, Receiptholders or, as the case may be, the Couponholders after such deduction or withholding shall equal the respective amounts which would have been receivable under these Conditions in respect of the Notes, Receipts or, as the case may be, Coupons by the Noteholders, Receiptholders and (if applicable) the Couponholders in the absence of such deduction or withholding, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) issued by Fortis Bank, where such Notes, Receipt or Coupon is not cleared through the X/N System; or

(ii) issued by Fortis Bank where such Note, Receipt or Coupon is cleared through the X/N System, and where such deduction or withholding is imposed or levied because the holder (or the beneficial owner) is not an Eligible Investor (unless that person was an Eligible Investor at the time of its acquisition of the relevant Note, Receipt or Coupon and has since ceased from being an Eligible Investor by reason of a change in the Belgian tax laws or regulations or in the interpretation or application thereof), or is an Eligible Investor but is not holding the relevant Note, Receipt or Coupon in an exempt securities account with a qualifying clearing system in accordance with the Belgian law of 6 August 1993 relating to transactions in certain securities; or

(iii) presented for payment in Belgium; or

(iv) to, or to a third party on behalf of, a holder who is able to avoid such withholding or deduction by placing such Note, Receipt or Coupon in safe custody with a Belgian bank and by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(v) to, or to a third party on behalf of, a holder where such holder is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of its having some connection with Belgium other than

by reason only of the holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or

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

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

(viii) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union.

As used in these Conditions, “*Relevant Date*” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 14 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation, “*Eligible Investor*” means from time to time a person who is allowed to hold securities through a so called “X account” (being an account exempted from withholding tax) in the X/N System in accordance with Article 4 of the Belgian Royal Decree of 26 May 1994, as amended or replaced from time to time and “*X/N System*” means the book-entry clearance and settlement system operated by the National Bank of Belgium. References in these Conditions to (i) “*principal*” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “*interest*” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “*principal*” and/or “*interest*” shall be deemed to include any additional amounts which may be payable under this Condition.

9. Prescription

Claims against the relevant Issuer and the Guarantor for payment in respect of the Notes, Guarantees, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

10. Events of Default

(a) *Notes other than Senior Subordinated Notes and Junior Subordinated Notes*

This Condition 10(a) is applicable in relation to all Senior Notes.

If any of the following events (“*Events of Default*”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount which, unless otherwise provided, is the principal amount of such Note together with accrued interest to the date of payment shall become immediately due and payable unless prior to the date that such written notice is received by the Fiscal Agent or, as the case may be, the Domiciliary Agent, the relevant Issuer or, where applicable, the Guarantor shall have cured or the relevant Issuer or, where applicable, the Guarantor shall otherwise have made good all Events of Default in respect of the Notes:

(i) default in the payment of any interest due in respect of the Notes or any of them and such default continuing for a period of 12 days; or

(ii) default by the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor in the due performance or observance of any other obligation, condition or other provision under or in relation to the Notes or the Guarantees, as the case may be, if such default is not cured within 20 days after receipt by the Fiscal Agent or, as the case may be, the Domiciliary Agent of written notice thereof given by any Noteholder requiring the same to be remedied; or

(iii) default by the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor in the payment of the principal of, or premium or prepayment charge (if any) or interest on, any other loan indebtedness of or assumed or guaranteed by the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, originally applicable thereto and the time for payment of such interest or principal has not been effectively extended, or in the event that any loan indebtedness of or assumed by the relevant Issuer or (in the Notes issued by Fortis Luxembourg) the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of an event of default thereunder; or

(iv) the relevant Issuer is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes or (in the case of Notes issued by Fortis Luxembourg) the Guarantor is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes, except as a result of a Permitted Reorganisation, or the relevant Issuer ceases to be subsidiary of the Guarantor (save in the case of a substitution pursuant to Condition 11 (c) where the substitute is the Guarantor or the Issuer is Fortis Bank); or

(v) the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor becomes insolvent, is unable to pay its debts generally (or in the case of the Guarantor is in *staking van betaling/cessation de paiements* (suspension of payments)) as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or ceases or threatens to cease to carry on its business, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor, or if the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor commences a voluntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, consents to the entry of an order for relief in any involuntary case or other proceeding under any such law as to the appointment of or the taking possession by a trustee, receiver, liquidator, custodian, assignee, sequestrator or similar official of the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor or of any substantial part of its property or as the winding up or liquidation of the relevant Issuer, or (in the case of Notes issued by Fortis Luxembourg) if the Guarantor applies for a *liquidation/vereffening* (liquidation) or *faillite/faillissement* (bankruptcy) or any procedures having similar or equivalent effect shall have been initiated in respect of the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor; or

(vi) a court having jurisdiction in the premises enters a decree or order for relief in respect of the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor in an involuntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a trustee, receiver, liquidator, custodian, assignee, sequestrator or other similar official of the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed in effect for a period of 30 consecutive days; or

(vii) it becomes unlawful for the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor to perform any of their respective obligations under the Notes or the Guarantees, or any of their obligations ceases to be valid, binding or enforceable; or

(viii) the Guarantees are not or are claimed by the Guarantor not to be in full force and effect in accordance with their terms.

In this Condition:

“*Permitted Reorganisation*” means an amalgamation, merger, consolidation, reorganisation or other similar arrangement entered into by the Guarantor under which:

(a) the whole of the business, undertaking and assets of the Guarantor are transferred to and all the liabilities and obligations of the Guarantor are assumed by the new or surviving entity either:

(i) automatically by operation of applicable law; or

(ii) the new or surviving entity assumes all the obligations of the Guarantor under the terms of the Agency Agreement, the Notes and the Guarantees as fully as if it had been named in the Agency Agreement, the Notes and the Guarantees in place of the Guarantor; and, in either case,

(b) the new or surviving entity will immediately after such amalgamation, merger, consolidation, reorganisation or other similar arrangement be subject to a European Union regulatory authority. Any such notice by a Noteholder to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent shall specify the serial number(s) of the Note(s) concerned.

(b) *Senior Subordinated Notes*

This Condition 10(b) is applicable in relation to Senior Subordinated Notes.

Any holder of a Senior Subordinated Note may, by notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the relevant Issuer, declare his Note to be due and payable, and such Note shall accordingly become immediately due and payable at its principal amount together with accrued interest to the date of repayment if an order is made or an effective resolution is passed for the bankruptcy (*faillissement/faillite*), or liquidation (*vereffening/liquidation*) of the relevant Issuer or the Guarantor, as the case may be.

(c) *Junior Subordinated Notes*

This Condition 10(c) is applicable in relation to Junior Subordinated Notes.

(i) Any holder of a Junior Subordinated Note may, by notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the relevant Issuer, declare his Note to be due and payable, and such Note shall accordingly (subject to the provisions of Condition 3(c) or Condition 3(f), as the case may be,) become immediately due and payable at its principal amount together with accrued interest to the date of repayment and any Arrears of Interest if an order is made or an effective resolution is passed for the bankruptcy (*faillissement/faillite*), composition with creditors (*gerechtelijk akkoord/concordat judiciaire*) or liquidation (*vereffening/liquidation*) of the the relevant Issuer or the Guarantor, as the case may be.

(ii) A Noteholder may at its discretion institute such proceedings against the relevant Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the relevant Issuer under the Notes or the Coupons or the Receipts (if any) provided that such Issuer shall not by virtue of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(iii) No remedy against the relevant Issuer, other than the institution of the proceedings referred to in sub-paragraph (ii) above or the proving or claiming in any winding-up of such Issuer, shall be available to the Noteholders or the Couponholders or the Receiptholders (if any) whether for the recovery of amounts owing in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons or the Receipts (if any).

(iv) In the event of an order being made or an effective resolution being passed for the winding-up, liquidation or bankruptcy of Fortis Luxembourg; then immediately thereupon and without further formality the Guarantor shall become the principal debtor under the Notes and the Coupons and the Receipts (if any) in place of Fortis Luxembourg and the Guarantees shall cease to be of any effect and the Noteholders and the Couponholders and the Receiptholders (if any) shall cease to have any rights or claims whatsoever against Fortis Luxembourg; provided that:

(a) the obligations of the Guarantor as principal debtor as aforesaid shall be subordinated to the same extent as its obligations under the Guarantees; and

(b) no Noteholder or Couponholder or Receiptholder shall, as a result of any change in principal debtor as aforesaid, be entitled to claim from Fortis Luxembourg or the Guarantor any indemnification or payment in respect of any tax consequence of such change upon individual Noteholders or Couponholders or Receiptholders except to the extent provided for by Condition 8 (save that Condition 8(i) does not apply in these circumstances).

11. Meeting of Noteholders, Modifications and Substitution

(a) *Meetings of Noteholders*

(i) In the case of Notes issued by Fortis Luxembourg, the Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions in so far as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in the respect thereof, (iv) if there is shown on the face of the Notes a Minimum Interest Rate and/or a Maximum Interest Rate, to reduce such Minimum Interest Rate and or a Maximum Interest Rate, (v) to change any method of calculating the Redemption Amount or, in the case of Zero Coupon Notes, to change the method of calculating the Amortised Face Amount, (vi) to change the currency or currencies of payment of the Notes, (vii) to cancel or change the provisions of any Guarantee, (viii) to take any steps which this Note specifies may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (ix) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) is present. For the avoidance of doubt, the provisions of Articles 86 to 94-8 of the Luxembourg law on commercial companies dated 10 August 1915, as amended, are hereby excluded.

(ii) In the case of Notes issued by Fortis Bank, all meetings of Noteholders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to bondholders meetings. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the Brussels court of appeal, the meeting of Noteholders shall be entitled to modify or waive any provision of these Conditions. Resolutions duly passed in accordance with these provisions of the Belgian Company Code at any meeting of Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution. A summary of such resolutions, setting out the decisions adopted at the meeting of Noteholders, shall be published in accordance with Condition 14 (*Notices*), so long as the Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and its rules so require. All convening notices for meetings of Noteholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting, in the Belgian Official Gazette (*“Moniteur Belge/Belgisch Staatsblad”*) and in a newspaper of national distribution in Belgium. Convening notices will also be published once, not less than eight days prior to the meeting, in accordance with Condition 14 (*Notices*).

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) *Modification of Agency Agreement*

The Issuers and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) *Substitution*

An Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons any company (the *“Substitute”*) which is the Guarantor (save where such Issuer is Fortis Bank), or a subsidiary of the Guarantor, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the *“Deed Poll”*), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any 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, Receipt, Coupon or Talon and 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) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons and Talons shall be unconditionally and irrevocably guaranteed by the Guarantor by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons and Talons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll (where the Substitute is not the Guarantor), of the Guarantor have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (vi) the relevant Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies or, pending execution, the agreed text of all documents 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 offices of each of the Paying Agents. References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 10 shall be deemed to include that guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. The Issuer and the Substitute shall also notify the Luxembourg Stock Exchange in respect of such a substitution, procure that a supplement to the Base Prospectus be prepared and comply with the relevant rules and regulations of the Luxembourg Stock Exchange and/or such other listing authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation.

12. Replacement of Notes, Receipts, Coupons and Talons

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and the regulations of the relevant listing authority, stock exchange and/or quotation system, at the specified office of such Paying Agent as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to the Noteholders in accordance with Condition 14 (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Registered Notes), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the relevant Issuer on demand the amount payable by such Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as such Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

14. Notices

Notices to holders of Registered Notes will be mailed to them at their respective addresses in the Register and be deemed to have been given on the date of mailing, in the case of a Credit Event Notice, or in all other circumstances, on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if (A) (i) published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*) (ii) in the case of Bearer Notes and Registered Notes which are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and the rules and regulations of that exchange so require), in a leading newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or the website of the Luxembourg Stock Exchange and (iii) in the case of any Bearer Notes and Registered Notes which are admitted to trading on any other listing authority, stock exchange and/or quotation system, such other place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system or (B) in the case of (i), (ii) and (iii), if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe and otherwise if given in compliance with the requirements of each listing authority, stock exchange and/or quotation system on

which the Notes are admitted to listing, trading and/or quotation. Notices, will, if published more than once, be deemed to have been given on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15. Governing Law and Jurisdiction

(a) *Governing Law*

The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law except for (i) in the case of Notes issued by Fortis Luxembourg, Conditions 3(b) and 3(c) which shall be governed by, and construed in accordance with Luxembourg law and Conditions 3(e) and 3(f) which shall be governed by, and construed in accordance with Belgian law and (ii) in the case of Notes issued by Fortis Bank, Conditions 3(b), 3(c) and 11(a)(ii) which shall be governed by, and construed in accordance with Belgian law.

Guarantees to which Condition 3(d) applies are governed by, and shall be construed in accordance with English law.

Guarantees to which Condition 3(e) applies and Guarantees to which Condition 3(f) applies are governed by, and shall be construed in accordance with, the laws of the Kingdom of Belgium.

(b) *Jurisdiction*

The Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons, Talons or Guarantees and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or Guarantees (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Service of Process*

Each of the Issuer and the Guarantor irrevocably appoints Fortis Bank, London Branch, Camomile Court, 23 Camomile Street, London EC3A 7PP to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the relevant Issuer or (in the case of Notes issued by Fortis Luxembourg) the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuers and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders (in the case of Notes issued by Fortis Luxembourg) of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

16. Cash-Settled Credit Linked Note Provisions

(a) *Definitions*

For the purposes of these Conditions and subject to the provisions of Conditions 16(b), 16(c) and 16(d) below. To the extent not defined herein, defined terms shall be construed in accordance with the 2003 ISDA Credit Derivatives Definitions, *mutatis mutandis*.

“**Accelerated or Matured**” means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is or on or prior to the Notification Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

“**Accreted Amount**” means, with respect to an Accreting Obligation, an amount equal to (A) the sum of (1) the original issue price of such obligation and (2) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (B) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (A)(2) above), in each case calculated as of the

earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the applicable Valuation Date. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Determination Agent) only if “Include Accrued Interest” is specified as being applicable in the relevant Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation’s yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for purposes of (A)(2) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the applicable Valuation Date. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

“**Accreting Obligation**” means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (A) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (B) periodic cash interest is also payable. With respect to any Accreting Obligation, “outstanding principal balance” means the Accreted Amount thereof.

“**Affiliate**” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “**control**” of any entity or person means ownership of a majority of the voting power of the person.

“**Assignable Loan**” means a Loan that is capable of being assigned or novated to at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent.

“**Bankruptcy**” means a Reference Entity (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (i) to (vii) above (inclusive).

“**Best Available Information**” means:

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Determination Agent makes its

determination for the purposes of determining a Successor, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Determination Agent to allow it to make a determination for the purposes of determining a Successor.

Information which is made available more than fourteen calendar days after the legally effective date of the relevant Succession Event shall not constitute Best Available Information.

“**Bond**” means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

“**Bond or Loan**” means any obligation that is either a Bond or a Loan.

“**Borrowed Money**” means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

“**Cash Settlement Date**” means, in relation to a Credit Event, the date falling 3 Relevant Business Days after the Early Redemption Amount has been determined.

“**Conditionally Transferable Obligation**” means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, provided, however, that a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Valuation Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent.

For purposes of determining whether a Valuation Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Notification Date for the Valuation Obligation, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Issuer.

“**Consent Required Loan**” means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent.

“**Convertible Obligation**” means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

“**Credit Event**” means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, as specified in the relevant Standard Terms, as determined by the Issuer or the Determination Agent in their sole and absolute discretion. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to defense based upon: (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of,

or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described or (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

“**Credit Event Notice**” means an irrevocable notice from the Issuer to the Noteholders that describes a Credit Event that occurred at or after 12.01 a.m. Greenwich Mean Time, on the Effective Date and at or prior to 11.59 p.m., Greenwich Mean Time, on the latest of:

- (a) the Maturity Date;
- (b) the Grace Period Extension Date if:
 - (i) Grace Period Extension is specified as applicable in the relevant Standard Terms;
 - (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Maturity Date; and
 - (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Maturity Date; and
- (c) the Repudiation/ Moratorium Evaluation Date if:
 - (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Maturity Date;
 - (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Maturity Date; and
 - (iii) the Repudiation/Moratorium Extension Condition is satisfied.

A Credit Event Notice shall contain a Notice of Publicly Available Information. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is delivered in accordance with Condition 14.

“**Dealer**” means a dealer in obligations of the type of Obligations(s) for which quotations are to be obtained, including each Dealer specified in the relevant Final Terms (which specification shall be indicative only). If no Dealers are specified in the relevant Final Terms, the Determination Agent shall select the Dealers in good faith and in a commercially reasonable manner. Upon a Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which quotations are to be obtained, the Determination Agent may substitute any other Dealer(s) for one or more of the foregoing.

“**Default Requirement**” means USD 10,000,000 (or JPY 1,000,000,000 in the case of Notes denominated in JPY) or its equivalent in the relevant Obligation Currency, as of the occurrence of the relevant Credit Event.

“**Determination Agent**” has the meaning specified on the Final Terms.

“**Domestic Currency**” means the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to such currency).

“**Downstream Affiliate**” means an entity, at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Notification Date, or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50 percent owned, directly or indirectly, by the Reference Entity.

“**Due and Payable Amount**” means the amount that is due and payable under (and in accordance with the terms of) a Valuation Obligation on the Notification Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax grossups and other similar amounts).

“Early Redemption Amount” means an amount determined by the Determination Agent to be the greater of (i) zero and (ii) an amount equal to (A) (a) if a “Fixed Final Price” is specified in the Final Terms, that percentage or (b) in all other circumstances, the weighted average of the Final Prices of the Valuation Obligations comprised in the Valuation Portfolio multiplied by (B) the Reference Entity Notional Amount, plus (if payable to the Issuer) or minus (if payable by the Issuer) the Unwind Costs.

“Effective Date” means the Issue Date or such other date specified in the relevant Final Terms.

“Eligible Transferee” means each of the following:

(a)

- (i) any bank or other financial institution;
- (ii) an insurance or reinsurance company;
- (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph(c)(i) below); and
- (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least USD 500,000,000

(b) an Affiliate of an entity specified in paragraph (a) above;

(c) each of a corporation, partnership, proprietorship, organisation, trust or other entity

- (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000;
- (ii) that has total assets of at least USD 500,000,000; or
- (iii) the obligations of which under an agreement, contract, or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in paragraphs (a), (b) and (c)(ii) above or paragraph (d) below; and

(d) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to USD include equivalent amounts in other currencies.

“Equity Securities” means:

- (A) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (B) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

“Event Determination Date” means the day of delivery of a Credit Event Notice by or on behalf of the Issuer to the Principal Paying Agent in accordance with Condition 6(j) or 6(k).

“Exchangeable Obligation” means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation). With respect to any Exchangeable Obligation that is not an Accreting Obligation, “outstanding principal balance” shall exclude any amount that may be

payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

“Excluded Valuation Obligation” means any obligation of a Reference Entity specified as such or of a type described in the relevant Final Terms.

“Excluded Obligation” means any obligation of a Reference Entity specified as such or of a type described in the relevant Final Terms.

“Failure to Pay” means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

“Final Price” means, with respect to each Valuation Obligation comprised in the Valuation Portfolio, the unweighted arithmetic mean of the Quotations obtained by the Determination Agent with respect to each Valuation Date (expressed as a percentage), provided that if such Final Price is higher than 100%, it shall be deemed to be equal to 100%.

“Full Quotation” means each firm bid quotation obtained from a Dealer on or about the Valuation Time, to the extent reasonably practicable, for an amount of the Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) equal to the Quotation Amount.

“Fully Transferable Obligation” means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds.

Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent.

For purposes of determining whether a Valuation Obligation satisfies the requirements for the definition of Fully Transferable Obligation, such determination shall be made as of the Notification Date for the Valuation Obligation, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Issuer.

“Governmental Authority” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

“Grace Period” means:

- (i) below, the applicable grace period subject to paragraphs (ii) and (iii) with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Effective Date and the date as of which such Obligation is issued or incurred;
- (ii) if Grace Period Extension is specified in the relevant Standard Terms as applicable, a Potential Failure to Pay has occurred on or prior to the Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the relevant Standard Terms or, if no period is specified, thirty calendar days; and
- (iii) if, at the later of the Effective Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable in the relevant Standard Terms, such deemed Grace Period shall expire no later than the Maturity Date.

“Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

“Grace Period Extension Date” means, if (a) Grace Period Extension is specified as applicable in the relevant Standard Terms and (b) a Potential Failure to Pay occurs on or prior to the Maturity Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

“Listed” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

“Loan” means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

“Maximum Maturity” means an obligation that has a remaining maturity as of the Early Redemption Date of not greater than the period specified in the relevant Standard Terms.

“Minimum Quotation Amount” means, with respect to any Valuation Obligation comprised in the Valuation Portfolio, one third of the related Valuation Obligation Balance rounded up to the nearest denomination of the relevant Valuation Obligation.

“Modified Eligible Transferee” means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets.

“Modified Restructuring Maturity Limitation Date” means, with respect to a Valuation Obligation, the date that is the later of (x) the Maturity Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Valuation Obligations.

“Multiple Holder Obligation” means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event.

“Not Bearer” means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system.

“Not Contingent” means any obligation having as of the Notification Date, and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Valuation Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Notification Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Valuation Obligation only if the rights referred to in clauses (A) and (B) above have not been exercised (or such exercise has been effectively rescinded) on or before the Notification Date.

“Not Domestic Currency” means any obligation that is payable in any currency other than the Domestic Currency.

“Not Domestic Issuance” means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

“Not Domestic Law” means any obligation that is not governed by the laws of (i) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (ii) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign.

“Not Sovereign Lender” means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as “Paris Club debt”.

“Not Subordinated” means an obligation that is not Subordinated to (i) the most senior Reference Obligation in priority of payment or (ii) if no Reference Obligation is specified in the relevant Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity.

For purposes of determining whether an obligation satisfies the “Not Subordinated” Obligation Characteristic or Valuation Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (1) the Effective Date; and (2) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date.

“Notice Delivery Period” means the period from and including the Effective Date to and including (a) the Maturity Date; (b) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable in the relevant Standard Terms, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Maturity Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Maturity Date; or (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

“Notice of Publicly Available Information” means an irrevocable notice from the Issuer to the Noteholders that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information.

“Obligation” means (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Standard Terms, as provider of any Qualifying Guarantee) described by the Obligation Category and having the Obligation Characteristics specified in the relevant Standard Terms (but excluding any Excluded Obligation) as of the date of the event constituting the Credit Event, (b) each Reference Obligation, unless specified in the relevant Final Terms as an Excluded Obligation, and (c) any other obligation of a Reference Entity specified as such in the relevant Final Terms.

“Obligation Acceleration” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

“Obligation Category” means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the relevant Standard Terms.

“Obligation Characteristic” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, as specified in the relevant Standard Terms.

“Obligation Currency” means the currency or currencies in which an Obligation is denominated.

“Obligation Default” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

“Partial Weighted Average Quotation” means the weighted average of firm bid quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) of as large a size as available but equal to or less than the Quotation Amount (but of a size at least equal to the Minimum Quotation Amount or, if quotations of a size at least equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount). If the sum of outstanding principal balance or Due and Payable Amount (as the case may be) with respect to which such quotations are obtained is less than the Quotation Amount, then the quotations with respect to such shortfall shall be deemed to be a firm quotation of zero.

“Payment” means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

“Payment Requirement” means USD 1,000,000 (or JPY 100,000,000 in the case of Notes denominated in JPY) or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

“Permitted Currency” means (1) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (2) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody’s Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

“Potential Failure to Pay” means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

“Potential Repudiation/Moratorium” means the occurrence of an event described in (i) of the definition of Repudiation/Moratorium.

“Principal Amount Outstanding” means, on any day, the Principal Amount of each Note less all reductions thereto prior to and including that day in accordance with the Conditions (if any).

“Publicly Available Information” means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Issuer or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (ii) is information received from or published by (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (iv) of the definition of “Bankruptcy” against or by a Reference Entity or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.
- (b) In the event that the Issuer is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Issuer shall be required to deliver to the Noteholders a certificate signed by a Managing Director (or other substantively equivalent title) of the Issuer, which shall certify the occurrence of a Credit Event with respect to a Reference Entity.
- (c) In relation to any information of the type described in (a)(ii), (iii) and (iv) above, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party

delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

- (d) Publicly Available Information need not state (i) in relation to the definition of “Downstream Affiliate”, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period or (C) has met the subjective criteria specified in certain Credit Events.

“**Public Source**” means each source of Publicly Available Information specified in the relevant Final Terms (or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

“**Qualifying Affiliate Guarantee**” means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

“**Qualifying Guarantee**” means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the “**Underlying Obligation**”) for which another party is the obligor (the “**Underlying Obligor**”) and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or nonoccurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being delivered together with the delivery of the Underlying Obligation.

“**Quotation**” means, in respect of each Reference Entity for which an Event Determination Date has occurred, each Full Quotation, Weighted Average Quotation and/or Partial Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date as follows:

- (a) The Determination Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Determination Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day within three Valuation Business Days of a Valuation Date (and if necessary, on each Valuation Business Day thereafter until the tenth Valuation Business Day following the relevant Valuation Date) the Determination Agent shall attempt to obtain Full Quotations from five Dealers and, if two or more Full Quotations are not available, one or more Full Quotation and a Weighted Average Quotation.
- (b) If the Determination Agent is unable to obtain (i) at least two Full Quotations or (ii) one or more Full Quotations and a Weighted Average Quotation on the same Valuation Business Day on or prior to the tenth Valuation Business Day following the applicable Valuation Date, then the Determination Agent shall attempt to obtain at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation within an additional five Valuation Business Days.
- (c) If the Determination Agent is unable to obtain on the same Valuation Business Day at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation within an additional five Valuation Business Days the Determination Agent will exercise its reasonable discretion into determining a Quotation, acting in good faith and in a commercially reasonable manner.
- (d) If, on or prior to the tenth Valuation Business Day following the applicable Valuation Date, the Determination Agent obtains on the same Valuation Business Day at least two Full Quotations, or one or more Full Quotations and a Weighted Average Quotation, such Full Quotations or such Full Quotation and such Weighted Average Quotation shall be considered as Quotations.

- (e) If, after the tenth Valuation Business Day following the applicable Valuation Date, but on or prior to the fifteenth Valuation Business Day following the applicable Valuation Date, the Determination Agent obtains at least one Full Quotation or a Weighted Average Quotation or a Partial Weighted Average Quotation, such Full Quotation, such Weighted Average Quotation or such Partial Weighted Average Quotation, as the case may be, shall be considered as a Quotation.

The Quotations obtained by the Determination Agent shall not include accrued but unpaid interest.

“Quotation Amount” means, with respect to any Valuation Obligation comprised in the Valuation Portfolio, one third of the relevant Valuation Obligation Balance, rounded up to the nearest denomination of the relevant Valuation Obligation.

“Quotation City” means the city reasonably determined by the Calculation Agent as being the city where the principal trading market is located for the relevant Valuation Obligation. For the avoidance of doubt, the Quotation City need not be a city located in the country of incorporation of the relevant Reference Entity. The Calculation Agent will notify the Issuer and the Noteholders of the Quotation City five Valuation Business Days prior to the first Valuation Date.

“Reference Entity” means each entity specified in the Final Terms and any Successors. Following the occurrence of an Event Determination Date in circumstances where the Reference Entity Notional Amount of the relevant Reference Entity is equal to or greater than the Principal Amount Outstanding, all other Reference Entities shall cease to be Reference Entities.

“Reference Entity Notional Amount” means, in respect of a Reference Entity, the amount specified in the Final Terms or otherwise determined in accordance with the Conditions, including Condition 6(1) and the definition of Successor.

“Reference Obligation” means each obligation specified as such or of a type described in the Final Terms and any Substitute Reference Obligation.

“Reference Obligations Only” means any obligation that is a Reference Obligation and no Obligation Characteristics or Valuation Obligation Characteristics shall be applicable to Reference Obligations Only.

“Relevant Obligations” means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Determination Agent. The Determination Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

“Repudiation/Moratorium” means the occurrence of both of the following events: (i) an authorized officer of a Reference Entity or a Governmental Authority (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

“Repudiation/Moratorium Evaluation Date” means, if a Potential Repudiation/Moratorium occurs on or prior to the Maturity Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium.

“Repudiation/Moratorium Extension Condition” is satisfied by the delivery of a Repudiation/Moratorium Extension Notice and Notice of Publicly Available Information, by the Issuer to the Noteholders that is effective during the period described in (a) of the definition of Notice Delivery Period.

“Repudiation/Moratorium Extension Notice” means an irrevocable notice from the Issuer to the Noteholders that describes a Potential Repudiation/Moratorium that occurred on or after the Effective Date and on or prior to the Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/ Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

“Restructured Bond or Loan” means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred.

“Restructuring”

- (a) means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Effective Date and the date as of which such Obligation is issued or incurred:
- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.
- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
- (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) For purposes of (a) and (b) above and (d) below, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Standard Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) above shall continue to refer to the Reference Entity.
- (d) Unless Multiple Holder Obligation is specified as not applicable in the relevant Standard Terms, then, notwithstanding the provisions of (a) to (c) above, the occurrence of, agreement to or announcement of any of the events described in (a) (i) to (v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

“Restructuring Date” means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

“Restructuring Maturity Limitation Date” means the date that is the earlier of (i) thirty months following the Restructuring Date and (ii) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Maturity Date or later than thirty months following the Maturity Date and if it is, it shall be deemed to be the Maturity Date or thirty months following the Maturity Date, as the case may be.

“Sovereign” means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

“Sovereign Agency” means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

“Sovereign Restructured Valuation Obligation” means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Valuation Obligation Category specified in the relevant Standard Terms, and having each of the Valuation Obligation Characteristics, if any, specified in the relevant Standard Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Valuation Obligation Category or Valuation Obligation Characteristics after such Restructuring.

“Specified Currency” means an obligation that is payable in the currency or currencies specified as such in the relevant Standard Terms (or, if no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro (and any successor currency to any such currency), which currencies may be specified collectively as the **“Standard Specified Currencies”**).

“Specified Number” means the number of Public Sources specified in the relevant Final Terms (or, if a number is not so specified, two).

“Standard Terms” means, in relation to a Reference Entity, the Standard Terms (determined in accordance with the Annex hereto) specified in the relevant Final Terms as such Standard Terms may be amended by the relevant Final Terms.

“Subordination” means, with respect to an obligation (the **“Subordinated Obligation”**) and another obligation of the Reference Entity to which such obligation is being compared (the **“Senior Obligation”**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganization or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **“Subordinated”** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

“Substitute Reference Obligation” means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Standard Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Determination Agent in accordance with the following procedures:

- (a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Determination Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a

Reference Entity, the Determination Agent shall identify one or more Obligations to replace such Reference Obligation.

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks pari passu (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Effective Date specified in the relevant Final Terms and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Determination Agent, of the delivery and payment obligations under the Conditions and (3) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Standard Terms, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Determination Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Determination Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Determination Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If (i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations and the Determination Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to such Reference Obligation and the Determination Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Determination Agent shall continue to attempt to identify a Substitute Reference Obligation until the latest of the Maturity Date, the Grace Period Extension Date (if any) and the Repudiation/Moratorium Evaluation Date (if any). If the Cash Settlement Amount is determined by reference to a Reference Obligation and on or prior to the latest of the Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, a Substitute Reference Obligation has not been identified, the Issuer's Obligations to pay the Early Redemption Amount shall cease as of the latest of the Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date.
- (f) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

“Succession Event” means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, “Succession Event” shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event.

“Successor” means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

- (i) if one entity directly or indirectly succeeds to seventy-five per cent or more of the Relevant Obligations of such Reference Entity by way of a Succession Event, that entity will be the sole Successor of such Reference Entity;
- (ii) if only one entity directly or indirectly succeeds to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of such Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of such Reference Entity remain with such Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor of such Reference Entity;
- (iii) if more than one entity each directly or indirectly succeeds to more than twenty-five per cent of the Relevant Obligations of such Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of such Reference Entity remain with such Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor of such Reference Entity;
- (iv) if one or more entities each directly or indirectly succeeds to more than twenty-five per cent of the Relevant Obligations of such Reference Entity by way of a Succession Event, and more than twenty-five per cent of the Relevant Obligations of such Reference Entity remain with such Reference Entity, each such entity and such Reference Entity will each be a Successor of such Reference Entity
- (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of such Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of such Reference Entity and such Reference Entity continues to exist, there will be no Successor and such Reference Entity will not be changed in any way as a result of the Succession Event of such Reference Entity; and
- (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of such Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of such Reference Entity and such Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of such Reference Entity) will be the sole Successor of such Reference Entity.

The Determination Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Determination Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information.

- (b) Where:
 - (i) a Reference Obligation has been specified in relation to a Reference Entity;
 - (ii) one or more Successors to such Reference Entity have been identified; and
 - (iii) any one or more such Successors have not assumed the Reference Obligation
 a Substitute Reference Obligation will be determined in accordance with the provisions hereof.
- (c) Where, pursuant to paragraph (a)(iii) or (iv), more than one Successor has been identified in respect of a Reference Entity (the “**Original Reference Entity**”):
 - (i) each Successor will be a Reference Entity;

- (ii) the Reference Entity Notional Amount applicable to each Successor shall be equal to the Reference Entity Notional Amount of the Original Reference Entity divided by the number of Successors of such Reference Entity; and
- (iii) the relevant Final Terms shall be amended to the extent deemed necessary by the Determination Agent without the consent of the Noteholders to preserve the economic effect of the Notes.
- (d) In relation to a Sovereign Reference Entity, “**Successor**” means any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

“**succeed**” means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (a) of the definition of “**Successor**” shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

“**Supranational Organization**” means any entity or organization established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

“**Transferable**” means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction (provided that none of the following shall be considered contractual, statutory or regulatory restrictions):

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

“**Underlying Obligor**” has the meaning ascribed to it in the definition of Qualifying Guarantee.

“**Underlying Obligation**” has the meaning ascribed to it in the definition of Qualifying Guarantee.

“**Unwind Costs**” means an amount equal to the costs payable by or, as the case may be, to, the Issuer as a result of unwinding any hedging arrangements entered into by the Issuer for the purposes of hedging its obligations in respect of the Notes, as calculated by the Calculation Agent in its sole and absolute discretion.

“**USD**”, “**U.S.\$**” and “**U.S. dollar**” mean the lawful currency of the United States of America.

“**Valuation Business Day**” has the meaning given in the relevant Final Terms.

“**Valuation Date**” means the date falling 60 Valuation Business Days after the Event Determination Date (the “**First Valuation Date**”), the date falling 5 Valuation Business Days after the determination of the Final Price with respect to the First Valuation Date (the “**Second Valuation Date**”) and the date falling 5 Valuation Business Days after the determination of the Final Price with respect to the Second Valuation Date (the “**Third Valuation Date**”).

“**Valuation Obligation**” means:

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Standard Terms, as provider of any Qualifying Guarantee) described by the Valuation Obligation Category specified in the relevant Standard Terms and having the Valuation Obligation Characteristics specified in the relevant

Standard Terms (but excluding any Excluded Valuation Obligation) as of the Valuation Date, that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in (i) to (iv) of the definition of “Credit Event”) or right of set off by or of a Reference Entity or any applicable Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Notification Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being valued, apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

- (b) subject to the second paragraph of the definition of “Not Contingent”, each Reference Obligation, unless specified in the relevant Final Terms as an Excluded Valuation Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Valuation Obligation (but excluding any Excluded Valuation Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in (i) to (iv) of the definition of “Credit Event”) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Notification Date of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being valued apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any other obligation of a Reference Entity specified as such in the relevant Final Terms.

If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” are specified in the relevant Standard Terms and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then a Valuation Obligation may be valued only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date no later than the applicable Modified Restructuring Limitation Date.

If “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” are specified in the relevant Standard Terms and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then a Valuation Obligation may be valued only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date no later than the specified Restructuring Maturity Limitation Date.

“**Valuation Obligation Balance**” means, with respect to a Valuation Obligation comprised in the Valuation Portfolio, an amount in the currency of denomination of that Valuation Obligation (the “**Valuation Obligation Currency**”) specified as such by the Determination Agent to the Noteholders on the Notification Date (determined by the Determination Agent on the Notification Date acting in good faith and in a commercially reasonable manner).

“**Valuation Obligation Category**” means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan or Bond or Loan, as specified in the relevant Standard Terms.

“**Valuation Obligation Characteristic**” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, as specified in the relevant Standard Terms.

“**Valuation Portfolio**” means, in relation to a Reference Entity in respect of which a Credit Event has occurred, a portfolio of one or more Valuation Obligations in respect of which the sum of the related Valuation Obligation Balances (converted if necessary to the currency in which the Reference Entity Notional Amount is denominated using the exchange rate determined on the last Notification Date by the Determination Agent acting in good faith and in a commercially reasonable manner) is equal to the Reference Entity Notional Amount or Exercise Amount (as applicable), as selected by the Issuer and notified to the Noteholders and the Determination

Agent on or before the day that falls 5 Business Days prior to the first Valuation Date (the date on which such notification occurs, the “**Notification Date**”).

The Determination Agent may notify the Noteholders (directly or through the clearing systems) that the Issuer is changing one or more Valuation Obligations to be valued or the detailed description thereof or one or more Valuation Obligation Balances, but each such notice must be effective on or prior to the fifth Business Day prior to the first Valuation Date. The date on which such new notice is effective shall be deemed to be the new Notification Date.

“**Valuation Time**” means, in respect of any Valuation Date, at or about 11.00 a.m. in the Quotation City applicable to the relevant Valuation Obligation, provided, however, that, if such time is earlier than 9.00 a.m. Brussels time, the Valuation Time shall be 9:00 a.m. Brussels time and if such time is later than 4.00 p.m. Brussels time, the Valuation Time shall be 4.00 p.m. Brussels time.

“**Voting Shares**” shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

(b) *Interpretation*

- (a) If the Obligation Characteristic “Listed” is specified in the relevant Standard Terms, the relevant Standard Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;
- (b) If (i) either of the Valuation Obligation Characteristics “Listed” or “Not Bearer” is specified in the relevant Standard Terms, the relevant Standard Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Valuation Obligation Category; (ii) the Valuation Obligation Characteristic “Transferable” is specified in the relevant Standard Terms, the relevant Standard Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Valuation Obligation Category); or (iii) any of the Valuation Obligation Characteristics “Assignable Loan” or “Consent Required Loan” is specified in the relevant Standard Terms, the relevant Standard Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Valuation Obligation Category;
- (c) If any of Payment, Borrowed Money, Loan or Bond or Loan is specified in the relevant Standard Terms as the Valuation Obligation Category and more than one of Assignable Loan and Consent Required Loan are specified in the relevant Standard Terms as Valuation Obligation Characteristics, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics; and
- (d) In the event that an Obligation or a Valuation Obligation is a Qualifying Guarantee, the following will apply:
 - (i) For purposes of the application of the Obligation Category or the Valuation Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
 - (ii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Valuation Obligation Characteristics, if any, specified in the relevant Standard Terms from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the relevant Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

- (iii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Valuation Obligation Characteristic of Not Subordinated, if specified in the relevant Standard Terms.
- (iv) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Valuation Obligation Characteristics, if any, specified in the relevant Standard Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (v) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (vi) The terms “outstanding principal balance” and “Due and Payable Amount”, when used in connection with Qualifying Guarantees are to be interpreted to be the then “outstanding principal balance” or “Due and Payable Amount”, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

“**Weighted Average Quotation**” means the weighted average of firm bid quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an outstanding principal balance or Due and Payable Amount of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are equal to or greater than the Quotation Amount.

(c) *May 2003 Supplement*

If the relevant Final Terms specify that the May 2003 Supplement is applicable then Condition 16 shall be amended as follows:

- (a) Condition 16(a) is amended by deleting the definition of “Downstream Affiliate” in its entirety and replacing it with the following:

“**Downstream Affiliate**” means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 % owned, directly or indirectly, by the Reference Entity.”

- (b) Condition 16(b) is amended by deleting paragraphs (d)(ii) and (iii) in their entirety and replacing them with the following paragraph (d)(i) and renumbering the paragraphs accordingly in paragraph (d):

“(ii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Valuation Obligation Characteristics, if any, specified in the relevant Standard Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the relevant Standard Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.”

- (c) Condition 16(a) is amended by deleting the definition of “Qualifying Guarantee” in its entirety and replacing it with the following:

“**Qualifying Guarantee**” means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the “**Underlying Obligation**”) for which another party is the obligor (the “**Underlying Obligor**”). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or

circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being delivered together with the delivery of the Underlying Obligation.”

- (d) Condition 16(a) is supplemented by adding the following phrase to the end of the definition of “Multiple Holder Obligation”: “provided that any Obligation that is a Bond shall be deemed to satisfy the requirement of a Multiple Holder Obligation.”

(d) *2003 Additional Provisions for Monoline Reference Entities*

If the relevant Final Terms specify that the 2003 Additional Provisions for Monoline Reference Entities are applicable then Condition 16 shall be amended and/or supplemented as follows:

- (a) **“Qualifying Policy”** means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set forth below) (the **“Insured Instrument”**) for which another party (including a special purpose entity or trust) is the obligor (the **“Insured Obligor”**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

“Instrument Payments” means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in paragraph (d) below and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

“Certificate Balance” means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

- (b) The definitions of “Obligation” and “Valuation Obligation” are amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”.
- (c) In the event that an Obligation or a Valuation Obligation is a Qualifying Policy, the terms of Condition 16(b)(d) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
 - (i) the Obligation Category Borrowed Money and the Obligation Category and Valuation Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Valuation Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms “obligation” and “obligor” as used in the Conditions in respect of such an Insured Instrument shall be construed accordingly;
 - (ii) references in the definitions of Assignable Loan and Consent Required Loan to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively;
 - (iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Valuation Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the relevant Standard Terms;
 - (iv) if the Assignable Loan, Consent Required Loan or Transferable Valuation Obligation Characteristics are specified in the relevant Standard Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and

- (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “outstanding principal balance” shall mean the outstanding Certificate Balance and “maturity”, as such term is used in the Maximum Maturity Valuation Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certification Balance will occur.
 - (d) An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Valuation Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.
 - (e) The definition of “Successor” is amended by adding “or insurer” after “or guarantor”.
 - (f) The definition of “Substitute Reference Obligation” is amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee” in the definition of Substitute Reference Obligation and paragraph (b) thereof. For purposes of paragraph (a)(ii)(B) of the definition of “Substitute Reference Obligation”, references to the Qualifying Guarantee and the Underlying Obligation shall be deemed to include the Qualifying Policy and the Insured Instrument, respectively.
 - (g) For purposes of paragraph (a)(ii) of the definition of “Valuation Obligation” and the definition of “Credit Event”, references to the Underlying Obligation and the Underlying Obligor shall be deemed to include Insured Instruments and the Insured Obligor, respectively.
- (e) *2005 Additional Provisions for Monoline Reference Entities*

If the relevant Final Terms specify that the 2005 Additional Provisions for Monoline Reference Entities are applicable then Condition 16 shall be amended and/or supplemented as follows:

- (a) **Qualifying Policy.** “Qualifying Policy” means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set forth below) (the “**Insured Instrument**”) for which another party (including a special purpose entity or trust) is the obligor (the “**Insured Obligor**”). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being Delivered together with the Delivery of the Insured Instrument.

“**Instrument Payments**” means (A) in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in paragraph (d) below and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

“**Certificate Balance**” means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

- (b) **Obligation and Valuation Obligation.** The definitions of “Obligation” and “Valuation Obligation” are hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”.

- (c) **Interpretation of Provisions.** In the event that an Obligation or a Valuation Obligation is a Qualifying Policy, the terms of Condition 16(b)(d) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
- (i) the Obligation Category Borrowed Money and the Obligation Category and Valuation Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument and the form of a pass-through certificate or similar funded beneficial interest, the Valuation Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms “obligation” and “obligor” shall be construed accordingly;
 - (ii) references in the definitions of Assignable Loan and Consent Required Loan to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively;
 - (iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Valuation Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the relevant Standard Terms;
 - (iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Valuation Obligation Characteristics are specified in the relevant Standard Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument;
 - (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “outstanding principal balance” shall mean the outstanding Certificate Balance and “maturity”, as such term is used in the Maximum Maturity Valuation Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insurers, as applicable, that the ultimate distribution of the Certificate Balance will occur; and
 - (vi) for the avoidance of doubt, the amendments to Condition 16(b)(d) provided in Condition 16(c) (if applicable) shall not be construed to apply to Qualifying Policies and Insured Instruments.
- (d) **Not Contingent.** An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Valuation Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.
- (e) **“Deliver”** means with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and “Delivery” and “Delivered” will be construed accordingly.
- (f) The definition of “Successor” is amended by adding “or insurer” after “or guarantor”.
- (g) The definition of “Substitute Reference Obligation” is hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee” in the definition of Substitute Reference Obligation and paragraph (b) thereof. For purposes of paragraph (a)(ii)(B) of the definition of “Substitute Reference Obligation”, references to the Qualifying Guarantee and the Underlying Obligation shall be deemed to include the Qualifying Policy and the Insured Instrument, respectively.
- (h) **Restructuring.**
- (i) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (a)(i) to (v) of the definition of “Restructuring” is hereby amended to read as follows:

- (i) a reduction in the rate or amount of the Instrument Payments described in clause (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
 - (ii) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition thereof or (B) the payment of the Instrument Payments described in clause (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
 - (iv) a change in the ranking in priority of payment of (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (B) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
 - (v) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.
- (ii) Paragraph (b)(iii) of the definition of “Restructuring” is hereby amended by adding “or, in the case of Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payment would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy” after “Reference Entity”.
- (iii) The definition of “Restructuring” is hereby amended by the insertion of clause (e) as follows:
- For purposes of (a), (b) and (d), the term Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in (a) shall be deemed to refer to the Insured Obligor and the reference to the Reference Entity in (b) shall continue to refer to the Reference Entity.
- (i) **Fully Transferable Obligation and Conditionally Transferable Obligation.** In the event that a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of Conditionally Transferable Obligation to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “final maturity date”, as such term is used in the last two paragraphs of the definition of “Valuation Obligation” and the definition of Restructuring Maturity Limitation Date, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (j) **Other Provisions.** For purposes of paragraph (a) of the definition of “Valuation Obligation”, the definition of “Credit Event” and the definition of “Deliver”, references to the Underlying Obligation and the Underlying Obligor shall be deemed to include Insured Instruments and the Insured Obligor, respectively.

ANNEX

PART 1

Obligation Type

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Obligation Type 1:

Obligation Category: Borrowed Money.

Obligation Characteristics: None.

Qualifying Policies shall be considered as Obligations in respect of Obligation Type 1 Reference Entities.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Obligation Type 2:

Obligation Category: Borrowed Money.

Obligation Characteristics: None.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Obligation Type 3:

Obligation Category: Borrowed Money.

Obligation Characteristics: Not subordinated.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Obligation Type 4:

Obligation Category: Bond.

Obligation Characteristics: Not Subordinated
Not Domestic Currency
Not Domestic Law
Not Domestic Issuance.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Obligation Type 5:

Obligation Category: Bond or Loan.

Obligation Characteristics: Not Subordinated
Not Sovereign Lender
Not Domestic Currency
Not Domestic Law
Not Domestic Issuance.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Obligation Type 6:

Obligation Category: Bond or Loan.

Obligation Characteristics: Not Subordinated
Specified Currency: Standard Specified Currencies & Domestic Currency
Not Sovereign Lender

PART 2

Valuation Obligation Type

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Valuation Obligation Type 1:

Valuation Obligation Category: Bond or Loan.
Qualifying Policies shall be considered as Valuation Obligations in respect of Valuation Obligation Type 1 Reference Entities.

Valuation Obligation Characteristics: Not Subordinated
Specified Currency:
Standard Specified Currencies.
Not Contingent
Assignable Loan
Consent Required Loan
Transferable
Maximum Maturity: 30 years
Not Bearer.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Valuation Obligation Type 2:

Valuation Obligation Category: Bond or Loan.

Valuation Obligation Characteristics: Not Subordinated
Specified Currency:
Standard Specified Currencies.
Not Contingent
Assignable Loan
Consent Required Loan
Transferable
Maximum Maturity: 30 years
Not Bearer.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Valuation Obligation Type 3:

Valuation Obligation Category: Bond or Loan.

Valuation Obligation Characteristics: Specified Currency:
Standard Specified Currencies.
Not Contingent
Assignable Loan
Consent Required Loan
Transferable
Maximum Maturity: 30 years
Not Bearer.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Valuation Obligation Type 4:

Valuation Obligation Category: Bond.
Valuation Obligation Characteristics: Not Subordinated
Specified Currency:
Standard Specified Currencies
Not Domestic Law
Not Contingent
Not Domestic Issuance
Transferable
Not Bearer.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Valuation Obligation Type 5:

Valuation Obligation Category: Bond or Loan.
Valuation Obligation Characteristics: Not Subordinated
Specified Currency:
Standard Specified Currencies.
Not Sovereign Lender
Not Domestic Law
Not Contingent
Not Domestic Issuance
Assignable Loan
Transferable
Maximum Maturity: 30 years
Not Bearer.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Valuation Obligation Type 6:

Valuation Obligation Category: Bond or Loan.
Valuation Obligation Characteristics: Not Subordinated
Specified Currency:
Standard Specified Currencies & Domestic Currency
Not Sovereign Lender
Not Contingent
Assignable Loan
Transferable
Maximum Maturity: 30 years
Not Bearer.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Valuation Obligation Type 7:

- Valuation Obligation Category: Bond or Loan.
- Valuation Obligation Characteristics:
 - Not Subordinated
 - Specified Currency:
 - Standard Specified Currencies & Domestic Currency.
 - Not Contingent
 - Assignable Loan
 - Consent Required Loan
 - Transferable
 - Maximum Maturity: 30 years
 - Not Bearer.

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Valuation Obligation Type 8:

- Valuation Obligation Category: Bond or Loan.
- Valuation Obligation Characteristics:
 - Not Subordinated
 - Specified Currency:
 - Standard Specified Currencies & Domestic Currency.
 - Not Contingent
 - Assignable Loan
 - Consent Required Loan
 - Transferable
 - Maximum Maturity: 30 years
 - Not Bearer.

PART 3

Credit Event Type

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Credit Event Type 1:

Bankruptcy
Failure to Pay
Grace Period Extension: Not Applicable
Restructuring
Multiple Holder Obligation: Applicable

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Credit Event Type 2:

Bankruptcy
Failure to Pay
Grace Period Extension: Not Applicable
Restructuring
Multiple Holder Obligation: Not Applicable

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Credit Event Type 3:

Bankruptcy
Failure to Pay
Grace Period Extension: Applicable
Obligation Acceleration
Repudiation/Moratorium
Restructuring
Multiple Holder Obligation: Not Applicable

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Credit Event Type 4:

Failure to Pay
Grace Period Extension: Not Applicable
Restructuring
Repudiation/Moratorium
Multiple Holder Obligation: Applicable

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Credit Event Type 5:

Failure to Pay
Grace Period Extension: Not Applicable
Restructuring
Repudiation/Moratorium
Multiple Holder Obligation: Not Applicable

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Credit Event Type 6:

Failure to Pay

Grace Period Extension: Applicable

Restructuring

Obligation Acceleration

Repudiation/Moratorium

Multiple Holder Obligation: Not Applicable

With respect to each Reference Entity which is identified in accordance with Part 4 hereto as being Credit Event Type 7:

Bankruptcy

Failure to Pay

Grace Period Extension: Not Applicable

Restructuring

Multiple Holder Obligation: Applicable

PART 4

	Credit Event Type	Obligation Type	Valuation Obligation Type	Restructuring Type
CORPORATE				
US Monoline	<i>Type 1</i>	<i>Type 1</i>	<i>Type 1</i>	<i>Type 1</i>
US Corporate	<i>Type 1</i>	<i>Type 2</i>	<i>Type 2</i>	<i>Type 2</i>
Western Europe	<i>Type 1</i>	<i>Type 2</i>	<i>Type 2</i>	<i>Type 3</i>
Australia	<i>Type 1</i>	<i>Type 2</i>	<i>Type 7</i>	<i>Type 2</i>
New Zealand	<i>Type 1</i>	<i>Type 2</i>	<i>Type 8</i>	<i>Type 2</i>
Japan	<i>Type 2</i>	<i>Type 3</i>	<i>Type 2</i>	<i>Type 1</i>
Emerging	<i>Type 3</i>	<i>Type 4</i>	<i>Type 4</i>	<i>Type 1</i>
Asia	<i>Type 1</i>	<i>Type 5</i>	<i>Type 5</i>	<i>Type 1</i>
EU Insurance/sub	<i>Type 7</i>	<i>Type 2</i>	<i>Type 2</i>	<i>Type 1</i>
Singapore	<i>Type 1</i>	<i>Type 6</i>	<i>Type 6</i>	<i>Type 1</i>
SOVEREIGN				
Western Sovereign	<i>Type 4</i>	<i>Type 2</i>	<i>Type 3</i>	<i>Type 1</i>
Australia	<i>Type 4</i>	<i>Type 2</i>	<i>Type 7</i>	<i>Type 2</i>
New Zealand	<i>Type 4</i>	<i>Type 2</i>	<i>Type 8</i>	<i>Type 2</i>
Japan	<i>Type 5</i>	<i>Type 2</i>	<i>Type 3</i>	<i>Type 1</i>
Emerging	<i>Type 6</i>	<i>Type 4</i>	<i>Type 4</i>	<i>Type 1</i>
Asia	<i>Type 4</i>	<i>Type 5</i>	<i>Type 5</i>	<i>Type 1</i>
Singapore	<i>Type 4</i>	<i>Type 6</i>	<i>Type 6</i>	<i>Type 1</i>

USE OF PROCEEDS

The net proceeds from the issue of the Notes by Fortis Bank will be used by it to meet part of its financing requirements and for general corporate purposes and the net proceeds from the issue of the Notes issued by Fortis Luxembourg will be lent to the Guarantor, to be used by the Guarantor for the same purposes.

SUMMARY OF PROVISIONS RELATING TO GLOBAL NOTES

Notes deposited with a common depository for Euroclear and Clearstream, Luxembourg

Each Series or Tranche, as the case may be, where the Notes issued in such Series or Tranche are initially in bearer form, will, unless otherwise provided in the relevant Final Terms initially be represented by a temporary Global Note, in bearer form without Coupons, with the Guarantee of the Guarantor endorsed thereon, which will be deposited on behalf of the subscribers of the relevant Notes with a common depository (the “*Common Depository*”) for the Euroclear Operator and/or for Clearstream, Luxembourg and/or any other relevant clearing system, or as otherwise agreed, on or about the issue date of the relevant Notes. No interest will be payable in respect of a temporary Global Note except as provided below. Upon deposit of the temporary Global Note(s) with the Common Depository, the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system as the holder of a Note represented by a Global Note must look solely to the Euroclear Operator or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Note, subject to and in accordance with the respective rules and procedures of the Euroclear Operator, Clearstream, Luxembourg and any other relevant clearing system. Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and the obligations of such Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

The temporary Global Notes and the permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:—

(1) *Exchange*: Each temporary Global Note will be exchangeable in whole or in part for interests in a permanent Global Note or for Definitive Notes, in each case, with the Guarantee of the Guarantor endorsed thereon, on or after the first day following the expiry of 40 days after completion of the distribution of the relevant Tranche upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. If the relevant Final Terms so provides, each permanent Global Note is exchangeable in whole or, in the case of Partly-paid Notes only, in part for definitive Notes by the holder giving notice to the Fiscal Agent, or by the relevant Issuer giving notice to the Fiscal Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes as set out below.

(A) If so specified in the relevant Final Terms (i) on or after any Exchange Date (as defined below) or (ii) at any time or (B) if the Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then upon the request of the holder of the permanent Global Note if either of the following events occurs: (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 occurs, the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Fiscal Agent. In exchange for any permanent Global Note the relevant Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), with the Guarantee of the Guarantor endorsed thereon, security printed in accordance with any applicable legal and listing authority, stock exchange or quotation system requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

“*Exchange Date*” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and on which the Euroclear Operator and Clearstream, Luxembourg and any other relevant clearing system are open for business.

(2) *Payments*: No payment falling due more than 40 days after the issue of any Tranche represented by a temporary Global Note will be made on that temporary Global Note unless exchange for an interest in a permanent Global Note is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after the completion of the distribution of such Tranche will only be made against

presentation of certification as to non-U.S. beneficial ownership as set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

(3) *Notices:* So long as Notes of any Series are represented by a Global Note notices may be given by delivery of the relevant notice to the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in the United Kingdom, but publication in the *d'Wort* or the website of the Luxembourg Stock Exchange and/or such other place as may be required by the rules and regulations of such other listing authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation will be maintained for so long as the Notes of the Series in respect of which the notice is to be published are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by such other listing authority stock exchange and/or quotation system.

(4) *Prescription:* Claims against the relevant Issuer in respect of principal and interest (as each is defined in the Conditions) on Notes while the Notes of that Series are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

(5) *Meetings:* The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum Denomination of Notes for which such permanent Global Note may be exchanged.

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

(7) *Issuer's Option:* No drawing of Notes will be required under Condition 6(e) in the event that the relevant Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a permanent Global Note. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with the Euroclear Operator and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of the Euroclear Operator and Clearstream, Luxembourg.

(8) *Noteholders' Option:* Any Noteholders' option may be exercised by the holder of a permanent Global Note giving notice to the Fiscal Agent of the principal amount of Notes in respect of which the option is exercised and presenting such permanent Global Note for endorsement of exercise within the time limits specified in the Conditions.

(9) *Default:* As more fully described in the Global Notes, each Global Note shall become void in whole or in part on the seventh day after notice is served by the person or persons shown in the records of the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system as the holder or holders of the Notes in respect of which notice is served (the "*Relevant Accountholder*") upon the occurrence of an event of default. In such circumstances each Relevant Accountholder shall acquire, under a deed of covenant dated 3 November 2005 executed by the Issuers and the Guarantor (the "*Deed of Covenant*") against the relevant Issuer and (in the case of Notes issued by Fortis Luxembourg) the Guarantor all rights which the Relevant Accountholder in question would have had if, immediately before the Global Note became void, it had been holder of definitive Notes issued on the issue date of the Global Note in an aggregate principal amount equal to the principal amount of the Notes in respect of which such Relevant Accountholder is shown in the records of the Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system.

(10) *Partly-paid Notes:* The provisions relating to Partly-paid Notes will be contained in the Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly-paid Notes are due, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the relevant Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

Notes issued by Fortis Bank and clearing through the X/N System

If so provided in the relevant Final Terms, each Series or Tranche, as the case may be, issued by Fortis Bank, where the Notes issued in such Series or Tranche are initially in bearer form, will be represented by a permanent Global Note, in bearer form without Coupons, which will be deposited with the NBB as operator of the X/N System or its custodian on or about the issue date of the relevant Notes. Upon receipt of the permanent Global Note the NBB will credit the accounts of its participants, which include Euroclear Operator's and Clearstream, Luxembourg's account, being an Exempt Account, in the X/N System with an aggregate amount equivalent to the principal amount of the permanent Global Note. Euroclear Operator and Clearstream, Luxembourg will then credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Ownership of beneficial interests in the permanent Global Note will be limited to persons who maintain accounts with the X/N System, Euroclear Operator and Clearstream, Luxembourg or persons who hold interests through such persons and which are Eligible Investors holding the Notes in an exempt Notes account. Certain types of Belgian investors (being those that are not eligible for holding "X-accounts"), however, may not hold their Notes through Euroclear or Clearstream, Luxembourg (save if they do so through another intermediary financial institution which is also a participant in the X/N Clearing System and which will be responsible for the withholding of tax). See "*Taxation – Belgium*" below. Ownership of beneficial interests in the permanent Global Note will be shown on, and the transfer of such interests will be effected only through, records maintained by the X/N System, Euroclear Operator and Clearstream, Luxembourg and in accordance with the applicable procedures of the X/N System, Euroclear Operator and Clearstream, Luxembourg.

Each of the persons shown in the records of the X/N System, Euroclear Operator and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in the permanent Global Note (each an "*Accountholder*") must look solely to the X/N System, Euroclear Operator and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by Fortis Bank to the bearer of such permanent Global Note and in relation to all other rights arising under the permanent Global Note. For so long as the Notes are represented by the permanent Global Note, Accountholders shall have no claim directly against Fortis Bank in respect of payments due under the Notes and such obligations of Fortis Bank will be discharged by payment to the bearer of the permanent Global Note.

The permanent Global Note contains provisions which apply to the Notes while in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

(1) *Exchange for definitive Notes*: If the relevant Final Terms so provide, each permanent Global Note is exchangeable in whole or, in the case of Partly-paid Notes only, in part for definitive Notes by the holder giving notice to the Domiciliary Agent, or by the Issuer giving notice to the Domiciliary Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes as set out below:

(A) If so specified in the relevant Final Terms (i) on or after any Exchange Date (as defined below) or (ii) at any time or (B) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then upon the request of the holder of the permanent Global Note if either of the following events occurs: (a) if the X/N System, Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 occurs, the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Domiciliary Agent. In exchange for any permanent Global Note Fortis Bank will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), security printed in accordance with any applicable legal and listing authority, stock exchange or quotation system requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange of each permanent Global Note, Fortis Bank will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

"*Exchange Date*" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Domiciliary Agent is located and on which the X/N System, Euroclear Operator and Clearstream, Luxembourg and any other relevant clearing system are open for business.

(2) *Payments*: Payments in respect of the permanent Global Note will be made by or on behalf of the Issuer to the NBB for distribution to accountholders with the X/N System (in the case of payments in euro) or to Euroclear, Clearstream, Luxembourg and the Domiciliary Agent for distribution to the respective accountholders (in the case of payments in currencies other than euro).

(3) *Payment business day*: Subject as provided in the Conditions and the relevant Final Terms, while all the Notes are represented by the permanent Global Note and the permanent Global Note is deposited with the NBB or its custodian and cleared through the X/N System, all payments in respect of the permanent Global Note will be made on a day on which the X/N System is open. If payment is due on a day on which the X/N System is not open, the holder shall not be entitled to payment of the amount due until the next succeeding date on which the X/N System is open and shall not be entitled to any further interest or other payment in respect of any such delay.

(4) *Meetings*: The rights of accountholders with the X/N System, Euroclear, Clearstream, Luxembourg and/or any other clearing system (together, the “*Clearing Systems*”) in respect of meetings of Noteholders in relation to the Notes represented by the permanent Global Note will be governed by the standard procedures of such Clearing Systems and Belgian law. To the extent that the NBB does not attend and vote on behalf of Accountholders as instructed in accordance with the standard procedures of the Clearing Systems, Accountholder shall be entitled to attend and vote in such meetings in accordance with Belgian law and the Issuer shall recognise their entitlement accordingly. By accepting to hold the permanent Global Note, the NBB irrevocably authorises the Accountholders to act on its behalf in such circumstances.

(5) *Issuer’s Option*: In the event that any option of Fortis Bank is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with the X/N System, Euroclear Operator and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of the NBB, as the operator of the X/N System, the Euroclear Operator and Clearstream, Luxembourg or, in the absence of such procedures, accountholders shall have the same rights as though they held Definitive Notes in an aggregate principal amount equal to the principal amount of such accountholders’ entry in its securities account with such Clearing System in respect of the Notes represented by the permanent Global Note.

(6) *Noteholders’ Option*: Any option of the Noteholders provided for in the Conditions may be exercised by accountholders directly as though they held Definitive Notes in an aggregate principal amount equal to the principal amount of such Accountholders’ entry in its securities account with such Clearing System in respect of the Notes represented by the permanent Global Note.

(7) *Default*: As more fully described in the permanent Global Notes, each permanent Global Note shall become void in whole or in part on the seventh day after notice is served by the person or persons shown in the records of the X/N System, Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system as the holder or holders of the Notes in respect of which notice is served (the “*Relevant Accountholder*”) upon the occurrence of an event of default. In such circumstances each Relevant Accountholder shall acquire, under the Deed of Covenant against Fortis Bank all rights which the Relevant Accountholder in question would have had if immediately before the permanent Global Note became void, it had been holder of definitive Notes issued on the issue date of the permanent Global Note in an aggregate principal amount equal to the principal amount of the Notes in respect of which such Relevant Accountholder is shown in the records of the X/N System, Euroclear Operator or Clearstream, Luxembourg or any other relevant clearing system.

(8) *Partly-paid Notes*: The provisions relating to Partly-paid Notes will be contained in the permanent Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly-paid Notes are due, no interest in a permanent Global Note representing such Notes may be exchanged for definitive Notes. In the event that any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

FORTIS LUXEMBOURG FINANCE S.A.

1. Persons Responsible

FORTIS LUXEMBOURG FINANCE S.A., a limited liability company incorporated for an unlimited duration under the laws of the Grand-Duchy of Luxembourg (hereinafter referred to as “**Fortis Luxembourg**”), with its registered and principal office at 65, Boulevard Grande-Duchesse Charlotte, L-1331, Luxembourg, and/or FORTIS BANK nv-sa, a bank incorporated for an unlimited duration in Belgium (hereinafter referred to as the “**Guarantor**” or “**Fortis Bank**”), with registered office at 1000 Brussels, Montagne du Parc 3 are responsible for the information given in this Base Prospectus.

2. Statutory auditors

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

3. Selected financial information of Fortis Luxembourg

Balance Sheet of Fortis Luxembourg

(Extracted from the audited annual financial statements of Fortis Luxembourg for the two years ended 31 December 2003 and 31 December 2004, which have been prepared in conformity with Luxembourg legal and regulatory requirements)

	As at 31 December	
	2004	2003
	(in EUR millions)	(in EUR millions)
Assets		
Fixed assets	4,610	4,252
Current assets	1,547	2,002
Prepayments	46	35
Loss of the financial year	2	–
	6,205	6,291
Liabilities		
Capital and reserves	16	12
Creditors	6,143	6,242
Deferred income	46	33
Profit for the financial year	–	4
	6,205	6,291
	6,205	6,291

Profit and Loss Account of Fortis Luxembourg

	For the year ended 31 December	
	2004	2003
	(in EUR millions)	(in EUR millions)
Gross results	377	371
Interests and similar costs	376	364
Other costs and taxes	2.6	3
Profit/(Loss) for the fiscal year	(1.6)	4

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

4. Information about Fortis Luxembourg

4.1 History and development of Fortis Luxembourg

Fortis Luxembourg was incorporated in Luxembourg on 24 September 1986 for a limited duration of thirty years in the form of a “*Société Anonyme*” under the laws of the Grand Duchy of Luxembourg and is registered with the Luxembourg Registry of Commerce and Companies under number B24784.

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

The Articles of Association of Fortis Luxembourg have been amended several times, most recently by notarial deed in Luxembourg on 7 February 2005. The duration of Fortis Luxembourg is now unlimited. According to Luxembourg Act of 10 December 1998, the capital of Fortis Luxembourg has been converted into euro on 18 April 2001.

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

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

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

5. Business overview

5.1 Principal activities

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

Please refer to section 11.1(b) below for more information about the securities issued by Fortis Luxembourg.

5.2 Principal markets

The long-term debt of Fortis Luxembourg is admitted to listing on the official list and trading on the regulated market of the Luxembourg Stock Exchange and/or on Eurolist by Euronext Amsterdam and/or on Euronext Brussels. The debt securities are sold to investors all over the world but within the scope of any applicable selling restrictions.

6. Organisational structure

Fortis Luxembourg is part of Fortis and acts as a financing vehicle of the such group. Within Fortis, Fortis Luxembourg is an affiliate of the Guarantor (see description below in relation to Fortis Bank).

7. Trend Information

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

8. Administrative, Management, and Supervisory Bodies

8.1 Board of Directors

As at the date of this Base Prospectus, the Board of Directors was comprised of the following persons:

<i>Name</i>	<i>Principal activities performed by them outside Fortis Luxembourg which are significant with respect to Fortis Luxembourg*</i>
– Frank van Gansbeke (Chairman)	Global Head of Funding and Liquidity of the Guarantor,
– Bas Schreuders	Member of the Board of Directors of MeesPierson Intertrust Luxembourg,
– Edward Bruin	Director of Fiscal Affairs and Product Development of MeesPierson Intertrust Luxembourg,
– Jean Thill	Global Markets Director of Banque Générale du Luxembourg S.A., and
– Christian Pithsy	Director, Market Risk and Risk Communication of the Guarantor.

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

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

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

8.2 Administrative, Management, and Supervisory bodies conflicts of interests

No conflicts of interests exist between any duties to the issuing entity of the persons referred to in section 8.1 above and their private interests.

9. Board Practices

Fortis Luxembourg does not have an Audit Committee. An Audit Committee exists at Fortis group level as set out on page 108 below.

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

10. Major Shareholders

The Guarantor holds 99.995% of Fortis Luxembourg's shares.

11. Financial Information Concerning Fortis Luxembourg's Assets and Liabilities, Financial Position and Profits and Losses

11.1 Historical financial information

(a) 2004 Financial statements

(Extracted from the audited annual financial statements of Fortis Luxembourg, which have been prepared in conformity with Luxembourg legal and regulatory requirements)

Balance Sheet (in EUR)

	Notes	2004	2003
Assets			
Fixed assets			
Tangible assets		265	553
Financial assets			
Loans to affiliated undertakings	3	4,610,436,913	4,252,058,341
		<u>4,610,437,178</u>	<u>4,252,058,894</u>
Current Assets			
Debtors becoming due and payable within one year			
Other debtors	4	1,527,456,828	1,987,326,341
Cash at bank and in hand		19,659,787	15,425,960
		<u>1,547,116,615</u>	<u>2,002,752,301</u>
Prepayments	5	45,469,253	35,978,840
Loss of the financial year		1,589,387	–
		<u>6,204,612,433</u>	<u>6,290,790,035</u>
Liabilities			
Capital and reserves			
Subscribed capital	6	500,000	500,000
Reserves	7		
Legal reserve		50,000	50,000
Other reserves		1,182,021	915,371
Profit brought forward		13,876,527	10,389,811
		<u>15,608,548</u>	<u>11,855,182</u>
Creditors			
Amounts become due and payable after more than one year			
Debenture loans	8	3,731,843,210	3,423,163,326
Amounts becoming due and payable within one year			
Debenture loans and commercial paper		2,244,550,334	2,675,019,976
Other creditors (including tax:			
EUR 3,838,144 (2003 EUR 2,744,267))	9	166,585,517	144,147,715
		<u>6,142,979,061</u>	<u>6,242,331,017</u>
Deferred income	5	46,024,824	32,850,470
Profit for the financial year		–	3,753,366
		<u>6,204,612,433</u>	<u>6,290,790,035</u>

Income Statement (in EUR)

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

Notes

1. General

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

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

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

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

2. Significant accounting policies

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

2.1 Currency conversion

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

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

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

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

2.2 Tangible Assets

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

Fixtures, fittings and other equipment	25%
--	-----

2.3 Debtors

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

2.4 Premiums on amounts receivable

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

2.5 Creditors

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

2.6 Premiums on borrowings

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

3. Financial assets

No value adjustment was made on loans.

Amounts receivable are made up as follows:

	2004	2003
	EUR	EUR
Amounts due within less than 1 year	882,987,456	833,402,230
Amounts due over 1 year		
1-5 years	1,641,561,718	1,856,320,259
5 years or more	2,085,887,739	1,562,335,852
	<u>3,727,449,457</u>	<u>3,418,656,111</u>
Total	<u><u>4,610,436,913</u></u>	<u><u>4,252,058,341</u></u>

4. Debtors becoming due and payable within one year

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

5. “Prepayments” and “Deferred Income”

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

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

6. Subscribed capital

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

7. Reserves

	Legal reserve	Special reserve	Profit brought forward
	EUR	EUR	EUR
Balances as at 1 January 2004	50,000	915,371	10,389,811
2003 result	–	–	3,753,366
Allocation of the 2003 result			
– Allocation to the special reserve related to the net wealth tax	–	266,650	(266,650)
Balances as at 31 December 2004	50,000	1,182,021	13,876,527

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

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

8. Debenture loans over one year and commercial papers

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

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

9. Other creditors

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

10. Income from other transferable securities and from loans forming part of the fixed assets

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

11. Other interest receivable and similar income

At 31 December, this item was made up of:

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

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

12. Interest payable and similar charges

At 31 December, this item was made up of:

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

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

EXTRACT OF THE REPORT OF THE “COMMISSAIRE AUX COMPTES”

Following the appointment by the Extraordinary General Meeting dated 10 February 2004, we have audited the accompanying annual accounts of Fortis Luxembourg Finance S.A. for the year ended 31 December 2004, and have read the related management report. These annual accounts and the management report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these annual accounts based on our audit and to check the consistency of the management report with them.

We have 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 annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached annual accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the financial position of Fortis Luxembourg Finance S.A. as at 31 December 2004 and of the results of its operations for the year then ended. We therefore recommended their approval.

The management report is in accordance with the annual accounts.

Luxembourg, 12 April 2005

KPMG Audit S.à.r.l.

Réviseurs d'Entreprises

Eric Damotte

Supplemental Notes to the financial statements

The total balance sheet at year-end amounts to EUR 6,204,612,433 against EUR 6,290,790,035 at the end of 2003.

The main variation of the balance sheet during the year 2004 can be summarised as follows:

- The total of the loans granted to Fortis Bank-AV-SA are financed by bond issues which rise from EUR 4,252,058,341 at 31 December 2003 to EUR 4,610,436,913 at 31 December 2004.
- Fortis Luxembourg has registered for the first time the option premiums for an amount of EUR 3,310,321. This amount represents paid premiums and is booked as an asset at the time of the bond issuance. At maturity of the corresponding issues, the amount will be charged to the result.
- The general assembly approving the accounts of the financial year ended at 31 December 2003 has decided to add an amount of EUR 266,650 to the special reserve.
- Fortis Luxembourg is financing its activity by issuing bonds and commercial paper. The debt position at year-end, amounting to EUR 5,976,393,544.39, can be broken as follows:

Senior bonds	867,333,345
Subordinated bonds	3,012,112,321
Index linked and reverse convertibles bonds	735,500,000
Commercial Paper	1,361,447,878
Total	5,976,393,544

As at 31 December 2004, the net result amounts to a loss of EUR 1,589,387 against a gain of EUR 3,753,366 as at 31 December 2003.

The main explanations for the movements of the year can be summarised as follows:

- **Interest and similar charges:** the main variation in comparison with 2003 is explained by:

For the first time, the Company registered the interest paid under the IRS-transactions. The interest paid under the IRS-transactions amounted to EUR 26,176,860 at 31 December 2004.

The Company has paid an amount of EUR 8,025,000 in relation to the upfront fees paid at the issuance of several new bond issues in the course of 2004.

- **Income from current assets:** In the course of the financial year under review, the Company earned interest of EUR 37,018,582 on commercial paper against EUR 43,482,685 in the course of the previous year. The Company registered in the course of the financial year under review the interest earned on IRS-transactions amounting to EUR 2,362,670. This item includes also the received upfront fees received at the moment of issuance of several new issues. The upfront fees received amounted to EUR 4,415,767 in the course of 2004.

(b) Cash flow statements of Fortis Luxembourg for the two years ended 31 December 2003 and 31 December 2004, which have been prepared in conformity with Luxembourg legal and regulatory requirements

Cash Flow Statements for the years ended 31 December 2004 and 2003

Note to the Cash Flow Statements

The purpose of this note is to describe the basis used by the management of Fortis Luxembourg Finance S.A. (the “Company”) to prepare the statements of cash flows for the two years ended 31 December 2004 and 2003, respectively (the “Cash Flow Statements”), which are required to be included in the Base Prospectus dated 3 November 2005 (the “Base Prospectus”).

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

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

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

Cash Flow Statements

Consolidated cash-flow statement for the financial years ending 31 December 2004 and 2003 (in EUR)

Fortis Luxembourg Finance	Financial year 2004	Financial year 2003
Cash flows from operating activities		
Consolidated profit	(1,589,387)	3,753,366
Adjustments for		
Depreciation and amortisation	11,052,393	10,946,488
Amortisation issue premiums	(9,685,151)	(10,229,730)
Unrealised foreign exchange gains / losses ..	(38,853)	115,586
Other changes	2,367,247	2,546,426
	3,695,636	3,378,770
Cash flows from business operations		
Creditors – Commercial paper	(480,169,868)	352,906,781
Debtors – Commercial paper	480,288,554	(353,301,489)
Other changes	2,007,354	3,458,713
	2,126,040	3,064,005
Net cash generated by operating activities ..	4,232,289	10,196,141
Cash flows from investing activities		
Increase of long term loans to affiliated undertakings	(1,191,780,802)	(379,954,670)
Redemption of long term loans to affiliated undertakings	833,402,230	499,996,680
Net cash generated by investing activities	(358,378,572)	120,042,010
Cash flows from financing activities		
Issuance of bonds	1,197,164,671	482,257,594
Redemption of bonds	(838,784,561)	(603,637,423)
Net Cash generated by financing activities ..	358,380,110	(121,379,829)
Net increase in cash	4,233,827	8,858,322
Cash and cash equivalents at 1 January	15,425,960	6,567,638
Cash and cash equivalents at 31 December	19,659,787	15,425,960

Audit Report to the Cash Flow Statements

To the shareholders of
Fortis Luxembourg Finance S.A.
14, rue Aldringen
L-1118 Luxembourg

Cash Flow Statements in relation to the EMTN program

We have audited the Cash Flow Statements of Fortis Luxembourg Finance S.A. for the years ended 31 December 2004 and 31 December 2003. Those Cash Flow Statements and the note to the Cash Flow Statements are the responsibility of Fortis Luxembourg Finance S.A.'s management. Our responsibility is to express an opinion on the 2003 and 2004 cash flow statements based on our audit and in accordance with that basis of preparation.

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 Cash Flow Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Cash Flow Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Cash Flow Statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2003 and 2004 Cash Flow Statements give a true and fair view of the cash flows of the Company as of 31 December 2004 and as of 31 December 2003 in accordance with the basis of preparation described in the note to the Cash Flow Statements disclosed page 87.

Luxembourg, 3 November 2005

KPMG Audit S.à.r.l
Réviseurs d'entreprises

Eric Damotte

(c) Capitalisation and Indebtedness of Fortis Luxembourg as at 31 December 2004

The capitalisation and indebtedness of Fortis Luxembourg as at 31 December 2004, is as set out below:

				As at
				31 December
				2004
				(In EUR)
Shareholders' Equity				
Share capital				500,000.00
Legal reserve				50,000.00
Reserve not available				1,182,021.25
Retained earnings				13,876,527.00
Total Shareholders' Equity				15,608,548.25
Long Term Debt				
Notes with unsubordinated guarantee				
LUF 2,000,000,000	7¼%	1995/2005 ⁽¹⁾⁽⁴⁾	XS0059443761	49,578,704.95
LUF 3,000,000,000	5%	1996/1999 7% 1999/2002 9% 2002/2005 ⁽¹⁾⁽⁴⁾⁽⁷⁾	XS0064533507	74,368,057.43
LUF4,000,000,000	5½%	1996/2000 7% 2000/2003 9% 2003/2006 ⁽¹⁾⁽⁴⁾⁽⁷⁾	XS0067038959	99,157,409.91
LUF 3,000,000,000	4¾%	1996/1999 6% 1999/2002 8% 2002/2005 ⁽¹⁾⁽⁴⁾⁽⁷⁾	XS0071703192	74,368,057.43
EUR 2,000,000.00		3 May 2002	XS0147076037	2,000,000.00
USD 5,000,000		16 June 2003	XS0170126659	3,666,495.56
HKD100,000,000		25 March 2003	XS0165573071	9,431,026.19
USD 4,000,000		15 July 2003	XS0171778003	2,933,196.45
USD 10,500,000		Range Accrual Notes	XS0172877028	7,699,640.68
USD 10,000,000		Range Accrual Notes	XS0173627554	7,332,991.13
USD 2,000,000		Bermudan Callable Fixed Rate Notes	XS0180133398	1,466,598.23
USD 5,000,000		Callable Range Accrual Notes	XS0180217498	3,666,495.56
EUR 4,720,000		0% Basket Linked Notes	XS0187132096	4,720,000.00
EUR 5,000,000		Credit Linked Floating Rate Notes	XS0187825459	5,000,000.00
EUR 3,000,000		Equity Index Linked Notes	XS0189252736	3,000,000.00
USD 8,000,000		Credit Linked Notes	XS0189310799	5,866,392.90
EUR 5,000,000		Credit Linked Notes	XS0189850042	5,000,000.00
EUR 5,000,000		Notes with Floored Yearly Tec-10 Click	XS0190360734	5,000,000.00
EUR 20,000,000		Target Redemption Notes	XS0190412394	20,000,000.00
EUR 10,000,000		Target Redemption Notes	XS0192707775	10,000,000.00
EUR 10,000,000		"Five out of Five" Notes	XS0193721205	10,000,000.00
EUR 10,000,000		Credit Linked Notes	XS0196339260	10,000,000.00
EUR 10,000,000		Five Year Target Redemption Notes	XS0194459177	10,000,000.00
EUR 25,000,000		Credit Linked Notes	XS0167356392	25,000,000.00
EUR 20,000,000		Exchangeable Zero Coupon Notes on	XS0179754550	20,000,000.00
EUR 1,300,000		Peugeot SA	XS0179754550	1,300,000.00
EUR 2,500,000		Credit Linked Notes	XS0196095888	2,500,000.00
EUR 20,000,000		Credit Linked Notes	XS0199182899	20,000,000.00
EUR 11,260,000		Target Redemption Notes	XS0197902587	11,260,000.00
EUR 50,000,000		Credit Linked Notes	XS0199957985	50,000,000.00
EUR 5,000,000		"Going for Gold" Notes	XS0199207555	5,000,000.00
EUR 5,000,000		Credit Linked Notes	XS0201884136	5,000,000.00
EUR 85,000,000		Credit Linked Notes	XS0201907952	85,000,000.00
EUR 20,000,000		CMS Linked Notes	XS0202613666	20,000,000.00
EUR 3,000,000		CMS Linked Notes	XS0202613666	3,000,000.00
EUR 20,000,000		CMS Linked Notes	XS0202614391	20,000,000.00
EUR 1,500,000		Ten Year Target Redemption Notes	XS0203697015	1,500,000.00
EUR 15,383,000		Ten Year Target Redemption Notes	XS0202071832	15,383,000.00
EUR 24,816,000		Ten Year Target Redemption Notes	XS0202963640	24,816,000.00
EUR 75,000,000	3.40%	Notes	XS0206388182	75,000,000.00
USD 1,950,000	15%	Capella Notes	XS0195862866	1,429,933.27
USD 9,030,000		Callable Range Accrual Notes	XS0196215023	6,621,690.99
USD 3,000,000		Bermudan Step-up Coupon Notes	XS0199017186	2,199,897.34
USD 10,550,000		Ten Year Callable Range Accrual Notes	XS0203361299	7,736,305.64
USD 5,000,000		Ten Year Callable Range Accrual Notes	XS0203471395	3,666,495.56
USD 30,000,000		Bermudan Callable Zero Notes	XS0203790810	21,998,973.38
USD 10,000,000		Bermudan Callable CMS Linked Notes	XS0206015074	7,332,991.13
USD 10,000,000		CMS Linked Range Accrual Notes	XS0208904283	7,332,991.13
Total				867,333,344.86

Reverse Convertible Notes⁽⁸⁾

EUR30,000,000.00		23 May 2003	23 May 2005	XS0168017803	30,000,000.00
EUR15,000,000.00		25 July 2003	25 July 2005	XS0171782450	15,000,000.00
EUR15,000,000.00		21 October 2003	21 October 2005	XS0177422648	15,000,000.00
EUR 30,000,000.00		16 December 2003	16 December 2005	XS0181018317	30,000,000.00
EUR 15,000,000.00		10 February 2004	10 February 2006	XS0184245099	15,000,000.00
EUR 25,000,000.00		12 May 2004	12 May 2006	XS0191265957	25,000,000.00
EUR 10,000,000.00		28 July 2004	28 July 2005	XS0195608210	10,000,000.00
EUR 10,500,000.00		22 November 2004	22 November 2005	XS0204904543	10,500,000.00

Total 150,500,000.00

Index Linked Notes

EUR100,000,000.00		15 April 1999	15 April 2005	XS0095602545 ⁽⁴⁾	100,000,000.00
EUR50,000,000.00		8 February 2000	8 February 2005	XS01062907105 ⁽⁴⁾	50,000,000.00
EUR50,000,000.00		15 February 2000	15 February 2008	XS01065690715 ⁽⁴⁾	50,000,000.00
EUR50,000,000.00		28 March 2000	28 March 2005	XS01086770395 ⁽⁴⁾	50,000,000.00
EUR70,000,000.00		20 April 2000	20 April 2005	XS01095523895 ⁽⁴⁾	70,000,000.00
EUR50,000,000.00		9 June 2000	9 June 2005	XS01112905645 ⁽⁴⁾	50,000,000.00
EUR25,000,000.00		4 October 2000	4 October 2005	XS01174475315 ⁽⁴⁾	25,000,000.00
EUR40,000,000.00		7 February 2001	7 February 2005	XS01232913035 ⁽⁴⁾	40,000,000.00
EUR25,000,000.00		28 February 2001	28 February 2005	XS01248416015 ⁽⁴⁾	25,000,000.00
EUR35,000,000.00		15 January 2002	15 January 2007 ⁽⁴⁾	XS0140809889 ⁽⁴⁾	35,000,000.00
EUR25,000,000.00		15 March 2002	15 March 2006 ⁽⁴⁾	XS0143766821 ⁽⁴⁾	25,000,000.00
EUR15,000,000.00		3 July 2002	3 July 2006 ⁽⁴⁾	XS0148947566 ⁽⁴⁾	15,000,000.00
EUR50,000,000.00		17 June 2003	17 June 2015	XS0106569071 ⁽⁴⁾	50,000,000.00

Total 585,000,000.00

Notes in EUR with subordinated guarantee

LUF3,000,000,000	6%	1997/2007 ⁽¹⁾⁽³⁾		XS0074671339 ⁽³⁾	74,368,057.43
LUF3,700,000,000	5%	1997/2001 7½% 2001/2005 ⁽¹⁾⁽³⁾⁽⁷⁾		XS0076525060 ⁽³⁾	91,720,604.17
LUF3,000,000,000	5¼%	1997/2002 7¼% 2002/2007 ⁽¹⁾⁽³⁾⁽⁷⁾		XS0080323784 ⁽³⁾	74,368,057.43
LUF2,000,000,000	6¾%	1997/2007 ⁽¹⁾⁽³⁾		XS0082285155 ⁽³⁾	49,578,704.95
NLG150,000,000	5¾%	1998/2005 ⁽¹⁾⁽³⁾		XS0084682060 ⁽³⁾	68,067,032.41
LUF2,000,000,000	4½%	1998/2003 6.375% 2003/2008 ⁽¹⁾⁽³⁾⁽⁷⁾		XS0088649347 ⁽³⁾	49,578,704.95
LUF2,000,000,000	4¼%	1998/2003 6¼% 2003/2008 ⁽¹⁾⁽³⁾⁽⁷⁾		XS0090170209 ⁽³⁾	49,578,704.95
EUR100,000,000	5¾%	1999/2009 ⁽¹⁾⁽³⁾		XS0098609919 ⁽³⁾	100,000,000.00
EUR75,000,000	5.625%	1999/2009 ⁽¹⁾⁽³⁾		XS0100182004 ⁽³⁾	75,000,000.00
EUR100,000,000	6%	1999/2009 ⁽¹⁾⁽³⁾		XS0101623600 ⁽³⁾	100,000,000.00
EUR150,000,000	6¾%	1999/2009 ⁽¹⁾⁽³⁾		XS0102274700 ⁽³⁾	150,000,000.00
EUR100,000,000.00	6%		17 December 1999 17 December 2009	XS0104211957 ⁽³⁾	100,000,000.00
EUR200,000,000.00	6.25%		11 May 2000 11 May 2010	XS0110173555 ⁽³⁾	200,000,000.00
EUR250,000,000.00	6.5%		14 June 2000 14 June 2010	XS0111481403 ⁽³⁾	250,000,000.00
EUR50,000,000.00	5.5%		20 October 2000 20 October 2010	XS0117512548 ⁽³⁾	50,000,000.00
EUR150,000,000.00	6.5%		15 December 2000 15 December 2010	XS0120236269 ⁽³⁾	150,000,000.00
EUR50,000,000.00	5.5%		27 December 2000 27 December 2010	XS0121176472 ⁽³⁾	50,000,000.00
EUR150,000,000.00	6.375%		16 February 2001 16 February 2016	XS0122720732 ⁽³⁾	150,000,000.00
EUR100,000,000.00	5.125%		16 May 2003 16 May 2013	XS0166164789 ⁽³⁾	100,000,000.00
EUR 150,000,000.00	4.5%		19 March 2004 19 March 2012	XS0186431895	150,000,000.00
EUR 100,000,000.00	4.5%		25 May 2004 25 May 2012	XS0190917160	100,000,000.00
EUR 200,000,000.00	4.75%		3 September 2004 3 September 2014	XS0196988587	200,000,000.00
EUR 100,000,000.00	4.625%		1 October 2004 1 October 2014	XS0200031200	100,000,000.00
EUR 100,000,000.00	4%		31 December 2004 31 December 2014	XS0208412063	100,000,000.00

Total 2,582,259,866.29

Notes in foreign currencies with subordinated guarantee

USD22,330,000	FRN	1995-undated ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾		XS0055748544	16,374,569.19
GBP100,000,000		1995-undated ⁽¹⁾⁽²⁾⁽⁵⁾⁽⁶⁾		XS0062063952	141,262,890.24
DKK400,000,000	5%	1998/2003 6% 2003/2008 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁷⁾		XS0091182419	53,775,005.38
DKK600,000,000	7%	1997/2006 ⁽¹⁾⁽³⁾⁽⁵⁾		XS0075421866	80,662,508.07
DKK600,000,000	5¾%	1999/2007 ⁽¹⁾⁽³⁾⁽⁵⁾		XS0097938525	80,662,508.07
SEK515,000,000	7%	1999/2007 ⁽¹⁾⁽³⁾⁽⁵⁾		XS0102708632	57,114,973.00

Total 429,852,453.95

Total Long Term Debt 4,614,945,665.10

Short Term Debt (including Commercial Paper) 1,361,447,878.45

Total Long Term Debt and Short Term Debt 5,976,393,543.55

Total capitalisation⁽⁹⁾⁽¹⁰⁾ 5,997,022,091.80

Notes:

- (1) Redeemable early at 100% in the event of a change in tax regulations.
- (2) Redeemable early at 100% from February 2000 onwards.
- (3) Guaranteed on a subordinated basis by Fortis Bank.
- (4) Guaranteed by Fortis Bank.
- (5) Foreign currency amounts have been translated at the rates prevailing on 31 December 2004.

AUD	1.7498
CAD	1.6390
CHF	1.5432
DKK	7.4384
EUR	1
GBP	0.7079
HKD	10.6033
NZD	1.8965
SEK	9.0169
USD	1.3637
- (6) Redeemable early at 100% or exchangeable for new Notes from 5 January, 2006 onwards.
- (7) Step-up Notes.
- (8) The Reverse Convertible Notes are booked at their nominal value.
- (9) Since 31 December 2004, Fortis Luxembourg has issued the following notes:
 - EUR 3,000,000 Callable Range Accrual Notes due 5 January 2012 EMTN series N° 188 XS0208319870
 - USD 15,000,000 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 25 January 2020 EMTN series N° 191 XS0209607109
 - EUR 5,000,000 Credit Linked Notes due 18 April 2007 EMTN series N° 192 XS0210194022
 - EUR 5,000,000 Credit Linked Notes due 18 April 2007 EMTN series N° 193 XS0210194451
 - USD 20,000,000 Bermudan Callable Zero Notes due 25 January 2025 EMTN series N° 194 XS0210027719
 - EUR 5,750,000 8.30% Reverse Convertible Notes due 24 January 2007 convertible into ABN-AMRO shares EMTN series N° 195 XS0210749932
 - EUR 3,500,000 7.80% Reverse Convertible Notes due 24 January 2007 convertible into ROYAL DUTCH shares EMTN series N° 196 XS0210750609
 - EUR 4,250,000 9.00% Reverse Convertible Notes due 24 January 2006 convertible into ROCHE shares EMTN series N° 197 XS0210750435
 - USD 2,300,000 USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 15 February 2020 EMTN series N° 198 XS0210881701
 - EUR 30,000,000 reverse convertible Notes due 16 August 2006, convertible into Dexia shares XS0211673982
 - EUR 25,000,000 3.875% Fixed Rate Notes 2005 due 31 March 2015 guaranteed on a subordinated basis XS0213287070
 - EUR 10,000,000 Credit Linked Notes due 10 April 2006 EMTN series N° 199 XS0211846240
 - EUR 10,000,000 Credit Linked Notes due 10 April 2007 EMTN series N° 200 XS0211847131
 - USD 10,000,000 Year Callable Range Accrual Notes due 25 February 2015 EMTN series N° 201 XS0211848022
 - USD 20,000,000 Year Callable Zero Coupon Notes due 25 February 2025 EMTN series N° 202 XS0212391519
 - USD 1,700,000 2.5 Years Equity Linked Notes due 2007 EMTN series N° 203 XS0212501554
 - EUR 16,478,000 "Target Snowball" Notes 2005 due 2015 XS0213766636
 - EUR 10,000,000 Reverse Convertible Notes 2005/2006 due 8 September 2006 convertible into Deutsche Bank AG shares XS0213297202
 - USD 5,600,000 Callable Range Accrual Notes due 22 March 2020 EMTN series N° 204 XS0213750713
 - USD 8,500,000 Callable Range Accrual Notes due 25 March 2017 series N° 205 XS0214513631
 - EUR 50,000,000, 10 Year Capped CMS-Linked Note due 11 April 2015 guaranteed on a senior subordinated basis, series N° 206 XS0214846874
 - USD 2,000,000 5.00 per cent. Click T BIN (autocallable) Notes due 22 March 2007 EMTN Series N° 207 XS0214989989
 - EUR 15,000,000 Reverse Convertible Notes 2005/2006 due 25 October 2006 convertible into ING Groep N.V. shares XS0216034222
 - EUR 5,000,000 Credit Linked Notes due July 2006 EMTN Series N° 208 XS0215408971
 - EUR 5,000,000 Credit Linked Notes due 23 July 2007 EMTN Series N° 209 XS0215409433
 - USD 15,850,000, USD 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 11 April 2020 EMTN Series N° 210 XS0215556738
 - USD 6,120,000, 15 Year Callable Daily Accrual Notes linked to 30 year-10 year CMS Spread due 11 April 2020, EMTN Series N° 211 XS0215556498
 - USD 15,250,000, 10 Year Callable Daily Accrual Notes linked to 30 year-2 year CMS Spread due 15 April 2015, EMTN Series N° 212 XS0216471101
 - USD 5,550,000, 10 Year Callable Range Accrual Notes due 15 April 2015 EMTN Series N° 213 XS0216433515
 - EUR 3,330,000 Zero Coupon Autocallable Reverse Convertible Notes due 2006 convertible into Endesa S.A. shares EMTN Series N° 216 XS0217230886
 - USD 3,100,000 CMS Spread Range Accrual Notes due 29 April 2020 Series N° 215 XS0217124345
 - EUR 1,500,000 Range Accrual Notes due 9 May 2008 Series N°217 XS0218420791
 - USD 75,000,000 4.25% Notes due 25 May 2010 Series N°215 XS0218424868
 - USD 2,100,000 Bermudan CMS Spread Range Accrual Notes due 1 June 2015 Series N°219 XS0219552568

EUR 200,000,000 Credit Linked Notes linked to CMS 7 years, floored at 4.75%, due 30 June 2012 Series N° 220 XS0220820608
EUR 7,000,000 7% Target Redemption Notes on 12 months EUIBOR Notes due 2 June 2020 Series N° 221 XS0220757214
EUR 12,000,000 TOP Notes due 14 December 2007 Series N°222 XS0220549025
EUR 20,000,000 Capped CMS Linked Notes due 1 July 2015 XS0221564544
EUR 6,000,000 Equity Index Linked Notes due 6 July 2015 Series 223 XS0222331810
USD 10,000,000 Credit Linked Notes to CMS 7 years, floored at 6%, due 30 June 2012 Series N° 224 XS0222427501
EUR 22,000,000 Capped CMS Linked Notes due 29 July 2015 XS0223235390
EUR 34,000,000 Swing Notes due 29 July 2012 XS0222939828
TRL 35,000,000 14% Notes due 27 July 2007 XS0223721654
EUR 1,500,000 Equity Linked Notes due 17 July 2008 Series N° 225 XS0224156892
EUR 7,500,000 Credit Linked Notes due 8 October 2007 Series N° 226 XS0224688043
EUR 3,000,000 11% Reverse convertible on Arcelor Notes due 28 July 2006 Series N° 227 XS0224767698
TRL 120,000,000 13.70% Notes due 28 July 2008 Series N° 229 XS0225353829
EUR 65,000,000 FRN 3 months EURIBOR + 0.06% Notes due 28 July 2008 Series N° 228 XS0225296507
EUR 2,000,000 quanto USD Libor 12 months Range Accrual Notes due 1 August 2008 Series N° 230 XS0225354470
(10) Save as disclosed above there has been no material change in the capitalisation of Fortis Luxembourg since 31 December 2004. Fortis Luxembourg has no notes cum warrants, nor convertible notes outstanding.

11.2 Financial statements

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

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

11.3 Auditing of historical annual financial information

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

No other information in this Base Prospectus has been audited by the auditors.

11.4 Interim financial statements

Unaudited interim financial statements of Fortis Luxembourg for the six-month period ending 30 June 2005, which have been prepared in conformity with Luxembourg legal and regulatory requirements.

	As at 30 June 2005	As at 30 June 2004
	(In EUR)	
Assets		
Fixed Assets	4,679,409,728	4,146,138,122
Current Assets	1,366,040,692	2,135,480,637
Prepayments	3,725,796	299,288
Loss of the financial year	3,936,144	(3,077,675)
Total Assets	6,053,112,360	6,278,840,372
Liabilities		
Capital and Reserves	14,019,161	15,608,548
Creditors	5,989,542,110	6,234,313,981
Deferred Income	49,551,089	28,917,804
Profit for the financial year	0	0
Total	6,053,112,360	6,278,840,333
Profit and loss		
Gross Result	193,491,671	176,664,433
Interest and Similar Costs	195,969,667	170,786,623
Other Costs and Taxes	1,460,687	2,800,135
Profit/(Loss) for the fiscal year	(3,938,683)	3,077,675

11.5 Legal and arbitration proceedings

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

11.6 Significant change in Fortis Luxembourg's financial or trading position

There has been no significant changes in the financial or trading position of Fortis Luxembourg since 30 June 2005.

12. Additional Information

12.1 Share capital

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

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

For an overview of the capitalisation of Fortis Luxembourg, please see section 11.1(b) above.

12.2 Memorandum and Articles of Association.

Article 4.

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

To realise its object, the Company may amongst others:

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

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

Fortis Luxembourg is incorporated as a *société anonyme* under the Laws of the Grand Duchy of Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under N° B24784.

FORTIS BANK nv-sa

1. Information to be Disclosed about Fortis Bank

1.1 Persons Responsible

Fortis Bank, a bank incorporated for an unlimited duration in Belgium, with registered office at 1000 Brussels, Montagne du Parc 3, is responsible for the information given in this Base Prospectus.

1.2 Statutory Auditors

The 2003 and 2004 financial statements of Fortis Bank have been audited by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C., represented by Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., represented by Virgile Nijs, Partner, Avenue du Bourget 40, B-1130 Brussels in accordance with the laws of Belgium. All are members of the *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*.

1.3 Selected Financial Information of Fortis Bank

(a) Key figures

The tables below have been extracted without material adjustment from Fortis' press release on the 4th quarter 2004 consolidated results as publicly issued by Fortis on 10 March 2005 and prepared in accordance with Belgian generally accepted accounting principles, as applied by Fortis.

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

(1) Excluding FB Insurance.

(2) Excluding equity portfolio, after tax.

(b) Capital Adequacy Ratios

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

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

	31-Dec-2003 Fortis Bank	31-Dec-2004 Fortis Bank
Tier 1 capital ratio	7.9%	8.3%
Total capital ratio	12.4%	12.3%

As the statutory minimum for the Tier 1 capital ratio is 4 per cent., Fortis Bank is in a comfortable position.

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

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

1.4 Information about Fortis Bank

(a) History and development of Fortis Bank

(i) General

FORTIS BANK NV-SA, incorporated in Belgium on 5 December 1934, is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law. The registered office of the company is located at 1000 Brussels, Montagne du Parc 3, where its headquarters are based and its telephone number is +322 565 8535. Fortis Bank has been established for an indefinite period.

As stated in article 3 of its Articles of Association, Fortis Bank has as its purpose, carrying on the business of a credit institution, including brokerage and transactions involving derivatives. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature that benefit the realisation thereof. Fortis Bank is free to hold shares and share interests within the limits set by the legal framework for banks.

Fortis Bank is registered in the Register of Legal Entities of Brussels under the number 0403.199.702.

Fortis Bank and its subsidiaries “regrouped” the banking activities of Fortis, an integrated financial services provider active in the fields of banking and insurance (see sections 1.5 and 1.6 below). Fortis offers its private, business and institutional customers a comprehensive package of products and services through its own distribution channels, in cooperation with intermediaries and via distribution partners. Its multi-channel distribution strategy gives Fortis the flexibility to meet its customers’ need to be reachable at all times and their demand for user-friendliness.

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

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

(ii) Historical Overview

- 1720** – Rotterdam: the Mees family developed a trade financing business that developed into MeesPierson
- 1817** – Establishment of the “*Maatschappij tot Nut 't Algemeen*”, the first of the savings banks which merged in 1983 to become VSB
- 1822** – William I, King of the United Netherlands, set up the “*Algemeene Nederlandsche Maatschappij ter begunstiging van de Volkswlijt*” in Brussels, out of which grew Generale Bank, established in 1934
- 1865** – The reorganisation of the Belgian financial world led to the establishment of the Algemene Spaar- en Lijfrentekas (ASLK-CGER)
- 1989** – In the Netherlands, the merger of the insurer AMEV and the savings bank group VSB resulted in AMEV-VSB
- 1990** – Fortis grew out of the merger between the Belgian insurer AG and the Dutch company AMEV-VSB
- 1993** – The government institution ASLK-CGER was privatised: Fortis first obtained half the shares and subsequently took full control
- 1995** – Generale Bank took over Credit Lyonnais Bank Nederland: Generale Bank Nederland came into being
- 1997** – Fortis took over MeesPierson from ABN-AMRO

1998 – Generale Bank joined the Fortis group

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

(iii) Strategy and policy

Fortis Bank's strategy is based on the following objectives:

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

1.5 Business Overview

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

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

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

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

In parallel to the organisation of Fortis on the basis of its businesses, the structure of Fortis Bank includes operational and support functions managed by a Chief Operating Officer. Fortis Bank's operational activities, such as securities handling, accounts and payments and standardised credits for retail customers, are combined into one general national and cross-border activity. This should lead to enhanced quality of service, greater cross-border synergy and improved cost control.

Retail Banking

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

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

Commercial & Private Banking

Commercial Banking wants to become the bank of choice for medium-sized companies operating in Europe. It offers financial solutions with added-value through its integrated European network of Business Centres. Its main target group is companies requiring multiple banking services, such as leasing, factoring, international credit facilities, international cash management and finance facilities for acquisitions or trading

transactions. The Global Relationship Manager (GRM) offers companies a single point of contact for their financial needs. The GRM is both a channel to all the expertise within Fortis and a provider of tailored solutions.

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

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

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

Merchant Banking

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

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

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

1.6 Organisational Structure

Fortis Bank is part of Fortis, which comprises Fortis SA/NV and Fortis N.V., and their respective subsidiaries ("Fortis group" or "Fortis"). For a description of the legal structure of Fortis, please refer to page 109 below.

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

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

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

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

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

Insurance Belgium

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

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

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

Insurance Netherlands

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

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

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

Insurance International

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

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

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

1.7 Trend Information

(a) Material adverse change

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

(b) Recent Developments and Trends

- (i) Extracted from the unaudited Fortis Consolidated Quarterly Report dated 25 August 2005 prepared on the basis of IFRS. These figures may be subject to changes until Fortis publishes its first full financial statements under IFRS, as further discussed on page 13.

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

Consolidated profit and loss account

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

Consolidated balance sheet

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

(1) Changed for comparison purposes.

Consolidated statement of movements in net equity

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

Movements in outstanding shares

	30 June 2005	31 December 2004
Number of outstanding shares	1,340,786,545	1,340,786,545
Treasury shares	(57,164,152)	(59,946,438)
Number of outstanding shares	<u>1,283,622,393</u>	<u>1,280,840,107</u>

Consolidated cash flow statement

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

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

(1) Accounting Policies

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

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

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

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

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

(2) Reconciliation of the net equity of Fortis

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

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

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

Real estate

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

Financial instruments

The main effects on the financial instruments are discussed below.

Debt securities

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

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

Shares

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

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

Derivatives

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

Treasury shares

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

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

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

Fund for general banking risks

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

Pensions

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

Insurance

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

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

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

(3) Reconciliation of the net result of Fortis

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

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

Depreciation of real estate

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

Financial instruments

The main effects on the financial instruments are discussed below.

Debt securities

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

Derivatives

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

Shares

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

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

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

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

Provisions

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

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

Treasury shares

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

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

Capital gain on sale of Assurant, Inc.

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

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

(c) Fortis Capitalisation table

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

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

1.8 Administrative, Management, and Supervisory Bodies

(a) Administrative, management and supervisory bodies

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

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

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

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

Management of Fortis Bank

Board of Directors

Name	Position	Principal activities performed by them outside the Issuer which are significant with respect to the Issuer
Jean-Paul Votron	Chairman of the Board of Directors	None
Herman Verwilt	Chairman of the Management Committee	Professor Extraordinary University of Ghent, Censor National Bank of Belgium, Director Flemish Economic Association, Director Belgian Finance Federation (Febelfin), Member Executive Committee and Board of Directors “Foundation Roi Baudouin”, Member Instituto de Empresa International Advisory Board, Madrid
Jean-Pierre Cardinael	Managing Director	Member, Board of Directors Fortis Bank*
Jos Clijsters	Managing Director	National Chairman of Young Enterprises, Member Board of Directors Stichting Marketing, Director EHSAL Management School, Director Vlerick Management School
Karel De Boeck	Managing Director	Member Management Committee Federation of Belgian Companies, Chairman European Financial Management and Marketing Association (EFMA)
Filip Dierckx	Managing Director	Member Board of Directors of various companies of the Group SD Worx, Member General Assembly Employers Association (Voka) – Flemish Economic Association
Joop Feilzer	Managing Director	Chairman Supervisory Board Gemiva-SVG Groep, Director Stichting VSB Fonds, Chairman Dutch Fund Association, Director Stichting Administratiekantoor Cumulatief-Preferente Aandelen Pon Holdings B.V.
Gilbert Mittler	Managing Director	None
Christian Schaack	Managing Director	Member Management Committee SES Global S.A.
Jozef De Mey	Director	Member Royal Association of Belgian Actuaries, Chairman Compagnie Belge d’Assurances Aviation (Aviabel)
Jacques van Ek	Director	Director Dutch Association of Insurance Companies, Vice-chairman Supervisory Board Polynorm N.V., Member Supervisory Board of Soweco N.V.
Peer van Harten	Director	None
Walter Mersch	Director	Director AstenJohnson Inc., Bruch et Cie S.A., Magotteaux International Participations S.A., Magotteaux Inc. Ltd.
Jean Meyer	Director	Director Arbed S.A., Cargolux Airlines International S.A., Clearstream International S.A., International Shipowners Reinsurance Company S.A.
Jean Stephenne	Director	Director Aseptic Technologies S.A., GlaxoSmithKline, Groupe Bruxelles Lambert S.A., Henogen S.A., Ion Beam Applications S.A., Nanocyl S.A., Société Belge des Bétons S.A.
Robert van Oordt	Director	Director Rodamco Europe N.V., Draka Holding Company N.V., Schering-Plough Inc., Umicore S.A.
Michel van Pée	Director	Director SN Airholding Company S.A.
Luc Vansteenkiste	Director	Director Recticel S.A., Rec-Hold S.A., Bois Sauvage S.A., Sioen S.A., Spector Photo Group S.A., Telindus Group S.A., Ter Beke S.A.

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

Management Committee

Name	Principal activities performed by them outside the Issuer which are significant with respect to the Issuer
Herman Verwilt	Professor Extraordinary University of Ghent, Censor National Bank of Belgium, Director Flemish Economic Association, Director Belgian Finance Federation (Febelfin), Member Executive Committee and Board of Directors “Foundation Roi Baudouin”, Member Instituto de Empresa International Advisory Board, Madrid
Jean-Pierre Cardinael	Member, Board of Directors Fortis Bank*
Jos Clijsters	National Chairman of Young Enterprises, Member Board of Directors Stichting Marketing, Director EHSAL Management School, Director Vlerick Management School
Karel De Boeck	Member Management Committee Federation of Belgian Companies, Chairman European Financial Management and Marketing Association (EFMA)
Filip Dierckx	Member Board of Directors of various companies of the Group SD Worx, Member General Assembly Employers Association (Voka) – Flemish Economic Association
Joop Feilzer	Chairman Supervisory Board Gemiva-SVG Groep, Director Stichting VSB Fonds, Chairman Dutch Fund Association, Director Stichting Administratiekantoor Cumulatief-Preferente Aandelen Pon Holdings B.V.
Gilbert Mittler	None
Christian Schaack	Member Management Committee SES Global S.A.

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

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

Accredited Statutory Auditors

PricewaterhouseCoopers, Réviseurs d’Entreprises S.C.C., of Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Brussels, Belgium, represented by Luc Discry, Partner. Klynveld Peat Marwick Goerdeler Réviseurs d’Entreprises S.C.R.L. Civile, of Avenue du Bourget 40, B-1130 Brussels, Belgium, represented by Olivier Macq, Partner.

(b) Administrative, Management, and Supervisory bodies conflicts of interests

No conflicts of interests exist between any duties to Fortis Bank of the persons referred to in section 1.8(a) above and their private interests and/or other duties.

1.9 Board Practices

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

Each committee currently has four members, all of whom are independent non-executives. The role and responsibilities of each committee, together with its structure and organisation, are specified in individual sets of rules that form part of the Fortis Governance Statement.

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

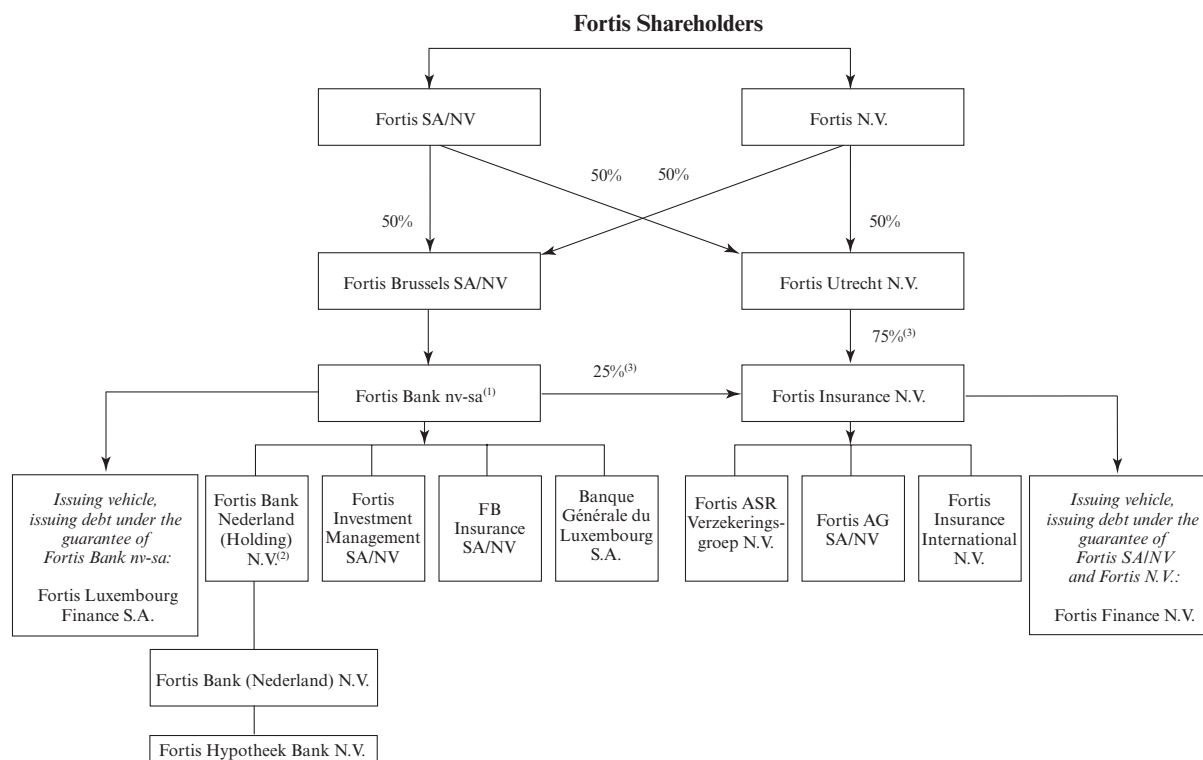
Important developments on the corporate governance front occurred in 2004 both inside Fortis and beyond, reinforcing this theme – as in preceding years – as a constant focus of attention for the Board. Transparent and effective administration – including adherence to high ethical standards – is absolutely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

Fortis Bank complies with the Belgian Corporate governance regime as prescribed by the Belgian Company Code.

1.10 Major Shareholders

Fortis Bank is approximately 100 per cent. owned by Fortis SA/NV and Fortis N.V..

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



(*) Excludes Assurant, Inc. (formerly Fortis, Inc.) which is no longer consolidated with effect from 31 March 2005 onwards due to a sale of 84 per cent. in aggregate of Assurant, Inc.'s shares through an initial public offering in the United States completed in February 2004, followed by a secondary public offering in the United States, which completed in January 2005.

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

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

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

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

They hold substantially all of the assets of the Fortis group, are subject to regulation by governmental bodies and produce separate financial statements which are deposited with governmental bodies.

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

1.11 Financial Information Concerning Fortis Bank's Assets and Liabilities, Financial Position and Profits and Losses

(a) Historical Financial Information

(i) Audited financial statements of 2004

The tables below have been extracted without material adjustment from the audited financial statements of Fortis Bank for the two years ended 31 December 2003 and 31 December 2004, prepared in accordance with Belgian GAAP.

1. Balance Sheet after Appropriation

	Codes	Financial year 2004	Financial year 2003	
<i>(in thousands EUR)</i>				
ASSETS				
I.	Cash in hand, balances with central banks and giro offices	101.000	2,041,256	1,178,378
II.	Government securities eligible for refinancing at the central bank	102.000	2,462,360	2,481,204
III.	Amounts receivable from credit institutions	103.000	73,824,438	83,692,486
	A. At sight	103.100	10,431,524	4,664,522
	B. Other amounts receivable (at fixed term or period of notice)	103.200	63,392,914	79,027,964
IV.	Amounts receivable from customers	104.000	206,652,646	174,304,909
V.	Bonds and other fixed-income securities	105.000	124,734,090	117,390,440
	A. Of public issuers	105.100	81,376,738	82,178,031
	B. Of other issuers	105.200	43,357,352	35,212,409
VI.	Corporate shares and other variable-income securities	106.000	16,858,630	5,043,488
VII.	Financial fixed assets	107.000	3,432,226	2,657,898
	A. Companies valued by equity method			
	1. Participating interests	107,100	1,582,475	1,054,989
	2. Subordinated loans	107,200	100,000	100,000
	B. Other companies			
	1. Participating interests and shares	107,300	1,721,155	1,476,885
	2. Subordinated loans	107,400	28,596	26,024
VIII.	Formation expenses and intangible fixed assets	108.000	166,654	175,280
IX.	Consolidation differences	109.000	364,167	478,716
X.	Tangible fixed assets	110.000	4,431,497	3,791,187
XI.	Own shares	111.000		
XII.	Other assets	112.000	11,913,522	6,892,675
	A. Investments concerning operations linked with an investment fund of "life insurance" and of which the risk is not borne by the company			
	B. Share of reinsurers in technical provisions			
	C. Other		11,913,522	6,892,675
XIII.	Deferred charges and accrued income	113.000	38,636,986	26,996,718
	TOTAL ASSETS	199.000	485,518,472	425,083,379

	Codes	Financial year 2004	Financial year 2003	
		<i>(in thousands EUR)</i>		
LIABILITIES				
I.	Amounts payable to credit institutions	201.000	118,119,063	109,036,175
	A. At sight	201.100	4,993,652	9,228,883
	B. Resulting from refinancing by rediscounting of trade bills	201.200	11,301	701
	C. Other amounts payable at fixed term or period of notice	201.300	113,114,110	99,806,591
II.	Amounts payable to clients	202.000	249,988,965	219,001,437
	A. Savings deposits	202.100	44,943,270	40,708,637
	B. Other amounts payable	202.200	205,045,695	178,292,800
	1. At sight	202.201	71,335,672	67,531,809
	2. At fixed term or period of notice	202.202	133,710,023	110,760,338
	3. Resulting from refinancing by rediscounting of trade bills	202.203		653
III.	Amounts payable represented by a security	203.000	42,141,559	37,938,507
	A. Bills and bonds in circulation	203.100	14,576,667	17,841,465
	B. Other	203.200	27,564,892	20,097,042
IV.	Other amounts payable	204.000	12,908,774	9,060,808
V.	Accrued charges and deferred income	205.000	37,345,656	26,629,235
VI.	Provisions for risks and charges, deferred taxes	206.000	1,212,759	1,141,376
	A. Provisions for risks and charges	206.100	1,065,539	1,023,527
	1. Pensions and similar obligations	206.101	245,428	182,844
	2. Fiscal charges	206.102	9,160	17,328
	3. Other risks and charges	206.103	810,951	823,355
	B. Deferred taxes	206.200	147,220	117,849
VII.	Fund for general banking risks	207.000	1,755,686	1,766,306
VIII.	Subordinated amounts payable	208.000	10,933,925	10,266,657
	SHAREHOLDERS' EQUITY		10,393,716	9,320,022
IX.	Capital	209.000	3,111,839	3,111,839
	A. Subscribed capital	209.100	3,111,839	3,111,839
	B. Uncalled capital	209.200		
X.	Share premiums	210.000	4,874,776	4,874,776
XI.	Revaluation surpluses	211.000		
XII.	Reserves and profit brought forward	212.000	2,420,469	1,331,861
XIII.	Consolidation differences	213.000	1,270	
XIV.	Exchange differences	214.000	(14,639)	1,546
XV.	THIRD PARTY INTERESTS	215.000	718,369	922,856
	TOTAL LIABILITIES	299.000	485,518,472	425,083,379

	Codes	Financial year 2004	Financial year 2003	
<i>(in thousands EUR)</i>				
OFF-BALANCE SHEET ITEMS				
I.	Contingent liabilities	301.000	43,878,913	37,777,951
	A. Unnegotiated acceptances	301.100	765,151	500,309
	B. Guarantees in the nature of credit substitutes	301.200	3,408,969	3,290,535
	C. Other guarantees	301.300	34,810,751	29,994,901
	D. Documentary credits	301.400	4,893,900	3,992,206
	E. Assets pledged by secured guarantees on behalf of third parties	301.500	142	
II.	Commitments which can give rise to a credit risk	302.000	93,964,840	89,523,934
	A. Firm commitments to make funds available	302.100	10,236,091	11,967,658
	B. Commitments in respect of spot purchases of transferable securities or other assets	302.200	1,174,394	711,173
	C. Available margin under confirmed credit lines	302.300	82,422,201	76,741,727
	D. Commitments to underwrite and place securities	302.400	132,154	103,376
	E. Repurchase commitments resulting from imperfect repurchase agreements	302.500		
III.	Assets entrusted to the consolidated institutions	303.000	457,696,520	393,265,564
	A. Assets held on an organized trusteeship basis	303.100	2,940,439	4,167,545
	B. Assets in safe custody and under similar arrangements	303.200	454,756,081	389,098,019
IV.	To be paid upon corporate shares and units ..	304.000	202,841	126,886

2. Income Statement

	Financial year 2004	Financial year 2003
	(in thousands EUR)	
I. Interest and similar revenues	16,113,268	13,465,052
of which : from fixed-income securities	4,563,634	4,190,212
II. Interest and similar charges	(11,559,717)	(9,193,161)
III. Income from variable-income securities	158,704	47,628
A. Corporate shares and units and other variable-income securities . .	41,358	23,822
B. Participating interests in affiliated enterprises	117,346	23,806
IV. Commission received	2,535,697	2,281,768
V. Commission paid	(555,688)	(497,490)
VI. Profit from (loss on) financial operations	563,701	923,160
A. Foreign exchange transactions and transactions in securities and other financial instruments	135,139	392,587
B. Realization of investment securities	428,562	530,573
VII. General administrative expenses	(4,476,883)	(4,157,412)
A. Wages and salaries, social charges and pensions	2,863,324	2,640,254
B. Other administrative expenses	1,613,559	1,517,158
VIII. Depreciation of and amounts written off on formation expenses and intangible and tangible fixed assets	(784,126)	(682,278)
IX. Write-back of amounts written off (Amounts written off) on amounts receivable and provisions for headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section	(259,413)	(701,965)
X. Write-back of amounts written off (Amounts written off) on the investment portfolio of bonds, shares and other fixed-income or variable-income securities	(4,084)	(25,107)
XI. Uses and write-back of provisions for risks and charges other than those referred to by heading "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off- balance sheet section	383,875	192,971
XII. Provisions for risks and charges other than those covered by headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section	(328,437)	(370,310)
XIII. Transfers from (Appropriation to) the fund for general banking risks		
XIV. Other operating income	673,149	619,753
XV. Other operating charges	(183,215)	(194,558)
XVI. Current profit (Current loss) before taxes	2,276,831	1,708,051

	Financial year 2004	Financial year 2003
	(in thousands EUR)	
XVII. Extraordinary income	180,081	240,843
A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets	15,742	
B. Write-back of amounts written off on financial fixed assets	14,905	14,856
C. Write-back of provisions for exceptional risks and charges	4,686	316
D. Capital gains on disposal of fixed assets	131,557	113,122
E. Other extraordinary income	13,191	112,549
XVIII. Extraordinary charges	(266,788)	(218,287)
A. Extraordinary depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets	1,097	12,642
B. Amounts written off on financial fixed assets	32,917	57,375
C. Provisions for extraordinary risks and charges	40,603	20,205
D. Capital losses on disposal of fixed assets	39,639	55,048
E. Other extraordinary charges	152,532	73,017
XIX. Consolidated profit (Loss) for the year before taxes	2,190,124	1,730,607
XX. A. Transfers to deferred taxes	(110,853)	(122,091)
B. Transfers from deferred taxes	79,448	68,310
XXI. Taxes on result	(550,175)	(329,567)
A. Taxes	(605,212)	(397,021)
B. Adjustment of income taxes and write-back of tax provisions	55,037	67,454
XXII. Consolidated profit (Loss) of the year	1,608,544	1,347,259
XXIII. Part of the results of participating interests valued by equity method	266,957	(30,266)
A. Profits	296,331	47,939
B. Losses	(29,374)	(78,205)
XXIV. Consolidated profit	1,875,501	1,316,993
XXV. Third party interests	48,762	51,023
XXVI. Group profit	1,826,739	1,265,970

**Rapport du Collège des Commissaires
sur les comptes consolidés de l'exercice clôturé le 31 décembre 2004
présenté à l'Assemblée Générale des Actionnaires de la S.A. Fortis Banque**

Conformément aux dispositions légales et statutaires, nous avons l'honneur de vous faire rapport sur l'exécution de la mission de révision qui nous a été confiée.

Nous avons procédé à la révision des comptes consolidés établis sous la responsabilité du Conseil d'Administration de la Banque pour l'exercice se clôturant le 31 décembre 2004, dont le total du bilan s'élève à 485.518.472 milliers de EUR et dont le compte de résultats se solde par un bénéfice de l'exercice (part du groupe) de 1.826.739 milliers de EUR. Nous avons également procédé à la vérification du rapport consolidé de gestion.

Attestation sans réserve des comptes consolidés

Nos contrôles ont été réalisés en conformité avec les normes de l'Institut des Reviseurs d'Entreprises. Ces normes professionnelles requièrent que notre révision soit organisée et exécutée de manière à obtenir une assurance raisonnable que les comptes consolidés ne comportent pas d'inexactitudes significatives compte tenu des dispositions légales et réglementaires applicables en Belgique.

Conformément à ces normes, nous avons tenu compte de l'organisation du Groupe en matière administrative et comptable ainsi que de ses dispositifs de contrôle interne. Nous avons obtenu les explications et informations requises pour nos contrôles. Nous avons examiné par sondages la justification des montants figurant dans les comptes consolidés. Nous avons évalué le bien-fondé des règles d'évaluation, des règles de consolidation et des estimations comptables significatives faites par le Groupe ainsi que la présentation des comptes consolidés dans leur ensemble. Nous estimons que ces travaux fournissent une base raisonnable à l'expression de notre opinion.

A notre avis, les comptes consolidés clôturés au 31 décembre 2004 donnent une image fidèle du patrimoine, de la situation financière et des résultats de l'ensemble consolidé en conformité aux dispositions légales et réglementaires applicables en Belgique et les informations données dans l'annexe sont adéquates.

Attestation complémentaire

Nous complétons notre rapport par l'attestation complémentaire suivante qui n'est pas de nature à modifier la portée de l'attestation des comptes consolidés:

Le rapport de gestion consolidé contient les informations requises par la loi et concorde avec les comptes consolidés.

Bruxelles, le 23 mars 2005

S.C.C. Klynveld Peat Marwick Goerdeler
Reviseurs d'Entreprises

Commissaire
Représentée par

V. Nijs
Associé

S.C.C.R.L.PricewaterhouseCoopers
Reviseurs d'Entreprises

Commissaire
Représentée par

L. Discry
Associé

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

**Report of the joint Statutory Auditors on the consolidated financial statements
for the year ended 31 December 2004 submitted to
the General Shareholders' Meeting
of the S.A.-N.V. Fortis Banque – Fortis Bank**

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

We have audited the consolidated financial statements, prepared under the responsibility of the Board of Directors of the Bank, as of and for the year ended 31 December 2004, and which show a balance sheet total of 485.518.472 thousands EUR and a consolidated profit for the year (group share) of 1.826.739 thousands EUR. We have also examined the consolidated directors' report.

Unqualified audit opinion on the consolidated financial statements

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

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

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as of 31 December 2004 and the consolidated results of its operations for the year then ended, in conformity with the legal and regulatory requirements applicable in Belgium, and the information given in the notes to the consolidated financial statements is adequate.

Additional certification

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

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

Brussels, 23 March 2005

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

Statutory Auditor
represented by

V. Nijs
Partner

SCCRL – BCVBA PricewaterhouseCoopers
Bedrijfsrevisoren/Reviseurs d'Entreprises

Statutory Auditor
represented by

L. Discry
Partner

- (ii) **Cash flow statements of Fortis Bank for the two years ended 31 December 2003 and 31 December 2004, prepared in accordance with the guidance set out in paragraphs 10 to 17 of International Accounting Standard IAS 7 – “Cash Flow Statements”**

Note to the Cash Flow Statements

The purpose of this note is to describe the basis used by the management of Fortis Bank nv-sa (the “Company”) to prepare the statements of cash flows for the two years ended 31 December 2004 and 2003, respectively (the “Cash Flow Statements”), which are required to be included in the Base Prospectus dated 3 November 2005 (the “Base Prospectus”).

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

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

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

Cash Flow Statements

Consolidated cash-flow statements for the financial years ending 31 December 2003 and 2004
(in thousands EUR)

Fortis Bank nv-sa	Financial year 2004	Financial year 2003
Cash flows from operating activities		
Consolidated profit	1,875,501	1,316,993
Adjustments for		
Net realised gains and losses on investment activities	(520,480)	(588,647)
Depreciation and amortisation	282,031	995,029
Value adjustments and provisions	264,893	973,981
Other changes	314,623	413,614
	341,067	1,793,977
Cash flow from business operations		
Trading portfolio	(14,460,609)	(8,991,471)
Receivable from credit institutions (not at sight)	17,216,075	(5,694,526)
Receivable from customers	(36,049,579)	(11,004,368)
Payable to credit institutions	8,761,855	13,723,226
Payable to clients	33,484,698	21,696,158
Payable represented by a security	4,539,979	(1,451,139)
Other changes	(1,335,410)	1,347,810
	12,157,009	9,625,690
Net cash generated by operating activities ..	14,373,577	12,736,660
Cash flows from investing activities		
Investments and purchases		
Investment portfolio	(40,427,206)	(71,238,694)
Participating interests	(2,236,291)	(910,411)
Tangible and intangible fixed assets	(1,782,949)	(1,904,365)
	(44,446,446)	(74,053,470)
Disposals, redemptions and sales		
Investment portfolio	35,813,070	55,061,064
Participating interests	39,113	536,480
Tangible and intangible fixed assets	879,711	863,361
	36,731,894	56,460,905
Net cash used in investment activities	(7,714,552)	(17,592,565)
Cash flows from financing activities		
Issuance of subordinated debts	2,033,859	851,717
Redemption of subordinated debts	(1,352,406)	(754,630)
Payment of dividends	(713,185)	(872,761)
Net Cash generated by financing activities ..	(31,732)	(775,674)
Net increase in cash	6,627,293	(5,631,579)
Cash and cash equivalents at 1 January	5,842,900	11,503,366
Effect of exchange rate changes on cash	2,587	(28,887)
Cash and cash equivalents at 31 december ..	12,472,780	5,842,900

Audit Report to the Cash Flow Statements

Extract of the letter by the joint statutory auditors to the Board of Directors of Fortis Bank nv-sa

Introduction

We have audited the accompanying statements of cash flows for years ended 31 December 2004 and 2003, respectively, hereafter referred to as the “Cash Flow Statements”. The Cash Flow Statements have been prepared specifically for inclusion in the Base Prospectus dated 3 November 2005 (the “Base Prospectus”) of Fortis Bank nv-sa (the “Company”), on the basis described in the note to the Cash Flow Statements. This report is required by item 16.1 of Annex XI of Regulation (EC) No 809/2004 (the “Prospectus Regulation”) and is given for the purpose of complying with that rule and for no other purpose.

Responsibility

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

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

Basis of opinion

We conducted our work in accordance with the standards of the “Institut des Réviseurs d’Entreprises – Instituut der Bedrijfsrevisoren”. In accordance with those standards, we planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Cash Flow Statements are free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

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

Declaration

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

Brussels, 3 November 2005

PricewaterhouseCoopers
Réviseurs d’Entreprises SCCRL

represented by

Luc Discry

Klynveld Peat Marwick Goerdeler
Réviseurs d’Entreprises SCRL civile

represented by

Olivier Macq

(iii) Capitalisation and indebtedness of Fortis Bank

The following table has been extracted without material adjustment from the audited capitalisation and indebtedness of Fortis Bank as at 31 December 2004, and is set forth below on a consolidated basis:

	31 December 2004
	(in millions of EUR)
Shareholders' Equity	
Share capital ⁽¹⁾	3,112
Share premium account	4,875
Reserves and accumulated profit	2,420
Translation differences	-15
Consolidation differences	1
Total Shareholders' Equity	10,394
Contingency Reserve	1,756
Long Term Debt ⁽²⁾	
Subordinated liabilities	10,934
Unsubordinated liabilities	42,142
Total Long Term Debt	53,076
Total capitalisation	65,226

Notes:

- (1) As at date of this programme prospectus, the issued and paid-up share capital amounted to EUR3,111,838,861 and is represented by 160,404,065 no-par-value ordinary shares.
- (2) Since 31 December 2004, Fortis Bank guaranteed the new issues made by Fortis Luxembourg as set out in Note 9 of the Capitalisation and Indebtedness of the Issuer as at 31 December 2004 on page 91 of this Base Prospectus.
- (3) Fortis Bank has no notes cum warrants, nor convertible notes outstanding.
Save as disclosed in the notes above, there has been no material change in the capitalisation of Fortis Bank since 31 December 2004.

(b) Auditing of historical annual financial information

The 2003 and 2004 financial statements of Fortis Bank have been audited without qualification by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C., represented by Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., represented by Virgile Nijs, Partner, Avenue du Bourget 40, B-1130 Brussels in accordance with the laws of Belgium.

No other information in this Base Prospectus has been audited by the statutory auditors.

(c) **Interim and other financial information**

(Unaudited interim financial statements of Fortis Bank for the six-month period ending 30 June 2005, which have been prepared in conformity with Belgian GAAP)

Consolidated Balance Sheet

	Codes	as at 30 June 2005	as at 31 December 2004
(in thousands EUR)			
ASSETS			
I. Cash in hand, balances with central banks & giro offices	101000	2,079,119	2,041,256
II. Government securities eligible for refinancing at the central bank	102000	937,241	2,462,360
III. Amounts receivable from credit institutions	103000	88,853,129	73,824,438
A. At sight	103100	11,479,809	10,431,524
B. Other amounts receivable (at fixed term or period of notices)	103200	77,373,320	63,392,914
IV. Amounts receivable from customers	104000	244,990,240	206,652,646
V. Bonds and other fixed-income securities	105000	139,650,918	124,734,090
A. From public issuers	105100	91,152,147	81,376,738
B. From other issuers	105200	48,498,771	43,357,352
VI. Corporate Shares and other variable-yield securities	106000	19,322,221	16,858,630
VII. Financial fixed assets	107000	3,764,463	3,432,226
A. Companies valued by equity method			
1. Participating interests	107100	1,740,257	1,582,475
2. Subordinated loans	107200	100,000	100,000
B. Other companies			
1. Participating interests and shares	107300	1,887,548	1,721,155
2. Subordinated loans	107400	36,658	28,596
VIII. Formation expenses and intangible fixed assets	108000	154,021	166,654
IX. Consolidation differences	109000	356,625	364,167
X. Tangible fixed assets	110000	5,183,076	4,431,497
XI. Own shares	111000		
XII. Other assets		13,166,690	11,913,522
A. Investments concerning operations linked with an investment fund of "life insurance" and of which the risk is not borne by the company	112100	0	0
B. Share of reinsurers in technical provisions	112200	0	0
C. Other	112000	13,166,690	11,913,522
XIII. Deferred charges and accrued income	113000	57,205,356	38,636,986
TOTAL ASSETS		575,663,099	485,518,472

	Codes	as at 30 June 2005	as at 31 December 2004	
(in thousands EUR)				
LIABILITIES				
I.	Amounts payable to credit institutions	201000	152,883,976	118,119,063
	A. At sight	201100	15,553,440	4,993,652
	B. Resulting from refinancing by rediscounting of trade bills	201200	0	11,301
	C. Other amounts payable at fixed term or period of notice	201300	137,330,536	113,114,110
II.	Amounts payable to clients	202000	280,091,883	249,988,965
	A. Savings deposits	202100	48,613,995	44,943,270
	B. Other amounts payable	202200	231,477,888	205,045,695
	1) At sight	202201	81,671,720	71,335,672
	2) At fixed term or period of notice	202202	149,806,168	133,710,023
	3) Resulting from refinancing by rediscounting of trade bills	202203	0	0
III.	Amounts payable represented by a security	203000	45,577,189	42,141,559
	A. Bills and bonds in circulation	203100	11,988,150	14,576,667
	B. Other	203200	33,589,039	27,564,892
IV.	Other amounts payable		13,025,756	12,908,774
	A. Technical provisions insurance	204100	0	0
	B. Technical provisions of "life insurance" without risk	204200	0	0
	C. Other	204000	13,025,756	12,908,774
V.	Accrued charges and deferred income	205000	57,256,021	37,345,656
VI.	Provisions for risks and charges, deferred taxes	206000	1,188,393	1,212,759
	A. Provisions for risks and charges	206100	1,039,838	1,065,539
	1. Pensions and similar obligations	206101	240,491	245,428
	2. Fiscal charges	206102	15,610	9,160
	3. Other risks and charges	206103	783,737	810,951
	B. Deferred taxes	206200	148,555	147,220
VII.	Fund for general banking risks	207000	1,759,018	1,755,686
VIII.	Subordinated debts	208000	11,483,581	10,933,925
	SHAREHOLDERS' EQUITY		11,697,459	10,393,716
IX.	Capital	209000	3,111,839	3,111,839
	A. Subscribed capital	209100	3,111,839	3,111,839
	B. Uncalled capital	209200	0	0
X.	Share premiums	210000	4,874,776	4,874,776
XI.	Revaluation surpluses	211000	0	0
XII.	Reserves and profit brought forward	212000	3,681,374	2,420,469
XIII.	Consolidation differences	213000	1,606	1,270
XIV.	Exchange differences	214000	27,864	(14,639)
XV.	THIRD PARTY INTERESTS	215000	699,823	718,369
	TOTAL LIABILITIES	299000	575,663,099	485,518,472

Profit and Loss Account

		First half 2005	First half 2004	
		(in thousands EUR)		
I.	Interest and similar revenues	401,000	9,617,313	7,634,872
	Of which: from fixed-income securities	401,001	2,466,494	2,261,809
II.	A Interests and similar charges	502,000	(7,349,018)	(5,324,008)
	B. Technical charges Insurance	502,100		
III.	Income from variable-income securities	403,000	195,154	105,048
	A. Corporate shares & units in other variable-income securities	403,100	29,782	19,712
	B. Participating interests in affiliated enterprises	403,200	165,373	85,336
IV.	Commissions received	404,000	1,302,303	1,241,284
V.	Commissions paid	505,000	(297,284)	(257,993)
VI.	Profit from (loss on) financial operations	506,000	374,128	501,160
	A. Foreign exchange transactions and transactions in securities		275,957	86,445
	B. Realization of investment securities	506,200	98,171	414,715
VII.	General administrative expenses	507,000	(2,322,674)	(2,129,932)
	A. Wages and salaries, social charges & pension	507,100	(1,460,818)	(1,348,034)
	B. Other administrative charges	507,200	(861,855)	(781,897)
VIII.	Depreciation of and amounts written off on formation expenses and intangible and tangible fixed assets	508,000	(515,036)	(376,294)
IX.	Write-back of amounts written off (Amounts written off) on amounts receivable and provisions for headings “I. Contingent liabilities” & “II. Liabilities which may give rise to a credit risk” in the off-balance sheet section	509,000	13,515	(150,130)
X.	Write-back of amounts written off (Amounts written off) on the investment portfolio of bonds, shares, other fixed-income or variable-income securities	510,000	870	10,196
XI.	Uses & write back of provisions for risks and charges other than those referred to by heading “I. Contingent liabilities” and “II. Liabilities which may give rise to a credit risk” in the off-balance sheet section	411,000	67,937	115,436
XII.	Provisions for risks & charges other than those covered by headings “I. Contingent liabilities” and “II. Liabilities which may give rise to a credit risk” in the off-balance sheet section	512,000	(166,175)	(158,435)
XIII.	Transfers from (Appropriation to) the fund for general banking risks	513,000		
XIV.	Other operating income	414,000	543,407	296,272
XV.	Other operating charges	515,000	(39,519)	(83,659)

		First half 2005	First half 2004
		<i>(in thousands EUR)</i>	
XVI.	Current profit (Current loss (-)) before taxes	416,000	1,424,921
XVII.	Extraordinary income	160,368	77,486
	A. Write back of depreciation and amounts written off on intangible and tangible fixed assets	417,100	86
	B. Write back of amounts written off on financial fixed assets	417,200	26,042
	C. Write back of provisions for exceptional risks and charges	417,300	10,963
	D. Capital Gains on disposals of fixed assets	417,400	133,178
	E. Other extraordinary income	417,500	1,062
XVIII.	Extraordinary charges	518,000	(72,366)
	A. Extraordinary depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets	518,100	(956)
	B. Amounts written off on financial fixed assets	518,200	(13,474)
	C. Provision of extraordinary risks and charges	518,300	(11,086)
	D. Capital losses on disposals of fixed assets	518,400	(46,031)
	E. Other extraordinary charges	518,500	(818)
XIX.	Consolidated profit (loss) for the year before taxes	419,000	1,512,923
XX.	A. Transfer to deferred taxes	520,100	(120,927)
	B. Transfer from deferred taxes	420,200	60,111
XXI.	Taxes on result	521,000	(341,434)
	A. Taxes	521,100	(346,916)
	B. Adjustment of income taxes and write-back of tax provisions	421,200	5,482
XXII.	Consolidated profit (loss) of the year	422,000	1,110,673
XXIII.	Part of result of participating interests valued by equity method	190,231	117,732
	A. Profit	423,100	191,344
	B. Losses	423,200	(1,113)
XXIV.	Consolidated profit	424,000	(1,300,904)
XXV.	Third party interests	425,000	(28,988)
XXVI.	Group profit	426,200	(1,271,916)

See section 1.7(b) above entitled “Recent Developments and Trends”.

(d) Legal and arbitration proceedings

No governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Fortis Bank is aware), during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of Fortis Bank or Fortis Bank and its subsidiaries taken as a whole.

(e) Significant changes in Fortis Bank’s financial or trading position

There have been no significant changes in the financial or trading position of Fortis Bank or Fortis Bank and its subsidiaries, taken as a whole since 30 June 2005.

1.12 Additional Information

(a) Share Capital

As at date of this Base Prospectus, the issued and paid-up share capital amounted to EUR 3,111,838,861 and was represented by 160,404,065 no-par-value ordinary shares. Fortis Bank has no other classes of shares. The share capital is fully paid up.

Fortis Bank has no notes cum warrants, nor convertible notes outstanding.

For an overview of the capitalisation of Fortis Bank, please see section 1.11(a)(ii) above.

(b) Memorandum and Articles of Association.

As stated in article 3 of its Articles of Association, Fortis Bank has as its purpose to carry on the business of a credit institution, including brokerage and transactions involving derivatives. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature to benefit of the realisation thereof. Fortis Bank is free to hold shares and share interests within the limits set by the legal framework for banks.

Fortis Bank is registered with the Register of Legal Entities under the number 0403.199.702.

TAXATION

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

Taxation in Belgium

For Belgian income tax purposes, the Notes are considered as fixed income securities. The tax treatment in Belgium of the Notes will be different depending on whether the issuer of the Notes is Fortis Bank or Fortis Luxembourg Finance. Notes issued by Fortis Bank will hereafter be referred to as “**Belgian Notes**” while Notes issued by Fortis Luxembourg Finance will be referred to as “**Foreign Notes**”.

Notes issued by Fortis Bank may be cleared through the X/N clearing system. The withholding tax treatment in respect of Notes cleared through the X/N system is different from that of other Notes and is set out below under the heading “**Withholding tax treatment applicable to Notes held in the X/N system**”.

Taxation applicable to individuals resident in Belgium

Belgian residents subject to Belgian personal income tax are normally subject to the following tax treatment with regard to the Notes.

The interest on Belgian Notes is subject to a Belgian withholding tax of 15 per cent. The same applies to interest on Foreign Notes if such interest is collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further, and need not be reported in the tax return. Noteholders who collect the payment abroad without Belgian withholding tax are required to mention this income in their tax return and will be taxed at 15% plus local surcharges.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Capital gains realised on the sale of Notes on the secondary market before maturity are generally not taxable for individuals (except the accrued interest component), save where the purchaser is the issuer. In the latter case, capital gains are taxable as interest. Capital losses realised on the sale of Notes are not tax deductible.

Other rules may be applicable in certain specific cases, especially when the noteholders are Belgian residents holding investments within the framework of their professional activity, or when transactions regarding the Notes fall outside the scope of common private asset management transactions.

Taxation applicable to Belgian corporations

Companies that are subject to Belgian corporate tax are normally subject to the tax treatment described below with regard to the Notes.

The total amount of income from the Notes will be part of the taxable profit of the company.

The amount of interest on Belgian Notes is subject to a Belgian withholding tax of 15 per cent.

Interest on Foreign Notes that is collected through a financial intermediary established in Belgium is in principle also subject to Belgian withholding tax, but may benefit from an exemption if the company receiving the interest delivers a specific residence certificate. This withholding tax exemption does not apply in case of a zero coupon bond.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Any Belgian withholding tax can be offset against the investor’s corporate tax, but only in proportion to the period during which the company held the notes.

Capital gains realised on the sale of the Notes are taxable while capital losses realised as well as latent capital losses expressed in the accounts are in principle tax deductible.

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

The interest on Belgian Notes is subject to a Belgian withholding tax of 15 per cent. The same applies to interest on Foreign Notes if such interest is collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further. Noteholders who collect the payment abroad without Belgian withholding tax are required to declare this income and to pay the withholding tax on their own initiative.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Capital gains realised on the sale of Notes on the secondary market before maturity are generally not taxable for non-profit entities (except the accrued interest component), save where the purchaser is the issuer. In the latter case, capital gains are taxable as interest. Capital losses realised on the sale of Notes are not tax deductible.

Taxation applicable to non-Belgian residents

The income of Belgian Notes is subject to a withholding tax of 15 per cent unless the Noteholder has the benefit of a tax treaty which provides for an exemption or reduction from withholding tax. The income of Foreign Notes paid to non-Belgian resident investors is not subject to Belgian withholding tax if it is not collected through a Belgian financial intermediary. Income of Foreign Notes that is collected through a financial intermediary established in Belgium may be subject to 15% withholding tax, unless the Noteholder is resident in a country with which Belgium has concluded a tax treaty.

An exemption from withholding tax is also available in respect of Foreign Notes kept in custody with a financial institution established in Belgium if the non-resident does not use the Notes for a business activity in Belgium, and subject to the obligation for the said financial institution to keep a specific register.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Non-resident companies who allocate the Notes to a business activity in Belgium (for example, through a permanent establishment) are subject to the same rules as companies resident in Belgium.

Non-resident Noteholders who do not allocate the Notes to a business activity in Belgium are not subject to Belgian income tax save, as the case may be, in the form of withholding tax.

In accordance with European Council Directive 2003/48/EC on the taxation of savings, Belgium enacted on 17 May 2004 a law that incorporates this directive into Belgian law. The law provides that interest paid to individuals resident in a European Union member state other than Belgium are subject to a “levy for the State of residence”, the rate of which has been set at 15% for the three first years after the entry into force of the law, 20% for the three following years and 35% thereafter. A levy for the state of residence will also be applied in respect of interest paid to residents in the following third countries: Switzerland, Andorra, Monaco, Liechtenstein, San Marino, Dutch Antilles, Aruba, Guernsey, the Isle of Man, Jersey, Anguilla, the British Virgin Islands, Montserrat and the Turks and Caicos Islands. The tax will not be levied if the beneficial owner provides to the paying agent a certificate issued in his name by the competent authority of his state of residence. The European Union decided on 19 July 2004 that the directive should in principle be applied as from 1 July 2005. The law of 17 May 2004 has taken effect on 1 July 2005.

Withholding tax treatment applicable to Notes held in the X/N system

The holding of the Notes in the NBB clearing and settlement system permits most types of investors (the “**Eligible Investors**”, see below) to collect interest on their Notes free of withholding tax, and to trade their Notes on a gross basis.

Participants in the NBB system must keep the Notes they hold for the account of Eligible Investors on so called “X accounts”, and those they hold for the account of non-Eligible Investors on “N accounts”. Payments of interest made through X accounts are free of withholding tax; payments of interest made through N accounts are subject to a withholding tax of 15%, which the NBB deducts from the payment and pays over to the tax

authorities. In the case of Notes issued at a discount, the difference between the issue price and the nominal amount constitutes interest for these purposes.

Transfers of Notes between an X account and an N account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N account to an X account gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. The withholding tax is due in euro, and is calculated based on the rate of exchange published two business days earlier by the NBB.
- A transfer from an X account to an N account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. The refund is payable in euro, and is calculated based on the rate of exchange published two business days earlier by the NBB.
- Transfers of Notes between two X accounts do not give rise to any adjustment on account of withholding tax.

These adjustment mechanics are such that parties trading the Notes on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis.

The main categories of Eligible Investors are as follows:

- Belgian resident corporate investors;
- Belgian pension funds;
- corporate investors who are non-residents of Belgium, whether they have a permanent establishment in Belgium or not;
- individuals who are non-residents of Belgium, unless their holding of the Notes is connected to a permanent establishment they have in Belgium; and
- non incorporated foreign collective investment schemes (such as *fonds communs de placement*) whose units are not publicly offered or marketed in Belgium.

The main categories of non-Eligible Investors are as follows:

- Belgian resident individuals;
- Belgian non profit organisations (other than pension funds); and
- non incorporated Belgian collective investment schemes (*fonds communs de placement*) and similar foreign funds whose units are publicly offered or marketed in Belgium.

(The above categories summarise the detailed definitions contained in Article 4 of the royal decree of 26 May 1994, to which investors should refer for a precise description of the relevant eligibility rules.)

When opening a securities account for the holding of Notes or other securities kept in the NBB clearing and settlement system, investors are required to provide the financial institution where this account is kept with a statement as to their tax status. This statement need not be periodically reissued. No such statement is required of investors who are non-residents of Belgium and keep their Notes on a securities account through Euroclear or Clearstream, Luxembourg.

Stamp duties

Secondary market trades in respect of the Notes may give rise to a stamp duty (*taks op beursverrichtingen / taxe sur les opérations de bourse*) if they are carried out through a financial institution established in Belgium. The amount of the stamp duty, however, is capped at EUR 500 per transaction, and various types of investors (including credit institutions, insurance companies, pension funds and all non-residents of Belgium) are exempted from this stamp duty.

Tax on the delivery of bearer instruments

The delivery to Noteholders (but not to the X/N System, Euroclear Operator or Clearstream, Luxembourg) of Notes in bearer form will give rise to a 0.6% tax on the delivery of bearer instruments, if such delivery occurs in Belgium and unless it is made in connection with a primary market subscription to these Notes.

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.

Taxation in Luxembourg

The Issuers have been advised that under the existing laws of Luxembourg as currently applied by the Luxembourg tax authorities:

- (a) all payments of interest and principal by Fortis Luxembourg under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein (please refer however to “EU Savings Directive” below);
- (b) a holder of Note who derives income from such Note or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on income or capital gains unless:
 - (i) such holder is, or is deemed to be, resident in Luxembourg; or
 - (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (c) Luxembourg net wealth tax will not be levied on a holder of a Note unless:
 - (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or
 - (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (d) no Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes;
- (e) Luxembourg gift tax will be levied in case the gift is made pursuant to a notarial deed signed before a Luxembourg notary;
- (f) it is not compulsory that the Notes be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of Luxembourg) of the Notes, in accordance therewith, except that, in case of use of the Notes, either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration will in principle be ordered which implies the application of a fixed or an ad valorem registration duty and calculated on the amounts mentioned in the Notes;
- (g) there is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, provided that Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to Fortis Luxembourg, if for Luxembourg value-added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services;
- (h) a holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

Taxation in The Netherlands

(a) Dutch Resident Holders

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

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

(b) Non-Dutch Resident Holders

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

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

(c) Registration taxes, stamp duty etc.

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

(d) Withholding tax

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

EU Savings Directive

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

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

On 21 June 2005, Luxembourg adopted a law transposing the EU Savings Directive into Luxembourg law (the “**Law**”). The Law is applied as from 1 July 2005.

The Law provides that interest income paid to individuals resident in a European Union member state other than Luxembourg is subject to a withholding tax at a rate of 15% from 1 July 2005 to 30 June 2008, 20% from 1 July 2008 to 30 June 2011 and 35% as from 1 July 2011. This withholding tax will not be levied if the beneficial owner (i) expressly authorises the paying agent to provide information for the tax authorities of the European Union member state of which such beneficial owner is resident for tax purposes, or (ii) if the beneficial owner presents to the paying agent a certificate issued in his name by the competent authority of his European Union member state of residence for tax purposes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in an Amended and Restated Distribution Agreement dated 3 November 2005 (the “*Distribution Agreement*”) between the Issuers, the Guarantor and the Dealers named therein the Notes will be offered on a continuing basis by the Issuer through the Dealers. The Issuers will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes as a whole or, subject to the terms of the offer, in part. The Dealers shall have the right, in their discretion reasonably exercised, without notice to the Issuer, to reject any proposed purchase of the Notes made to them as a whole or, subject to the terms of the offer, in part. Unless otherwise agreed, the Issuers will pay a Dealer a commission of from 0.075 per cent. to 0.625 per cent. of the principal amount of the Notes, depending upon maturity, in respect of the Notes solicited for purchase by it. The Issuers, failing whom the Guarantor (in the case of Notes issued by Fortis Luxembourg), has agreed to reimburse the Dealers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers’ activity in connection therewith, as provided in the Distribution Agreement.

The Issuers may also sell Notes to the Dealers as principals, for their own accounts at a price to be agreed upon at the time of sale. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Distribution Agreement also provides for Notes to be issued in Tranches which may be jointly and severally underwritten by two or more Dealers.

The Issuers, failing whom the Guarantor (in the case of Notes issued by Fortis Luxembourg), has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all the Dealers or any of them by the Issuers and the Guarantor or, in relation to itself and the relevant Issuer only, by any Dealer in any such case, and for any reason and at any time upon the giving of not less than 10 business days’ written notice of such termination to the other parties hereto.

SELLING RESTRICTIONS

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “*Securities Act*”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each of the Dealers has agreed that it will not offer, sell or deliver a Note in bearer form within the United States or to U.S. persons except as permitted by the Distribution Agreement.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. 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 of 1986 and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, or the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes from that offering within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each of the Dealers has represented and agreed that (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer, (ii) it has complied and will comply with all applicable provisions of the FSMA

with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom and (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not or, in the case of the Guarantor, would not, if it was not an authorised person, apply to the relevant Issuer or the Guarantor.

Japan

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

Luxembourg

The Notes may not be offered or sold within the territory of the Grand-Duchy of Luxembourg unless:

- (i) a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) if Luxembourg is the home member state (as defined in the Law of 10 July 2005 on prospectuses for securities and implementing 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 “**Law**”)); or
- (ii) if Luxembourg is not the home member state, the CSSF has been notified by the competent authority in the home member state that the prospectus has been duly approved; or
- (iii) the offer benefits from an exemption to or constitutes a transaction not subject to, the requirement to publish a prospectus.

The following selling restrictions relating to Belgium and the Kingdom of Norway will only be applicable until the Prospectus Directive is implemented in each of these Member States attached and the relevant implementation measures have entered into force.

Belgium

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

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

Kingdom of Norway

No offering material relating to the Notes has been or will be approved by the Oslo Stock Exchange. Accordingly, each Dealer has represented and agreed that it has not offered or sold and will not offer or sell any Notes directly or indirectly in the Kingdom of Norway or to residents of the Kingdom of Norway and that it has not distributed and will not distribute any offering material relating to the Notes in or from the Kingdom of Norway.

The Netherlands

(I) Each Dealer represents and agrees in respect of any Notes issued by Fortis Luxembourg Finance S.A. (including rights representing an interest in a Global Note) which have a maturity of less than 12 months and are money market instruments as referred to in art. 1a(d) of the Decree on the Dutch Securities Markets Supervision

Act 1995 (*Besluit toezicht effectenverkeer 1995*) (“**Non-PD Notes**”) that it has not offered and that it will not offer, directly or indirectly, any Non-PD Notes in *The Netherlands* and that such an offer may not be announced (whether electronically or otherwise), unless it is made in accordance with one or more of the following restrictions (as specified in the applicable Final Terms):

- (i) those Non-PD Notes have a denomination of at least €50,000 (or its equivalent in any other currency) per Note; or
- (ii) those Non-PD Notes are offered exclusively to individuals and legal entities in *The Netherlands* who or which trade or invest in securities in the conduct of a business or profession (which includes, without limitation, banks, securities firms, insurance companies, pension funds, investment institutions, central governments, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly trade or invest in securities, hereinafter; “**Professional Investors**”), provided that in the offer, in the applicable Final Terms and in any documents or advertisements in which a forthcoming offering of such Non-PD Notes is publicly announced (whether electronically or otherwise) in *The Netherlands* it is stated that such offer is and will be exclusively made to such Professional Investors; or
- (iii) if, regardless of their denomination, Non-PD Notes can only be acquired in units comprising several Non-PD Notes (each a “**Unit**”) for a consideration with a value of at least €50,000 (or its equivalent in any other currency), provided that:
 - (a) the offer, the applicable Final Terms and each document or advertisement containing an announcement of the offer in *The Netherlands* state that the Non-PD Notes can only be obtained in Units for a consideration with a value of at least €50,000 (or its equivalent in any other currency) per Unit; and
 - (b) a copy of the Base Prospectus, the applicable Final Terms and each announcement of the offer is submitted to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) before the offer is made; or
- (iv) those Non-PD Notes are offered to less than 100 individuals or legal persons, not being Professional Investors in *The Netherlands*; or
- (v) those Non-PD Notes are otherwise offered in accordance with the Dutch Securities Markets Supervision Act 1995 (*Wet toezicht effectenverkeer 1995*).

(II) In addition and without prejudice to the relevant restriction set out under (I) above, Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into *The Netherlands* through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into *The Netherlands* if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranches are issued outside *The Netherlands* and are not distributed into *The Netherlands* in the course of initial distribution or immediately thereafter. As used herein “*Zero Coupon Notes*” are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

European Economic Area

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

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

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

General

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

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

Selling restrictions may be modified by the agreement of the relevant Issuer, the Guarantor (in the case of Notes issued by Fortis Luxembourg) and the Dealers following a change in, or in the interpretation or application of, a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

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

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

PRO FORMA FINAL TERMS

Final Terms dated ●

[Fortis Bank nv-sa

(incorporated as a public company with limited liability (naamloze vennootschap/société anonyme) under the laws of Belgium, having its registered office in Montague du Parc 3, B-1000 Brussels, and registered with the register of legal entities of Brussels under enterprise No. 0403.199.702]

[Fortis Luxembourg Finance S.A.

(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under No. B 24.784)

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

[Guaranteed by FORTIS BANK nv-sa]

under the EUR 3,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[START OF OPTIONS]

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 3 November 2005 [and the supplemental Base Prospectus dated []] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented] (together, the “**Base Prospectus**”).

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Base Prospectus*] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange] and copies may be obtained from Fortis Luxembourg Finance S.A. at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and Fortis Bank nv-sa at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, Banque Générale du Luxembourg S.A. at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands, and Citibank, N.A. at 5 Carmelite Street, London EC4Y 0PA.

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the supplemental Base Prospectus dated []]. This document contains the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Base Prospectus dated []] (together, the “**Base Prospectus**”) which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplemental Base Prospectus dated []] and are attached hereto.

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Base Prospectus*] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange] and copies may be obtained from Fortis Luxembourg Finance S.A. at 65, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg and Fortis Bank nv-sa at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, Banque Générale du Luxembourg S.A. at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands and Citibank, N.A. at 5 Carmelite Street, London EC4Y 0PA.

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

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

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 3 November 2005. These Final Terms of the Notes and must be read in conjunction with such Base Prospectus.

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

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

[END OF OPTIONS]

These Final Terms do not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of these Final Terms in any jurisdiction where such action is required.

[Risk Warning¹

Investment in the Notes is directed at sophisticated investors who are conversant with the considerable risks involved in credit derivatives, who are willing to assume such risks, and who can absorb a partial or complete loss of principal and interest. The Notes carry various risks including, without limitation, the insolvency risk of the Issuer and the Guarantor and the insolvency, payment default and credit risk of the Reference [Entity/Entities]. There may be little or no secondary market for the Notes.

If a Credit Event occurs, the principal amount of the Notes will be reduced in accordance with the provisions hereof. Accordingly, the amount payable to investors on redemption may be substantially less than the initial principal amount of the Notes, and may even be zero. Consequently, you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.]

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

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

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

¹ to be inserted in the case of an issuance of Credit-linked Notes or Cash-Settled Credit Linked Notes.

1. [(i)] Issuer: Fortis Bank nv-sa/Fortis Luxembourg Finance S.A.
 [(ii)] Guarantor: Fortis Bank nv-sa]
2. [(i)] Series Number: []
 [(ii)] Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] []
3. Currency or Currencies: []
4. Form: [Bearer Notes]
 [Exchangeable Bearer Notes]
 [Registered Notes]
5. Principal Amount of Tranche [of Notes: admitted to trading]: [only include the words in the left-hand column that are in square brackets for wholesale issues]
 [(i)] Series: []
 [(ii)] Tranche: []]
6. Issue Price: [] per cent. of the Principal Amount of Tranche [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
7. Specified Denominations: []
 [] [Notes issued under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms “regulated market” and “offer to the public” are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency)]
8. [(i)] Issue Date: []
 [(ii)] Interest Commencement Date: []]
9. Maturity Date: [], [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention for which the Relevant Business Day(s) [is/are] [specify cities]]/[The Interest Payment Date falling in or nearest to [specify month and year]] [The Notes are Junior Subordinated Notes and accordingly have no Maturity Date]
 [If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]
10. Interest Basis: [[] per cent. Fixed Rate]
 [[specify reference rate] +/-
 [] per cent. Floating Rate]
 [Zero Coupon]
 [Variable Coupon Amount]
11. Redemption Amount: [Principal Amount/[other]]
12. Change of Interest or Redemption Amount: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
13. Terms of redemption at the option of the Issuer/Noteholders or other Issuer’s/Noteholders’ option: []
 [(further particulars specified below)]

14. [(i)] Status of the Notes: [Senior/Senior Subordinated/Junior Subordinated⁽²⁾
 [(ii)] Status of the Guarantee: [Senior/Senior Subordinated/Junior Subordinated/Not applicable]⁽³⁾

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions

- [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Rate[s]: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
 (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"/not adjusted]
 (iii) Interest Period Dates: []
 (iv) Fixed Coupon Amount[(s)]: [] per [] in Principal Amount [Do not specify a Fixed Coupon Amount for Cash-Settled Credit Linked Notes]
 (v) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
 (vi) Day Count Fraction: [30/360/Actual/Actual (ICMA)/other]
 (vii) Other terms relating to the method of calculating interest for Fixed Interest Rate Notes: [Not Applicable/give details]

16. Floating Rate Note Provisions

- [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Payment Date(s): []
 (ii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)]
 (iii) Additional Business Centre(s): [] [Note that this item relates to the definition of "Relevant Business Day" (Condition 5(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 5(b)).]
 (iv) Reference Banks: [specify four]
 (v) Spread (if applicable): [] per cent. per annum
 (vi) Spread Multiplier (if applicable) []
 (vii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/ Domiciliary Agent]): []
 (viii) Relevant Time (if applicable) []
 (ix) Screen Rate Determination:
 – Benchmark: [EURO BBA LIBOR, EURIBOR or other benchmark]
 – Interest Determination Date(s): [[] Business Days in [specify city] prior to] [the first day in each Interest Period/each Interest Payment Date]
 – Relevant Screen Page: []
 – Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of countries whose lawful currency is the euro)]

(2) In the case of Junior Subordinated Notes, include an option by the Issuer to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years

(3) Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee (delete accordingly where the Issuer is Fortis Bank nv-sa:) Date of [Fortis Luxembourg Finance S.A.'s Board and Guarantor's/Fortis Bank nv-sa's] Management Committee approval for issuance of Notes [and Guarantee] obtained: [] [and [], respectively]

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

PROVISIONS RELATING TO REDEMPTION

- 19. Redemption at the option of the Issuer or other Issuer’s option** [Applicable/Not Applicable] *[In the case of Junior Subordinated Notes, include an option by the Issuer to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.]*
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Issuer's Option Period: [] *[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*
- (ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] specified denomination *[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]*
- (iii) If redeemable in part:
 (a) minimum redemption amount: []
 (b) maximum redemption amount: []
- 20. Redemption at the option of the Noteholder or other Noteholder's option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Noteholder's Option Period: [] *[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*
- (ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] specified denomination
- 21. Final Redemption Amount of each Note** [[] per Note of [] specified denomination/other/see Appendix] *[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]*
- In cases where the Final Redemption Amount is linked to an index or other variable-linked:
- (i) Index/formula/variable:
 (ii) Calculation Agent responsible for calculating the Final Redemption Amount [give or annex details]
 (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []
- [(iv) Determination Date(s): []]
 (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Payment Date: []
 (vii) Minimum Final Redemption Amount: []
 (viii) Maximum Final Redemption Amount: []
- 22. Early Redemption Amount** [] *[For Cash-Settled Credit Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]*
 Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):
23. Instalment Date(s) (if applicable): []
 24. Instalment Amount(s) (if applicable): []

25. Unmatured Coupons to become void upon early redemption: []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes: **Bearer Notes:**
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]
 [Temporary Global Note exchangeable for Definitive Notes on [] days' notice.] [Permanent Global Note exchangeable for Definitive Notes on [at least 60] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]. *[Insert this option for Notes issued by Fortis Bank nv-sa and cleared through the X/N System.]*
 [Registered Notes]
27. Business Day Jurisdictions for Condition 7(g) and any special provisions relating to payment dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iii) and 18(viii) relate]
28. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon: [No/Yes, maturing every [] Interest Payment Dates]
29. Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
30. Consolidation provisions: [Not Applicable/The provisions annexed to these Final Terms] apply
31. Exchange for Definitive Notes at the request of the holder at the expense of: [the Issuer/Holder]
32. The aggregate principal amount of Notes issued has been translated in U.S. dollars at the rate of [] (for Notes not denominated in U.S. dollars) []

CREDIT LINKED NOTE PROVISIONS

33. Cash-Settled Credit Linked Note Provisions: [Not Applicable/Applicable]
- [If Not Applicable delete remaining sections of this paragraph] Note that if applicable, a Drawdown Prospectus must be prepared for Notes admitted to trading on a regulated market.*
- (i) Reference Entities: [Specify]
- (ii) Standard Terms: [Specify for each Reference Entity in accordance with Annex to Conditions]
 [Specify for North American Corporate Reference Entities]
- (iii) Reference Entity Notional Amount(s): [Specify for each Reference Entity – if Notes are first to default and Reference Entity Notional Amount is less than Principal Amount, Conditions need to be amended]
- (iv) Reference Obligation(s): [Specify for each Reference Entity] [Not Applicable]
- (v) Excluded Obligation: [Applicable/Not Applicable] [Specify for each Reference Entity]
- (vi) Excluded Valuation Obligation: [Specify for each Reference Entity] [Not Applicable]
- (vii) May 2003 Supplement [Not Applicable/Applicable]
- (viii) 2003 Additional Provisions for Monoline Reference Entities [Not Applicable/Applicable in relation to [Specify Reference Entities]]

- | | |
|--|--|
| (ix) 2005 Additional Provisions for Monoline Reference Entities: | [Not Applicable/Applicable in relation to Specific Reference Entities] |
| (x) Effective Date: | [Specify] |
| (xi) Domestic Currency: | [Specify] |
| (xii) Multiple Exercise Upon Restructuring: | [Not Applicable/Applicable] |
| (xiii) Fixed Final Price: | [Specify percentage]/[Not Applicable] |
| (xiv) Fixed Recovery Redemption Date: | [Specify]/[Not Applicable] |
| (xv) Dealers: | [Specify]/[Not Applicable] |
| (xvi) Public Sources: | [Specify]/[Not Applicable] |
| (xvii) Specified Number: | [Specify]/[Not Applicable] |
| (xviii) Valuation Business Day: | [Specify] |
| (xix) Include Accrued Interest: | [Not applicable/Applicable] |
| (xx) Determination Agent: | [specify] |
| (xxi) Disclosure: | Attached hereto as Annex [] is certain disclosure relating to [Reference Entities]. |
34. Credit-Linked Notes (*non-Cash settled*): [Not Applicable/The Terms and Conditions of the Notes shall be supplemented and modified by the provisions defined in Appendix A to these Final Terms. In the event of any inconsistency between the Conditions and the provisions of Appendix A, the provisions of Appendix A shall prevail and the Conditions shall be deemed amended accordingly.]
35. Other terms or special conditions: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

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

- | | |
|--|---|
| 36. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: | [Not Applicable/give names [and for retail issues only, and addresses and underwriting commitments] (include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)] |
| (ii) Stabilising Manager (if any): | [Not Applicable/give name] |
| (iii) [Date of Subscription Agreement:] | [] |
| [(iv)] Total commission and concession: | [] per cent. of the Principal Amount of Tranche |
37. If non-syndicated, name [and address] of Dealer: [Not Applicable/give name and address]
- [38.] Applicable Netherlands selling restrictions for Notes issued by Fortis Luxembourg Finance S.A. which have a maturity of less than 12 months and are money market instruments as referred to in art. 1a(d) of the Decree on the Dutch Securities Markets Supervision Act 1995 (*Besluit toezicht effectenverkeer 1995*):
- | |
|---|
| [High denomination Notes: selling restriction I(i) applies] |
| [Professional Investors only: selling restriction I(ii) applies] |
| [Units of EUR 50,000: selling restriction I(iii) applies] |
| [Less than 100 individual or legal persons; selling restriction I(iv) applies] |
| [Otherwise offered in accordance with the Dutch Securities Markets Supervision Act 1995 (<i>Wet toezicht effectenverkeer 1995</i>)] |
| [In addition to the above, i/I]f Zero Coupon Notes are issued: selling restriction II applies (Note: this selling restriction may also apply to Fortis Bank nv-sa)] |
39. Additional selling restrictions: [Not Applicable/give details]

ADMISSION TO TRADING

These Final Terms comprise the final terms required to list and have admitted to trading the Notes described herein pursuant to the EUR 3,000,000,000 Euro Medium Term Note Programme of Fortis Bank nv-sa and Fortis Luxembourg Finance S.A. guaranteed by Fortis Bank nv-sa.

RESPONSIBILITY

The Issuer [and the Guarantor]† accept responsibility for the information contained in these Final Terms.

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

Signed on behalf of the Issuer:

By:
Duly authorised

[Signed on behalf of the Guarantor:

By:
Duly authorised]†

*Delete in each case as applicable.
**Include where any information sourced from a third party has been reproduced, and provide necessary details.
†Delete where the Issuer is Fortis Bank nv-sa.

PART B – OTHER INFORMATION

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

1. LISTING

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

2. RATINGS

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

3. NOTIFICATION

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

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest.]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer []
- (See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*
- [(ii) Estimated net proceeds: [].]

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

[(iii)] Estimated total expenses:

[].

[Include breakdown of expenses.]

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

6. *[Fixed Rate Notes only – YIELD*

Indication of yield:

[].

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

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

7. *[Floating Rate Notes only – HISTORIC INTEREST RATES [Include Item 7 for a retail issue only]*

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

8. *[Index-linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, [required for retail issues only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING (to be included for derivative securities to which Annex XII to the Prospective Directive Regulations applies)*

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

9. *[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT*

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

10. OPERATIONAL INFORMATION

ISIN Code: []

Common Code: []

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): [X/N System/Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

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

Calculation Agent: []

GENERAL INFORMATION

1. Application has been made for Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and an application will be made for Notes issued under the Programme to be admitted to listing and trading on Eurolist by Euronext and admitted to trading on Euronext Brussels and/or be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system. Notes may be issued pursuant to the Programme which will not be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange nor be admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system, or which will be admitted to listing, trading and/or quotation on such listing authority, stock exchange or quotation system as the Issuers and the relevant Dealers may agree.

2. The update of the Programme and the issue of Notes thereunder was authorised by resolutions of the Management Committee of Fortis Bank and the Boards of Directors of Fortis Luxembourg passed on 31 May and on 14 September 2005 and the guarantee of the Notes was confirmed and authorised by a resolution of the Management Committee of the Guarantor passed on 31 May 2005.

3. Each temporary Global Note, permanent Global Note, Bearer Note, Exchangeable Bearer Note, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 1 65(j) and 1287(a) of the Internal Revenue Code."

4. Bearer Notes and Exchangeable Bearer Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Notes issued by Fortis Bank have been accepted for clearance through the book entry clearance and settlement system operated by the NBB (the "X/N System"). The Common Code given by the X/N System or the Euroclear Operator and Clearstream, Luxembourg, as the case may be, together with the relevant ISIN number for each Series of Notes will be set out in the relevant Final Terms.

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

6. Each set of Final Terms will contain, *inter alia*, the following information in respect of the issue of Notes to which it relates:

- (i) Series No.;
- (ii) principal amount of the Notes;
- (iii) the form of the Notes;
- (iv) issue date and interest commencement date;
- (v) currency and denomination;
- (vi) maturity date/redemption month (if any);
- (vii) issue price;
- (viii) interest rate, spread, the interest period, any maximum or minimum rate of interest and all other information required to calculate interest amounts (including basis for calculating interest payable on Variable Coupon Amount Notes, if applicable);
- (ix) interest payment dates;
- (x) basis for calculating redemption amounts payable in respect of Zero Coupon Notes, Variable Redemption Amount Notes, High Interest Notes or Low Interest Notes, if applicable;
- (xi) the currencies in which payments will be made in respect of Dual Currency Notes;
- (xii) the common code given by the Euroclear Operator and Clearstream, Luxembourg and the ISIN number;
- (xiii) whether the Notes are redeemable prior to their stated maturity at the option of the Issuer or the Guarantor and/or the Noteholders and the terms relating thereto;

- (xiv) the amortisation yield in respect of Zero Coupon Notes;
- (xv) whether or not the Notes will be admitted to listing, trading and/or quotation by a listing authority stock exchange, and/or quotation system and, if so, the relevant listing authority, stock exchange and/or quotation system;
- (xvi) the name of any Stabilising Manager;
- (xvii) the rate of exchange (if any) at which the principal amount of the tranche issued has been converted into U.S. dollars;
- (xviii) whether the Guarantee is subordinated or unsubordinated;
- (xix) whether the Notes will be Subordinated Notes or not;
- (xx) the details of any additional Dealers appointed in respect of any issue of Notes;
- (xxi) details of the Calculation Agent, if any;
- (xxii) the name of the Principal Paying Agent (if not the Fiscal Agent);
- (xxiii) any additional selling restrictions;
- (xxiv) the name and specified office of the Paying Agent in France (where applicable);
- (xxv) the name of the specialist broker in France (where applicable); and
- (xxvi) any other relevant information which is not inconsistent with the Programme or the terms of the Agency Agreement.

Copies of the Final Terms relating to a Series of Notes which is to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be made freely available at the office of the Listing Agent in Luxembourg.

Electronic copies of the Base Prospectus or any future Base Prospectus together with any supplement thereto, as well as the relevant Final Terms relating to any Notes which are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be available on its website.

7. For so long as the Programme remains in effect or any Notes remain outstanding, the following documents (together, in the case of any document not in the English language, with an English translation thereof) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection and, in the case of paragraphs (v), (vi), and (vii) below, may be obtained free of charge, at the registered offices of the Issuers and the Guarantor, and at the office of the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the Paying Agents:

- (i) the Agency Agreement (which includes the form of the Global Notes, the Definitive Notes in Bearer and Registered Form, the Guarantees, the Coupons, Receipts and Talons);
- (ii) the Distribution Agreement;
- (iii) the Deed of Covenant;
- (iv) the Memorandum and Articles of Association of the Issuers and the Guarantor;
- (v) the latest audited annual accounts of the Issuer and the Guarantor, for the years ended 31 December, 2003 and 2004 together with any explanatory notes and auditors' report (as the case may be) accompanying such accounts. The Guarantor publishes consolidated and non-consolidated accounts: neither of the Issuers nor the Guarantor publish any interim accounts;
- (vi) the Final Terms relating to any Notes which are admitted to listing on the official list and trading on the regulated market of the Luxembourg Stock Exchange or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system; and
- (vii) a copy of this Base Prospectus or any further Base Prospectus together with any supplement thereto.

Copies of the latest published annual accounts of Fortis Bank for the financial years ending on 31 December 2003 and 2004 as well as the most recent interim reports of Fortis for the year 2005, can be obtained free of charge at Fortis Bank, Montagne du Parc 3, 1000 Bruxelles, tel: +322 565 85 35 or on the website: www.fortisbank.be.

8. The business address of all members of the Board of Directors of Fortis Luxembourg is c/o BGL MeesPierson Trust, 65, Boulevard Grande-Duchesse Charlotte L-1331, Luxembourg. The business address of the Board of Directors of Fortis Bank is Montagne du Parc 3 B-1000 Brussels, Belgium.

9. The financial statements of Fortis Luxembourg for the years ended 31 December 2003 and 2004 have been audited without qualification by KPMG Audit, Société Civile, 31, Allée Scheffer, L-2520 Luxembourg. KPMG Audit, as auditor of Fortis Luxembourg, have given their written consent to the inclusion of their auditors' report on Fortis Luxembourg's cash flow statements in respect of the years ended 31 December 2003 and 2004 on page 88 of the Base Prospectus and its historical financial information in respect of the years ended 31 December 2003 and 2004 on pages 14 and 85 of the Base Prospectus in the form and context in which they are included and have authorised the contents of those parts of the Base Prospectus for the purposes of item 16.1 of Annex IV of Regulation (EC) No. 809/2004. KPMG Audit, the auditors of Fortis Luxembourg, have no material interest in Fortis Luxembourg. As far as Fortis Luxembourg and the Guarantor is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The financial statements for the years ending 31 December 2003 and 2004 of Fortis Bank have been audited without qualification by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C., Luc Discry, Partner, Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Brussels and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., represented by Virgile Nijs, Partner, Avenue du Bourget 40, B-1130 Brussels, in accordance with the laws of Belgium. All are members of *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Enterprises*.

PricewaterhouseCoopers, and Klynveld Peat Marwick Goerdeler, as auditors of Fortis Bank, have given their written consent to the inclusion of their auditors' report on Fortis Bank's cash flow statements in respect of the years ended 31 December 2003 and 2004 on page 119 of the Base Prospectus and its historical financial information in respect of the years ended 31 December 2003 and 2004 on pages 14 and 115 of the Base Prospectus in the form and context in which they are included and have authorised the contents of those parts of the Base Prospectus for the purposes of item 13.1 of Annex XI of Regulation (EC) No. 809/2004. PricewaterhouseCoopers and Klynveld Peat Marwick Goerdeler, the auditors of Fortis Bank, have no material interest in Fortis Bank. As far as Fortis Bank is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

10. The Articles of Association of Fortis Luxembourg have been amended several times since its incorporation on 24 September 1986, were last amended on 7 February 2005 and published in the "*Mémorial, Recueil Spécial des Sociétés et Associations*" on 7 March 2005. The Articles of Association of Fortis Bank have been amended several times since its incorporation and were last amended on 28 April 2005 (this amendment was published in the *Moniteur belge* on 23 May 2005, reference 05071774).

11. The Luxembourg Stock Exchange has allocated the number 9475 to Fortis Luxembourg and the number 13245 to Fortis Bank for the purposes of Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange.

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

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

REGISTERED OFFICE OF THE ISSUERS

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

Fortis Luxembourg Finance S.A.
65, Boulevard Grande-Duchesse Charlotte
L-1331 Luxembourg

REGISTERED OFFICE OF THE GUARANTOR

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

DEALERS

ABN AMRO Bank N.V.
250 Bishopsgate
London EC2M 4AA

Banco Bilbao Vizcaya Argentaria, S.A.
Alcalá 16-4a Planta
28014 Madrid

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB

BNP PARIBAS
10 Harewood Avenue
London NW1 6AA

CALYON
9 Quai du Président Paul Doumer
92 920 Paris La Défense Cedex

**Citigroup Global
Markets Limited**
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

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

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB

HSBC Bank plc
8 Canada Square
London E14 5HQ

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ

Lehman Brothers International (Europe)
25 Bank Street
London E14 5LE

Société Générale
29, boulevard Haussmann
75009 Paris

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR

UBS Limited
1 Finsbury Avenue
London EC2M 2PP

**FISCAL AGENT, REGISTRAR, PRINCIPAL PAYING AGENT, TRANSFER AGENT
AND CALCULATION AGENT**

Banque Générale du Luxembourg S.A.

50, avenue J.F. Kennedy

L-2951 Luxembourg

ALTERNATIVE PRINCIPAL PAYING AGENT

Fortis Bank nv-sa

Montagne du Parc 3

B-1000 Brussels

PAYING AND TRANSFER AGENTS

Fortis Bank (Nederland) N.V.

Rokin 55

1012 KK Amsterdam

Citibank, N.A.

5 Carmelite Street

London EC4Y 0PA

DOMICILIARY AGENT

Fortis Bank nv-sa

Montagne du Parc 3

B-1000 Brussels

LEGAL ADVISERS

to the Dealers

in respect of English law

Clifford Chance

Limited Liability Partnership

10 Upper Bank Street

London E14 5JJ

in respect of Belgian law

Clifford Chance

Limited Liability Partnership

Avenue Louise 65, Box 2

1050 Brussels

in respect of Luxembourg law

Kremer Associés & Clifford Chance

4, place de Paris

L-2314 Luxembourg

AUDITORS TO FORTIS LUXEMBOURG FINANCE S.A.

KPMG Audit

Société Civile

31, Allée Scheffer

L-2520 Luxembourg

AUDITORS TO THE GUARANTOR

PricewaterhouseCoopers,

Réviseurs d'Entreprises S.C.C.R.L.

Represented by

Luc Discry, Partner

Woluwedal 18

B-1932 Sint-Stevens-Woluwe

Brussels

Klynveld Peat Marwick Goerdeler,

Réviseurs d'Entreprises S.C.R.L. Civile

Represented by Olivier Macq, Partner

Avenue du Bourget 40

B-1130 Brussels

AMSTERDAM LISTING AGENT

Fortis Bank (Nederland) N.V.

Rokin 55

1012 KK Amsterdam

BELGIAN LISTING AGENT

Fortis Bank nv-sa

Montagne du Parc 3

B-1000 Brussels

LUXEMBOURG LISTING AGENT

Banque Générale du Luxembourg S.A.

50 avenue J.-F. Kennedy

L-2951 Luxembourg

