

SECURITIES NOTE DATED 16 September 2008



FORTIS BANK NV/SA

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

Minimum €50,000,000 and maximum €500,000,000 Fixed Rate Senior Subordinated Notes due 2018

FORTIS BANK NV/SA is part of Fortis

Issue Price 102.00 per cent.

This securities note (the “**Securities Note**”) constitutes a securities notes of Fortis Bank NV/SA (the “**Issuer**”) in respect of the minimum €50,000,000 and maximum €500,000,000 Fixed Rate Senior Subordinated Notes due 2018 (the “**Notes**”) for the purposes of Article 5, 3 of Directive 2003/71/EC (the “**Prospectus Directive**”). The Securities Note shall be read together with (i) the sections, relating to the Issuer, of the registration document dated 14 August 2008 (the “**Registration Document**”) and (ii) the summary dated 16 September 2008 (the “**Summary**”) of the Securities Notes and of the sections of the Registration Document relating to the Issuer.

The Securities Note constitutes, together with the Summary and the Registration Document, a prospectus relating to the issue of the Notes (the “**Prospectus**”), for the purposes of Article 5, 3 of the Prospectus Directive.

The Notes issued under the Prospectus will benefit from the contractual framework of the Issuer’s €30,000,000,000 Euro Medium Term Note Programme updated on 9 July 2007 (the “**Programme**”), subject to the terms of each agreement relating to the Programme.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of the Securities Note for the purposes of the Prospectus Directive. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (the “**Market**”). References in this Securities Note to the Notes being “listed” (and all related references) shall mean that the Notes have been admitted to the Official List and to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

A5-6.1

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer in that regard. See in particular the risk factors set out in the Prospectus.

Fortis Bank NV/SA

as Dealer

The Prospectus comprises a prospectus for the purposes of Article 5 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Notes are issued on the terms set out under the “Terms and Conditions of the Notes” section set out herein (the “**Conditions**”). The Issuer accepts responsibility for the information contained in this Securities Note. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information.

A5-1.1
A5-1.2

The Issuer has confirmed to Fortis Bank NV/SA as dealer (the “**Dealer**”) that the Prospectus contains all information which is material in the context of the issue, sale and listing of the Notes; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein, if any, are honestly held or made and are not misleading in any material respect; that the Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the issue, sale and listing of the Notes) not misleading in any material respect; and that all proper enquiries have been made by the Issuer to verify the foregoing.

The Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below) and must be read and construed together with the Conditions.

No person has been authorised to give any information or to make any representation other than those contained in the Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither the delivery of this Securities Note nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which the Securities Note has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Securities Note has been most recently supplemented or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Securities Note and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Securities Note comes are required by the Issuer to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

This Securities Note does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealer to subscribe for, or purchase, any Notes.

Neither this 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 Issuer or the Dealer that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the suitability of the Notes as an investment in the light of its own circumstances and financial condition.

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Additional Documents

This Securities Note should be read and construed in conjunction with the following documents, which have been previously published and which have been filed with the CSSF:

(i) the following sections of the registration document dated 14 August 2008 (the “**Registration Document**”) filed by the Issuer with the CSSF:

- “Introduction, important notices and documents incorporated by reference - Documents incorporated by reference - Fortis”;
- “Introduction, important notices and documents incorporated by reference - Documents incorporated by reference - Fortis Bank NV/SA”;
- “Risk Factors - Investment considerations relating to the business of Fortis”;
- “Risk Factors - Investment considerations relating to the business of Fortis Bank NV/SA”;
- “Description of Fortis - Business Overview”;
- “Description of Fortis - Recent developments and trends”;
- “Description of Fortis Bank NV/SA”; and

(ii) the following sections of the Base Prospectus dated 9 July 2007 relating to the Programme (the “**Base Prospectus**”), filed by the Issuer with the CSSF:

- “Risk Factors - Risk Relating to the Notes - General Risk Relating to the Notes”;
- “Risk Factors - Risk Relating to the Notes - Risk Relating to Particular Notes - (b) Fixed Rate Notes”;
- “Terms and Conditions of the Notes - Part 1: Medium Term Notes”;
- “Use of Proceeds”;
- “Summary of Provisions relating to Global Notes”;
- “Plan of Distribution”;
- “Brief Explanation of the Meaning of the Ratings”;
- “General Information”.

Copies of the Registration Document and of the Base Prospectus may be obtained from the website of the Luxembourg Stock Exchange (www.bourse.lu).

Documents Incorporated by Reference

The sections of the Base Prospectus listed in the section “Additional Documents” above shall be deemed to be incorporated in, and form part of, this Securities Note, save that any statement contained in a document incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Securities Note to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Securities Note.

For ease of reference, the table below sets out the relevant page references for the Base Prospectus.

Base Prospectus

Risk Factors – Risk relating to the Notes – General Risk Relating to the Notes.....	Page	5-7	A5-2.1
Risk Factors - Risk Relating to the Notes - Risk Relating to Particular Notes - (b) Fixed Rate Notes.....	Page	7	A5-2.1
Terms and Conditions of the Notes – Part 1: Medium Term Notes.....	Page	26-48	A5-4.6
Use of Proceeds.....	Page	143	A5-3.2
Summary of Provisions relating to Global Notes.....	Page	144-148	A5-4.3
Plan of Distribution.....	Page	201-208	A5-4.13
Brief Explanation of the Meaning of the Ratings.....	Page	266-272	A5-7.5
General Information.....	Page	273-275	A5-4.11

Risk Factors

The relevant risk factors are to be found in the following documents:

(i) Registration Document:

- “Risk Factors - Investment considerations relating to the business of Fortis”;
- “Risk Factors - Investment considerations relating to the business of Fortis Bank NV/SA”; and

(ii) Base Prospectus:

- “Risk Factors - Risk Relating to the Notes - General Risk Relating to the Notes”;
- “Risk Factors - Risk Relating to the Notes - Risk Relating to Particular Notes - (b) Fixed Rate Notes”.

Terms and Conditions of the Notes

A5-4.6

The Conditions of the Notes shall consist of the terms and conditions set out in the Base Prospectus from pages 26 to pages 48 (the “**Programme Conditions**”) as amended or supplemented below. References in the Programme Conditions to the Final Terms shall be deemed to refer to the terms set out below.

This Securities Note has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 40 of Part A below, provided such person is one of the persons mentioned in Paragraph 40 of Part A below and that such offer is made during the Offer Period specified for such purposes therein.

Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Programme Conditions set forth in the Base Prospectus which constitutes a base prospectus for the purposes of the Prospectus Directive.

The Base Prospectus is available for viewing at the website of the Luxembourg Stock Exchange and copies may be obtained from Fortis Bank NV/SA at Montagne du Parc 3, B-1000 Brussels, and Fortis Banque Luxembourg S.A. at 50 Avenue J.F. Kennedy, L-2951 Luxembourg.

These Conditions 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 Conditions in any jurisdiction where such action is required.

An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors incorporated by reference into this Prospectus prior to investing in the Notes. Each prospective investor should also carefully consider the tax considerations relating to the Notes included in the Base Prospectus and any other up-to-date tax considerations that would be relevant for such prospective investor.

Moreover, prospective investors and purchasers of Notes must inform themselves about all the relevant applicable and up-to-date restrictions, including but not limited to, selling and transfer restrictions relating to the Notes, prior to investing in the Notes.

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

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|----|------|-----------------|-------------------|
| 1. | (i) | Issuer: | Fortis Bank NV/SA |
| | (ii) | Guarantor: | Not Applicable |
| 2. | (i) | Series Number: | 596 |
| | (ii) | Tranche Number: | 1 |

3.	Currency or Currencies:	EUR	A5-4.4
4.	Form:	Bearer Notes	A5-4.3
5.	Principal Amount of Tranche:		
	(i) Series:	Minimum EUR 50,000,000 and maximum EUR 500,000,000	
	(ii) Tranche:	Minimum EUR 50,000,000 and maximum EUR 500,000,000	
6.	Issue Price:	102.00 per cent. of the Principal Amount of Tranche	
7.	Specified Denominations and Units:		
	(i) Specified Denomination:	EUR 1,000	
	(ii) Calculation Amount:	EUR 1,000	
	(iii) Trading in Units:	Not Applicable	
8.	(i) Issue Date:	30 September 2008	A5-4.12
	(ii) Interest Commencement Date:	Issue Date	
9.	Maturity Date:	30 September 2018	A5-4.8
10.	Interest Basis:	6.35 per cent. per annum Fixed Rate from and including 30 September 2008 to but excluding 30 September 2013; and 7.35 per cent. per annum Fixed Rate from and including 30 September 2013 to but excluding the Maturity Date. <i>(further particulars specified below)</i>	
11.	Redemption Amount:	Principal Amount <i>(further particulars specified below)</i>	
12.	Change of Interest or Redemption Amount:	Applicable, see item 15 below	
13.	Terms of redemption at the option of the Issuer/Noteholders or other Issuer's/Noteholders' option:	Call option <i>(further particulars specified below)</i>	
14.	(i) Status of the Notes:	Senior Subordinated Notes (Lower Tier 2)	A5-4.1 A5-4.5
	(ii) Status of the Guarantee:	Not applicable	
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE			
15.	Fixed Rate Note Provisions	Applicable	A5-4.7

(i)	Interest Rates:	6.35 per cent. per annum payable annually in arrear from and including 30 September 2008 to but excluding 30 September 2013; and 7.35 per cent. per annum payable annually in arrear from and including 30 September 2013 to but excluding the Maturity Date.
(ii)	Interest Payment Date(s):	30 September in each year, commencing on 30 September 2009 up to, and including, the Maturity Date, in each case, subject to adjustment in accordance with Following Business Day Convention
(iii)	Interest Period Dates:	Not Applicable
(iv)	Fixed Coupon Amounts:	EUR 63.5 per Calculation Amount in respect of the Interest Period commencing on 30 September 2008 to but excluding 30 September 2013; EUR 73.5 per Calculation Amount in respect of the Interest Period commencing on 30 September 2013 to but excluding the Maturity Date.
(v)	Broken Amount(s):	Not Applicable
(vi)	Day Count Fraction:	30/360, unadjusted
(vii)	Other terms relating to the method of calculating interest for Fixed Interest Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index-Linked Interest Note/Equity-Linked Interest Note/other variable-linked interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Redemption at the option of the Issuer or other Issuer's option	Applicable
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(i)	Issuer's Option Period:	<p>The Issuer has the right to redeem the notes (in whole but not in part) on the Interest Payment Date falling on 30 September 2013 and on each subsequent Interest Payment Date up to, and including, 30 September 2017, with five TARGET business days' prior notice to Noteholders.</p> <p>For the purposes of these Conditions, "TARGET business day" means a days in which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto is operating.</p> <p>The Issuer shall send a written notice to the Noteholders (directly or through the relevant clearing system) and will publish the notice as soon as practicable on its website www.fortisbanking.be.</p> <p>Early Redemption is subject to the approval of the Belgian Banking, Finance and Insurance Commission.</p>
(ii)	Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	EUR 1,000 per Calculation Amount
(iii)	If redeemable in part:	
	– minimum redemption amount:	Not Applicable
	– maximum redemption amount:	Not Applicable
20.	Redemption at the option of the Noteholder or other Noteholder's option	Not Applicable
21.	Final Redemption Amount of each Note	EUR 1,000 per Calculation Amount
22.	Early Redemption Amount	
(i)	Early redemption for taxation reasons and method of calculating the same (if required or if different from that set out in the Conditions):	Applicable, the Programme Conditions shall apply.
(a)	Early Redemption Amount of each Note payable on redemption:	EUR 1,000 per Calculation Amount

	(b)	Method of calculating (if required or if different from that set out in the Conditions):	Not Applicable
	(ii)	Early redemption on event of default and method of calculating the same (if required or if different from that set out in the Conditions):	Applicable, the Programme Conditions shall apply
	(a)	Early Redemption Amount of each Note payable on redemption:	EUR 1,000 per Calculation Amount
	(b)	Method of calculating (if required or if different from that set out in the Conditions):	Not Applicable
	(iii)	Early redemption for other reasons (<i>specify</i>) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable
	(a)	Early Redemption Amount of each Note payable on redemption:	Not Applicable
	(b)	Method of calculating (if required or if different from that set out in the Conditions):	Not Applicable
23.		Instalment Date(s) (if applicable):	Not Applicable
24.		Instalment Amount(s) (if applicable):	Not Applicable
25.		Unmatured Coupons to become void upon early redemption:	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26.	Form of Notes:	Bearer Notes:
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		Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
27.	New Global Note:	Not Applicable
28.	Business Day Jurisdictions for Condition 7(g) and any special provisions relating to payment dates:	TARGET
29.	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon:	No
30.	Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Exchange for Definitive Notes at the request of the holder at the expense of:	The Noteholder

INDEX LINKED NOTES PROVISIONS

33.	Index Linked Provisions	Not Applicable
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EQUITY LINKED NOTES PROVISIONS

34.	Equity Linked Provisions	Not Applicable
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CREDIT LINKED NOTE PROVISIONS

35.	Credit Linked Note Provisions:	Not Applicable
36.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

37.	(i)	If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
	(ii)	Stabilising Manager (if any):	Not Applicable
	(iii)	Date of Subscription Agreement:	Not Applicable
	(iv)	Total commission and concession:	2.00 per cent. of the Principal Amount of Tranche

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|-----|--|---|----------------------|
| 38. | If non-syndicated, name and address of Dealer: | Fortis Bank NV/SA
Montagne du Parc 3
B-1000 Brussels
Belgium | A5-5.4.1
A5-5.4.3 |
| 39. | U.S. Selling Restrictions: | Reg. S Compliance Category; TEFRA C | |
| 40. | Non-exempt Offer: | An offer of the Notes may be made by the Dealer other than pursuant to Article 3(2) of the Prospectus Directive in Belgium, the Grand Duchy of Luxembourg and The Netherlands (“ Public Offer Jurisdictions ”) during the period from 17 September 2008 until 25 September 2008 (“ Offer Period ”), subject to early termination of the subscription. See further Paragraph 11 of Part B below. | A5-5.1.1 |
| 41. | Additional selling restrictions: | Not Applicable | |

ADMISSION TO TRADING

These Conditions comprise the conditions required for issue and public offer in the Public Offer Jurisdictions and to list and have admitted to trading the Notes described herein.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and admission to trading:

Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and to trading on the Market with effect from 30 September 2008.

A5-6.1
A5-6.2

To the knowledge of the Issuer, securities of the same class as the Notes are currently admitted to trading on the Market, Euronext or the Swiss Stock Exchange.

2. RATINGS

Ratings:

The Notes to be issued have not been separately rated. The ratings allocated to Senior Subordinated Notes of the Issuer are:

S & P: A

Moody's: A1

Fitch: A+

A brief explanation of the meaning of the ratings is incorporated by reference (from the Base Prospectus) into this Securities Note.

3. NOTIFICATION

The Luxembourg *Commission de Surveillance du Secteur Financier* has been requested to provide the *Commission Bancaire, Financière et des Assurances* (CBFA), and the *Autoriteit Financiële Markten* (AFM) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

A5-3.1

Save as disclosed in "Plan of Distribution", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

A5-3.2

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|-------|---------------------------|---|
| (i) | Reasons for the offer | See "Use of Proceeds" wording in Base Prospectus. |
| (ii) | Estimated net proceeds: | 99.975 per cent. of the Principal Amount of Tranche |
| (iii) | Estimated total expenses: | 0.025 per cent. of the Principal Amount of Tranche |

6. **YIELD**

A5-4.9

Indication of yield:

5.88 per cent. per annum from and including 30 September 2008 to but excluding 30 September 2013

6.09 per cent. per annum from and including 30 September 2013 to but excluding 30 September 2014

6.23 per cent. per annum from and including 30 September 2014 to but excluding 30 September 2015

6.34 per cent. per annum from and including 30 September 2015 to but excluding 30 September 2016

6.43 per cent. per annum from and including 30 September 2016 to but excluding 30 September 2017

6.49 per cent. per annum from and including 30 September 2017 to but excluding the Maturity Date

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. **HISTORIC INTEREST RATES**

Not Applicable.

8. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not Applicable.

9. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable.

10. **OPERATIONAL INFORMATION**

(i) ISIN Code: BE0934735433

(ii) Common Code: 038904566

(iii) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

(iv) X/N Note intended to be held in a manner which would allow Eurosystem eligibility: Yes

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|--------|---|--------------------------|
| (v) | 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 |
| (vi) | Delivery: | Delivery against payment |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable. |
| (viii) | Name and address of Calculation Agent: | Not Applicable. |

11. TERMS AND CONDITIONS OF THE OFFER

- | | | | |
|-------|---|--|---------------------------------|
| (i) | Offer Price: | 102.00 per cent. of the Principal Amount of Tranche | A5-5.3.1 |
| (ii) | Conditions to which the offer is subject: | <p>Notwithstanding any other provision of these Conditions, each of the Issuer and the Dealer reserves the right to withdraw the present offer, if the minimum amount, as set out in item 11 (v) below, is not placed or if there are market or other disruptions not enabling a smooth placement or settlement of the Notes, as determined by the Issuer or the Dealer in its sole discretion.</p> <p>Moreover, the offer of the Notes is subject to the following conditions:</p> <ul style="list-style-type: none"> - there has been no change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in the view of the Issuer or the Dealer be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market; and - there has been no adverse change, financial or otherwise in the condition or general affairs of the Issuer as determined by the Dealer in its sole discretion. | A5-5.1.1 |
| (iii) | Description of the application process: | <p>An offer to the public will be made in Belgium, the Grand Duchy of Luxembourg and The Netherlands from (and including) 17 September 2008 to (and including) 25 September 2008. The Prospectus will be published in electronic form on the following website: www.fortisbanking.be then “Save and invest”, “Bonds”, “Description” and “Issues outstanding”.</p> | <p>A5-5.1.3</p> <p>A5-5.1.4</p> |

- (iv) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: In case of early termination of the subscription period due to oversubscription or to changes in market conditions as determined by either of the Dealer or the Issuer in its sole discretion, allotment of the Notes will be made based on objective allotment criteria according to which the subscriptions will be allotted in the chronological order of their receipt by the Dealer and, if required, the last subscriptions will be reduced proportionately in order to correspond with the total amount of Notes that will be issued. Any payments made in connection with the subscription of Notes and not allotted will be refunded within 7 Brussels Business Days (i.e., days on which banks are open for general business in Brussels) after the date of payment and the holders thereof shall not be entitled to any interest in respect of such payments. By subscribing to or otherwise acquiring the Notes, the holders of the Notes are deemed to have knowledge of these Conditions and to accept such Conditions.
- (v) Details of the minimum and/or maximum amount of application: Total amount of the offer: Minimum EUR 50,000,000 and maximum EUR 500,000,000 A5-5.1.2
A5-5.1.5
- Minimum subscription amount per investor: EUR 1,000
- Nevertheless, the Issuer reserves the right to modify the total nominal amount of the Notes to which any single investor can subscribe, to close earlier the subscription period and to cancel the planned issue, being understood that in the later case no Notes will be issued. Such an event will be published in the same way the Prospectus will be published in relation to the Notes and, in case of 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 the Grand Duchy of Luxembourg (which is expected to be the Luxemburger Wort) or on the website of the Luxembourg Stock Exchange.
- (vi) Details of the method and time limits for paying up and delivering the Notes: Payment of the Notes must be received on or before the Issue Date by debit of a cash account. The delivery of the Notes will take place as described in the Securities Note. On or about the Issue Date, the relevant securities account of each Noteholder will be credited with the relevant amount of Notes purchased. A5-5.1.6
- (vii) Manner in and date on which results of the offer are to be made to the public: The results of the offer of the Notes will be published as soon as practicable on the website of the Issuer (www.fortisbanking.be). A5-5.1.7

(viii)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable	A5-5.1.8
(ix)	Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	The offer will consist of an offer to the public in Belgium, the Grand Duchy of Luxembourg and The Netherlands.	A5-5.2.1
(x)	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made;	The Noteholders will be directly notified of the number of Notes which has been allotted to them as soon as possible after the Issue Date (See also above “Manner in and date on which results of the offer are to be made public”). No dealing in the Notes may begin before such notification is made.	A5-5.2.2
(xi)	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	<p>Expenses and taxes charged to the subscribers or purchasers of the Notes include:</p> <ul style="list-style-type: none"> - The fee mentioned under item 37 (iv) of Part A of these Conditions that is included in the Issue Price. - Legal, administrative and other costs relating to the issue of the Notes and amounting to the amount included under item 5 (iii) of Part B of these Conditions (these costs are included in the pricing of the Notes); - Costs for the subscribers relating to holding of the Notes on a securities account: free of charge at Fortis Bank NV/SA (*). - Financial service: free of charge at Fortis Bank NV/SA. <p>(*). Investors must inform themselves well as to the costs that could be charged to them by other financial institutions.</p>	A5-5.3.1
(xii)	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	<p>Fortis Bank NV/SA, Montagne du Parc 3, B-1000 Brussels</p> <p>Fortis Bank Nederland NV, 55 Rokin, 1012 KK Amsterdam, and</p> <p>Fortis Banque Luxembourg S.A., 50 J.F.Kennedy, L-2951 Luxembourg.</p>	A5-5.4.2

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 Securities Note and is subject to any change in law that may take effect after such date.

1. TAXATION IN BELGIUM

For Belgian income tax purposes, the Notes are considered as fixed income securities in the meaning of Article 2 § 4 of the Belgian Income Tax Code (ITC).

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 of individuals resident in Belgium

Belgian residents subject to Belgian personal income tax (*Personenbelasting / Impôt des personnes physiques*) are normally subject to the following tax treatment with regard to the Notes.

The interest on the Notes is subject to a Belgian withholding tax of 15 per cent. If a Belgian withholding tax has been levied, the interest will not be taxed further, and need not be reported in the tax return of the Noteholder. Noteholders who collect the payment abroad without Belgian withholding tax are required to report this income in their tax return and will be taxed at a 15 per cent. flat rate plus local surcharges.

Because the Notes qualify as fixed income securities, in case of a realization of the Notes between two interest payment dates, income equal to the pro rata of accrued interest corresponding to the detention period must be reported and income tax at a flat rate of 15 per cent. to be increased with communal surcharges will be due if no Belgian withholding tax has been levied on the pro rata of accrued interest corresponding to the detention period.

Private individual investors are not liable to income tax on capital gains realised on the disposal of the Notes, except if the gains are realised outside the scope of the normal management of one's own private estate or except if the Notes are sold to the Issuer. In the latter case, the capital gain is taxable as interest. Capital losses are not tax deductible.

Taxation of Belgian resident corporations

Belgian resident corporations, i.e. corporations that are subject to Belgian corporate tax (*Vennootschapsbelasting / Impôt des sociétés*) 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 corporation.

The amount of interest on the Notes is subject to a Belgian withholding tax of 15 per cent. Interest payments on the Notes can under certain circumstances be exempt from withholding tax, provided that the relevant affidavit is delivered.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Any Belgian withholding tax levied on the interest payments 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 of other legal entities

Legal entities Noteholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian tax on legal entities (*Rechtspersonenbelasting/ Impôt des personnes morales*) are in Belgium subject to the following tax treatment with respect to the Notes.

The interest on the Notes is subject to a Belgian withholding tax of 15 per cent. If Belgian withholding tax has been levied, the interest will not be taxed further. Legal entities Noteholders who collect the payment abroad without Belgian withholding tax are required to report this income and pay the Belgian 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).

Because the Notes qualify as fixed income securities, in case of a realization of the Notes between two interest payment dates, Belgian legal entities Noteholders have to pay a 15 per cent. withholding tax on the pro rata of accrued interest corresponding to the detention period.

Legal entities subject to legal entities tax in Belgium will not be taxable on the capital gains realised on the disposal of the Notes except if the Notes are sold to the Issuer. In the latter case, the capital gain is taxable as interest. Capital losses are not tax deductible.

Taxation of non-residents

Noteholders who are not residents of Belgium for tax purpose, i.e. who are subject to the Belgian non-resident income tax (*Belasting van niet-inwoners / Impôt des non-résidents*) are in Belgium subject to the following tax treatment with respect to the Notes.

Interest payments on the Notes are 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.

Notes cleared through the X/N system are subject to a special regime in respect of withholding tax (see below).

Non-resident corporate Noteholders who allocate the Notes to a business activity in Belgium (for example, through a permanent establishment) are subject to the same rules as Belgian resident corporations.

Non-resident individual Noteholders who do not allocate the Notes to a business activity in Belgium and legal entities (other than corporations) subject to Belgian non-resident income tax, 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 per cent. for the three first years after the entry into force of the law, 20 percent for the three following years and 35 per cent. thereafter. A levy for the state of residence will also be applied in respect of interest paid to residents in the following third countries: Dutch Antilles, Aruba, Guernsey, the Isle of Man, Jersey, the British Virgin Islands and Montserrat. 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 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 per cent., 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.
- Transfers of Notes between two N accounts give 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, and to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the same interest amount

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, which have allocated the income generating capital to the exercise of their professional activities in Belgium;
- individuals who are non-residents of Belgium, unless their holding of the Notes is connected to the exercise of their professional activities 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 (*Beleggingsfondsen / Fonds 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 transfer tax (*Taks op beursverrichtingen / Taxe sur les opérations de bourse*) if they are carried out through a financial institution established in Belgium. The transfer tax is levied at a 0.07 per cent. rate with a maximum amount of EUR 500 per transaction and per party. A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary.

Various types of investors defined in Article 126/1 of the Code of Miscellaneous Duties and Taxes (*Wetboek diverse rechten en taksen / Code des droits et taxes diverses*) (including credit

institutions, insurance companies, pension funds and all non-residents of Belgium) acting for their own account, are exempt from stamp duties.

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.

2. TAXATION IN LUXEMBOURG

The Issuer has 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 in accordance with applicable law, subject however to:
 - (i) the application of the Luxembourg laws of 21 June 2005 implementing the European Union Savings Directive and similar agreements with several European Union dependent or associated territories (please refer to the paragraph below entitled “*EU Savings Directive*”) and providing for the possible application of a withholding tax (20 per cent. from 1 July 2008 increasing to 35 per cent. from 1 July 2011) on interest paid to certain non-Luxembourg resident investors (individuals and certain types of entities called “residual entities”) in the event of the Issuer appoints a paying agent in Luxembourg within the meaning of the above-mentioned directive (for more information, please refer to the paragraph below entitled “*EU Savings Directive*”); and
 - (ii) the application of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. final withholding tax on savings income on interest payments made by Luxembourg paying agents to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime).

This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the Notes, Receipts or Coupons.

Responsibility for the withholding of tax in connection with the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 shall be assumed by the Luxembourg paying agent within the meaning of these laws.

- (b) A holder of Notes who derives income from such Notes or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on income or capital gains (subject to section (a) above) 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 Notes unless:
 - (i) such holder is, or is deemed to be a tax resident company 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 by a non-resident company 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 or is registered in Luxembourg.
- (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 judgment 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 Notes will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Notes or the execution, performance, delivery and/or enforcement of that or any other Notes.

European Union Savings Directive

On 3 June 2003, the European Union (“EU”) adopted the European Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”). The EU Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union were implemented in Luxembourg by two laws dated 21 June 2005 (the “**Laws**”).

Under the Laws, a Luxembourg based paying agent (within the meaning of the EU Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another member state (“**Member State**”) of the EU or in certain EU dependent or associated territories, unless the beneficiary of the interest payments opts for the procedure of exchange of information or for the tax certificate procedure. The same treatment is applicable to payments of interest and other similar income made to certain so-called “residual entities” within the meaning of Article 4.2 of the EU Savings Directive (i.e., an entity without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Directive are not considered as legal persons for this purpose) and whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC) established in a Member State or in certain EU dependent or associated territories.

The withholding tax rate is 20 per cent. increasing to 35 per cent. (as from 1 July 2011). The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

3. TAXATION IN THE NETHERLANDS

Withholding Tax

All payments under the Notes may be made free of withholding or deduction of or for any taxes of whatever nature imposed, levied withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Holder of Notes resident in The Netherlands: individuals

This summary does not address the tax consequences of a holder of Notes who is an individual resident in The Netherlands and who has a substantial interest in the Issuer. Generally, a holder of Notes will have a substantial interest in the Issuer if he, whether alone or together with his spouse or partner and/or certain other close relatives, holds directly or indirectly,

- (a) (x) the ownership of, (y) certain other rights, such as usufruct, over, or (z) rights to acquire (whether or not already issued), shares representing 5 per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer; or
- (b) (x) the ownership of, or (y) certain other rights, such as usufruct over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent. or more of the annual profit of the Issuer or to 5 percent or more of the liquidation proceeds of Issuer.

In addition, a holder of Notes has a substantial interest in the Issuer if he, whether alone or together with his partner and/or certain other close relatives, has the ownership of, or other rights over, shares in, or profit certificates issued by, Issuer that represent less than 5 per cent. of the relevant aggregate that either (a) qualified as part of a substantial interest as set forth above and where shares, profit certificates and/or rights there over have been, or are deemed to have been, partially disposed of, or (b) have been acquired, as part of a transaction that qualified for non-recognition of gain treatment.

A holder of Notes, who is an individual, resident or deemed to be resident in The Netherlands, or who has elected to be taxed as resident in The Netherlands for Dutch income tax purposes, will be subject to regular Dutch income tax at the progressive up to 52 per cent. on the income derived from and the gains realized upon the Notes by the holder thereof, if:

- (a) such holder of Notes has an enterprise or an interest in an enterprise to which the Notes are attributable; and/or
- (b) such income or capital gain forms “a benefit from miscellaneous activities” (*resultaat uit overige werkzaamheden*) which, for instance, would be the case if the activities with respect to the Notes exceed “normal active asset management” (*normaal, actief vermogensbeheer*).

If neither of the abovementioned conditions (a) or (b) applies, the holder of Notes who is an individual, resident or deemed to be resident in The Netherlands, or who has elected to be taxed as resident of The Netherlands, will not be subject to taxes on income and capital gains in The Netherlands. Instead, such individual is taxed at a flat rate of 30 per cent. on deemed income from “savings and investments” (*sparen en beleggen*). This deemed income amounts to 4 per cent. of the average of the individual’s “yield basis” (*rendementsgrondslag*), generally, at the beginning of the calendar year and the individual’s “yield basis” at the end of the calendar year (minus a tax-free threshold).

Holder of Notes resident in The Netherlands: corporate entities

A holder of Notes that is resident or deemed to be resident in The Netherlands for corporate income tax purposes, and that is:

- (a) a corporation;
- (b) another entity with a capital divided into shares;
- (c) a cooperative (association); or

- (d) another legal entity that has an enterprise or an interest in an enterprise to which the Notes are attributable,

but which is not:

- (a) a qualifying pension fund;
- (b) another entity exempt from corporate income tax; or
- (c) a qualifying investment fund (*fiscale beleggingsinstelling*),

will in general be subject to corporate income tax, generally levied at a rate of 25.5 per cent. (20 per cent. over profits up to €40,000 and 23 per cent. over profits between €40,000 and €200,000) over income derived from and gains realized upon the Notes by the holder thereof.

Holder of Notes resident outside The Netherlands: individuals

A holder of Notes who is an individual, not resident or deemed to be resident of The Netherlands, and who has not elected to be taxed as a resident of The Netherlands for Dutch income tax purposes, will not be subject to any Dutch taxes on any income derived from and capital gain realized upon the Notes, unless:

- (a) such holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable; and/or
- (b) such income or capital gain forms a “benefit from miscellaneous activities” (*resultaat uit overige werkzaamheden*) in The Netherlands which, for instance, would be the case if the activities with respect to the Notes exceed “normal active asset management” (*normaal, actief vermogensbeheer*).

If either of the above-mentioned conditions (a) or (b) applies, income derived from and/or capital gains realized upon the Notes will in general be subject to Netherland income tax at the progressive rates up to 52 per cent.

Holder of Notes resident outside The Netherlands: legal and other entities

A holder of Notes that is a legal entity, another entity with a capital divided into shares, an association, a foundation or a fund or trust, not resident or deemed to be resident in The Netherlands for Dutch corporate income tax purposes, will not be subject to any Dutch taxes on income or capital gains realized upon the Notes, unless

- (a) such holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable; and/or
- (b) such holder has a substantial interest (as described above) or a deemed substantial interest in the Issuer.

Gift, Estate and Inheritance Taxes

Holders of Notes resident in The Netherlands

Gift tax may be due in The Netherlands with respect to an acquisition of Notes by way of a gift by a holder of Notes who is resident, deemed to be resident in The Netherlands or is treated (at the request of the beneficiar(y)(ies) of the gift or estate) as a resident of The Netherlands. Inheritance tax may be

due in The Netherlands with respect to an acquisition or deemed acquisition of Notes by way of an inheritance or bequest on the death of a holder of Notes who is resident, deemed to be resident in The Netherlands or is treated (at the request of the beneficiar(y)(ies) of the estate or bequest) as a resident of The Netherlands, or by way of a gift within 180 days before his death by an individual who is resident or deemed to be resident in The Netherlands at the time of his death.

For purposes of Dutch gift and inheritance tax, an individual with a Dutch nationality will inter alia be deemed to be resident in The Netherlands if he has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual not holding a Dutch nationality will be deemed to be a resident of The Netherlands if he has been resident in The Netherlands at any time during the twelve months preceding the date of the gift.

Holders of Notes resident outside The Netherlands

No gift, estate or inheritance taxes will arise in The Netherlands with respect to an acquisition or deemed acquisition of Notes by way of a gift by, or on the death of, a holder of Notes who is neither resident, deemed to be resident nor treated (at the request of the beneficiar(y)(ies) of the gift or estate) as resident in The Netherlands for Dutch inheritance and gift tax purposes, unless:

- (a) such holder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are or were attributable; or
- (b) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

Turnover Tax

No Dutch turnover tax will arise in respect of any payment in consideration for the issue of Notes, with respect to any cash settlements of Notes or with respect to the delivery of Notes.

Other Taxes

No Dutch registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar tax or duty, other than court fees, will be payable in The Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the Courts of The Netherlands) of the documents relating to the issue of Notes or the performance by the Issuer of its obligations thereunder or under the Notes.

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