

FORTIS SA/NV

a public company with limited liability incorporated
as *société anonyme/naamloze vennootschap*
under Belgian law

FORTIS N.V.

a public company with limited liability
incorporated as *naamloze vennootschap*
under Dutch law



Solid partners, flexible solutions

Information Memorandum

with respect to
the unification of the shares of Fortis

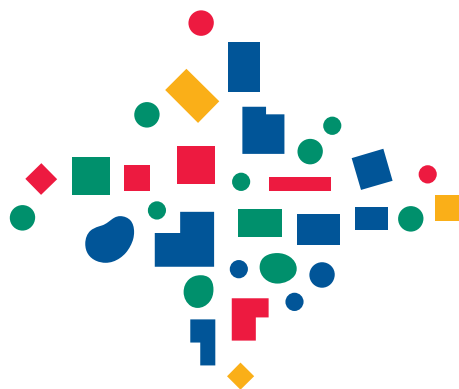
and

Prospectus

with respect to the
application for listing of the Fortis Share

15 November 2001

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Dit document is beschikbaar in het Engels, Nederlands en Frans



FORTIS

Solid partners, flexible solutions

FORTIS SA/NV

a public company with limited liability incorporated
as *société anonyme/naamloze vennootschap*
under Belgian law, with its registered office
Rue Royale/Koningsstraat 20,
1000 Brussels,
registered with the Register of Commerce of
Brussels under no. 577.615

FORTIS N.V.

a public company with limited liability incorporated
as *naamloze vennootschap*
under Dutch law, with its registered office
Archimedeslaan 6,
3584 BA Utrecht,
registered with the Trade Register at the Chamber
of Commerce of Utrecht under no. 30072145

This Information Memorandum has been published to inform the shareholders of Fortis (B) and Fortis (NL) of the intended Unification of the currently listed shares of Fortis (B) and Fortis (NL) into one new listed security, the Fortis Share. The sequential, interconnected and inter-conditional steps required for the creation of the Fortis Share are described in chapter 3.

As of the date of this Information Memorandum, 736,547,976 Fortis (B) shares and 557,017,683 Fortis (NL) shares (excluding the 3,540,389 Fortis (NL) shares held by Fortis (NL)) are outstanding. The Fortis (B) share is listed on the Primary Market of Euronext Brussels and the Fortis (NL) share is listed on the Official Segment of the stock market of Euronext Amsterdam. The Fortis (B) shares and the Fortis (NL) shares will be replaced with 1,293,565,659 Fortis Shares as described in chapter 5.

It is expected that trading of the Fortis Share will commence on Monday, 17 December 2001 on the Primary Market of Euronext Brussels and the Official Segment of the stock market of Euronext Amsterdam. Prior to this date, the Fortis (B) shares and the Fortis (NL) shares will be delisted. The last day of listing of the Fortis (B) shares and the Fortis (NL) shares is expected to be Friday, 14 December 2001.

This Information Memorandum will serve as a Prospectus in connection with the application for listing of 1,293,565,659 Fortis Shares on the Primary Market of Euronext Brussels and on the Official Segment of the stock market of Euronext Amsterdam, and in connection with the application for listing of 321,901,444 Fortis VVPR strips on the Primary Market of Euronext Brussels. This Information Memorandum will also serve as a Prospectus in connection with the application for a secondary listing of the Fortis Shares on the Luxembourg Stock Exchange.

This Information Memorandum is published in the English, Dutch and French languages. In case of any discrepancy between these versions the French and Dutch versions shall prevail. Fortis has assured, to the extent possible, that there are no discrepancies between the French and Dutch versions.

Disclaimer

This Information Memorandum will be made available on the Internet. The prevailing versions of the Information Memorandum are the French and Dutch printed, published versions dated 15 November 2001. The Fortis SA/NV Board of Directors and the Fortis NV Board of Directors do not accept any liability for the availability or non-availability of this information on the Internet or for the possible consequences from, reliance on or action taken in consequence of information available on the Internet.

Note to U.S. holders of Fortis (B) or Fortis (NL) shares

This Information Memorandum relates to a business combination involving the securities of foreign companies. The consummation of the business combination is subject to disclosure and procedural requirements of foreign countries which are different from those of the United States. Financial statements included in this Information Memorandum and incorporated by reference herein have been prepared in accordance with foreign accounting standards and may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, because most of the Fortis companies are located outside the United States, and some or all of Fortis' officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgement.

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Definitions

ADR	American Depositary Receipt (see ADR Programme)
ADR Programme	a programme providing U.S. investors with an opportunity to invest and trade domestically in non-U.S. companies in U.S. dollars
AEX-index	an index of the Dutch stock market which is calculated and maintained by Euronext. The AEX-index is a weighted price index based on a basket of shares in 25 leading companies listed on the Official Segment of the stock market of Euronext Amsterdam
ASR	ASR Verzekeringsgroep N.V. or AMEV Stad Rotterdam Verzekeringsgroep (ASR) N.V., as the case may be
BEL20-index	an index of the Belgian stock market which is calculated and maintained by Euronext. The BEL20-index is a weighted price index based on a basket of shares in 20 leading companies listed on the Primary Market of Euronext Brussels
CBF	Commission Bancaire et Financière/Commissie voor het Bank- en Financiewezen, 1050 Brussels, Avenue Louise/Louizalaan 99, Belgium, the Belgian supervisor of, among others, financial intermediaries, financial information and financial instrument markets
CIK	Caisse Interprofessionnelle de Dépôts et de Virements de Titres SA/ Interprofessionele Effectendeposito- en Girokas NV (Royal Decree n° 62 of 10 November 1967), 1000 Brussels, Place de la Bourse/Beursplein, Belgium, the central securities depositary in Belgium
CSD	Central Securities Depositary, such as CIK or Necigef, or any of their legal successors
CSSF	Commission de Surveillance du Secteur Financier, L-2991 Luxembourg, Route d'Arlon 110, Luxembourg, the Luxembourg supervisor for banking, securities firms, stock exchanges and financial markets
Deposit Agreement	the deposit agreement to be concluded on or about 14 December 2001 among Fortis SA/NV, Fortis NV and JPMorgan Chase Bank, as depositary, and the holders and beneficial owners of ADRs
Dividend Election	the process by which each Shareholder shall be entitled, in compliance with the articles of association of the Parent Companies, in respect of each of his Fortis Shares, to elect whether to receive the Fortis SA/NV dividend or the Fortis NV dividend
DJ-STOXX	an independent index provider covering the 15 countries of the European Union together with Norway and Switzerland. DJ-STOXX produces 250 different indices which are categorised regionally and by type. Important indices for index trackers are, among others, the STOXX, EURO STOXX, STOXX 50, and Euro STOXX 50
Equalisation Agreement	the agreement dated 30 October 1998 between Fortis (B), Fortis (NL), Fortis SA/NV and Fortis NV which equalises the economic rights of the Fortis (B) and Fortis (NL) shareholders

Euronext100-index	a weighted price index of the 100 highest ranked eligible securities listed on the official markets of Euronext Amsterdam, Euronext Brussels and Euronext Paris
Euronext Amsterdam	Euronext Amsterdam N.V., with its registered office at 1012 JW Amsterdam, Beursplein 5, the Netherlands
Euronext Brussels	Euronext Brussels SA/NV, with its registered office at 1000 Brussels, Place de la Bourse/Beursplein, Belgium
Extraordinary General Meeting	the extraordinary general meeting of shareholders of Fortis (B) and/or Fortis (NL), as the case may be
Fortis	the group of companies jointly owned and/or controlled, either directly or indirectly by the Parent Companies, including the Parent Companies
Fortis (B)	Fortis (B) SA/NV, a Belgian public company with limited liability incorporated as <i>société anonyme/naamloze vennootschap</i> , with its registered office at 1000 Brussels, Rue Royale/Koningsstraat 20, Belgium
Fortis Bank	Fortis Bank SA/NV, a Belgian public company with limited liability incorporated as <i>société anonyme/naamloze vennootschap</i> , with its registered office at 1000 Brussels, Montagne du Parc/Warandeborg 3, Belgium
Fortis Board of Directors	the board of directors of each of the Parent Companies which are composed of the same members
Fortis (B) Board of Directors	the board of directors of Fortis (B)
Fortis Brussels	Fortis Brussels SA/NV, a Belgian public company to be incorporated with limited liability as <i>société anonyme/naamloze vennootschap</i> , with its registered office at 1000 Brussels, Rue Royale/Koningsstraat 20, Belgium
Fortis (NL)	Fortis (NL) N.V., a Dutch public company with limited liability incorporated as <i>naamloze vennootschap</i> , with its registered office at 3584 BA Utrecht, Archimedeslaan 6, the Netherlands
Fortis (NL) Board of Directors	the board of directors of Fortis (NL)
Fortis NV	Fortis N.V., a Dutch public company with limited liability incorporated as <i>naamloze vennootschap</i> , with its registered office at 3584 BA Utrecht, Archimedeslaan 6, the Netherlands
Fortis NV Board of Directors	the board of directors of Fortis NV
Fortis SA/NV	Fortis SA/NV, a Belgian public company with limited liability incorporated as <i>société anonyme/naamloze vennootschap</i> with its registered office at 1000 Brussels, Rue Royale/Koningsstraat 20, Belgium
Fortis SA/NV Board of Directors ...	the board of directors of Fortis SA/NV
Fortis Share	a <i>sui generis</i> security, referred to as a “Unit” in the proposed articles of association (see Exhibit) of the Parent Companies after the Unification, comprising one ordinary share in Fortis SA/NV twinned with one ordinary share in Fortis NV

Fortis Utrecht	Fortis Utrecht N.V., a Dutch public company to be incorporated with limited liability as <i>naamloze vennootschap</i> , with its registered office at 3584 BA Utrecht, Archimedeslaan 6, the Netherlands
Fortis VVPR or Fortis VVPR strip ..	VVPR or VVPR strip issued by Fortis SA/NV
FTSE	an independent index provider covering securities in 49 countries. These indices are divided into 31 regional groupings. FTSE also provides a detailed breakdown of companies into 10 economic groups, 39 industrial sectors and 102 industrial subsectors. Important indices for index trackers are the FTSE Europe ex-UK, FTSE World, FTSE Eurotop 100 and FTSE Eurotop 300
Information Memorandum	this document, also being a Prospectus with respect to the application for listing of the Fortis Share on the Primary Market of Euronext Brussels, on the Official Segment of the stock market of Euronext Amsterdam and on the Luxembourg Stock Exchange, and with respect to the application for listing of the Fortis VVPR strip on the Primary Market of Euronext Brussels; the Fortis annual report for the financial year 2000, the unaudited figures of Fortis for the first half of the year 2001 and the articles of association of Fortis (B) and Fortis (NL) are incorporated by reference into this document
MSCI.....	Morgan Stanley Capital International, Inc., an independent index provider, which is responsible for a large family of indices, which cover securities in 51 countries, 23 industry groups and 10 sectors. Important indices for index trackers are the MSCI World, MSCI Europe, MSCI EAFE and the MSCI Kokusai
Necigef.....	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., with its registered office at 1012 JW Amsterdam, Beursplein 5, the Netherlands, the central securities depository in the Netherlands
Parent Companies.....	any of the Fortis top holding companies, currently Fortis (B) and Fortis (NL), and after the Unification, Fortis SA/NV and Fortis NV
Prospectus.....	the Information Memorandum
SEC.....	United States Securities and Exchange Commission, established at 450 5th Street, NW Washington D.C., U.S.A, a U.S. federal authority whose objective is to regulate financial intermediaries and to maintain the integrity of the U.S. federal securities markets
Shareholder.....	a holder of a Fortis Share
Sub-holding Companies.....	the Fortis sub-holding companies, currently Fortis SA/NV and Fortis NV, and after the Unification, Fortis Brussels and Fortis Utrecht
Unification.....	the combination of sequential, interconnected and inter-conditional steps leading to the creation of the Fortis Share, as described in chapter 3
VVPR or VVPR strip.....	a Belgian financial instrument which gives right to a reduced rate of Belgian dividend withholding tax of 15% instead of 25% on dividends from Belgian origin

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Letter from the Chairmen of the Fortis Board of Directors and the Chief Executive Officer to Fortis (B) and Fortis (NL) shareholders

Dear shareholder,

Last year we further simplified the Fortis management structure by reducing the number of seats on the Board of Directors of both Fortis (B) and Fortis (NL) and by having identical members on each Board; in other words we created a single Board of Directors. At that time one Chief Executive Officer was appointed to head the Fortis Executive Committee. In line with this new management structure, Fortis also announced in August 2000 its intention to create a single listed equity security before the end of 2001.

The Unification of the Fortis (B) and Fortis (NL) shares is an integral part of Fortis' strategic objectives designed to enhance its market profile as an integrated European financial services provider. The creation of the Fortis Share is a natural and important step which will enhance long-term value for all Fortis shareholders. We believe that it will maximise the liquidity and index inclusion for the benefit of all our shareholders.

Indeed, the Fortis Share will provide the following benefits:

- single equity investment opportunity in Fortis
- increased market visibility
- enhanced liquidity
- increased index weighting

Furthermore, the Fortis Share completes the delivery of our stated objectives while retaining the key advantages currently enjoyed by shareholders. They will continue to be able to trade their Fortis Shares on the Belgian and Dutch markets and to elect to receive a wholly Belgian or a wholly Dutch sourced dividend.

Yours sincerely,

Hans Bartelds
Chairman

Maurice Lippens
Chairman

Anton van Rossum
Chief Executive Officer

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1. Summary

1.1. CREATION OF THE FORTIS SHARE

On 27 September 2001, Fortis announced its intention to unify the separately listed shares of Fortis (B) and Fortis (NL) into one single listed security, the Fortis Share, comprising one ordinary share in Fortis SA/NV twinned with one ordinary share in Fortis NV, the legal successors of Fortis (B) and of Fortis (NL) after Unification respectively. In other words, one Fortis Share comprises one ordinary share in each of the Parent Companies including the rights attached thereto such as voting rights and dividend rights.

The Fortis Share will be attributed by Fortis SA/NV and Fortis NV to the shareholders in Fortis (B) and Fortis (NL) in replacement of the existing listed shares. As of the date of this Information Memorandum, 736,547,976 Fortis (B) shares and 557,017,683 Fortis (NL) shares (excluding the 3,540,389 Fortis (NL) shares held by Fortis (NL)) are outstanding. The Fortis (B) share is listed on the Primary Market of Euronext Brussels and the Fortis (NL) share is listed on the Official Segment of the stock market of Euronext Amsterdam.

The Fortis (B) and the Fortis (NL) shares will be replaced with 1,293,565,659 Fortis Shares. The Fortis Share will be listed on the Primary Market of Euronext Brussels and on the Official Segment of the stock market of Euronext Amsterdam. A secondary listing for the Fortis Share will be maintained on the Luxembourg Stock Exchange. The Fortis (B) VVPRs will be replaced with Fortis VVPRs to be listed on the Primary Market of Euronext Brussels. Fortis currently has a sponsored over-the-counter ADR Programme for Fortis (NL) shares. After the Unification, the existing programme will be replaced with a sponsored over-the-counter ADR Programme for Fortis Shares.

After the Unification, the Parent Companies, Fortis SA/NV and Fortis NV, will remain two separate legal entities, incorporated under Belgian and Dutch law respectively.

1.2. EXTRAORDINARY GENERAL MEETINGS

Shareholders are invited to vote on the Unification proposal by attending the Extraordinary General Meetings or by voting by proxy, as the case may be (see also 3.3).

The Extraordinary General Meetings of Fortis (B) and Fortis (NL) will be held on 30 November 2001. The agenda for the Extraordinary General Meetings can be obtained by contacting Fortis (B) or Fortis (NL).

The presence of shareholders, or their authorised representatives, representing more than 50% of the issued share capital is required to make a decision. If this quorum is not reached, a second shareholders' meeting must be called for, at which no quorum is required. Therefore, a second date has been scheduled for the Extraordinary General Meetings on 14 December 2001.

More than 75% of the votes cast in these meetings must be in favour of the proposals in order for them to be passed and for the proposals to proceed.

1.3. REPLACEMENT OF THE SHARES OF FORTIS (B) AND OF FORTIS (NL) WITH FORTIS SHARES

The Fortis Share will be created through a number of sequential, interconnected and inter-conditional steps, as described in more detail in chapter 3. As a result, each ordinary share of Fortis (B) will be replaced with one Fortis Share and each ordinary share of Fortis (NL) will be replaced with one Fortis Share, the replacement ratio is therefore one to one (1:1).

Following a qualified majority vote on the Extraordinary General Meetings in favour of the Unification, holders of registered and book-entry bearer shares of Fortis (B) and Fortis (NL) will not need to take any action in order to have their current shares replaced by Fortis Shares. Fortis will take the necessary action in

this respect concerning the shareholders' registers and the depositary banks will do the same concerning their book-entries.

Holders of physical bearer Fortis (B) shares must deliver their shares to the counters of Fortis Bank or any other financial intermediary in order to receive new physical bearer Fortis Shares in replacement. Within three months after the first day of listing of the Fortis Share, the new physical bearer Fortis Shares will be available for replacement at such financial intermediaries. The exact date of availability will be announced in due course. Fortis recommends that holders of physical bearer Fortis (B) shares submit their bearer shares for replacement with physical bearer Fortis Shares before the next general shareholders meeting following the Unification. Submission of physical bearer Fortis (B) shares at the counters of Fortis Bank and replacement of such shares is free of charge. There is no guarantee that other financial intermediaries will not charge shareholders on an individual basis.

The existing shares of Fortis (B) and Fortis (NL) will be delisted prior to the listing of the Fortis Share. The Fortis Share is expected to be listed as of Monday, 17 December 2001. The last day of listing for the shares of Fortis (B) and Fortis (NL) is expected to be Friday, 14 December 2001.

1.4. TIME SCHEDULE

Barring unforeseen circumstances, the following time schedule applies:

Thursday, 27 September 2001	Announcement of the Unification
Tuesday, 30 October 2001	Convening of the first Extraordinary General Meetings
Thursday, 15 November 2001	Publication of the Fortis Information Memorandum
Thursday, 15 November 2001	Second convening of the first Extraordinary General Meeting of Fortis (B)
Thursday, 22 November 2001	Publication of Fortis third quarter results
Tuesday, 27 November 2001	Convening of the second Extraordinary General Meetings
Friday, 30 November 2001	First Extraordinary General Meetings
Thursday, 6 December 2001	Second convening of the second Extraordinary General Meeting of Fortis (B)
Friday, 14 December 2001	Second Extraordinary General Meetings
Friday, 14 December 2001	Last day of listing of the Fortis (B) shares and of the Fortis (NL) shares
Monday, 17 December 2001	First day of listing of the Fortis Share

2. General Information

2.1. APPROVAL OF THE INFORMATION MEMORANDUM

The CBF has approved the French and Dutch versions of this Information Memorandum on 5 November 2001 in accordance with Article 29ter, §1 of the Royal Decree No. 185 of 9 July 1935 and Article 18 of the Royal Decree of 18 September 1990. Euronext Amsterdam has reviewed this Information Memorandum. The Luxembourg Stock Exchange has approved the Information Memorandum on the basis of mutual recognition certificates delivered by the CBF and Euronext Amsterdam to the CSSF.

These approvals do not constitute an appraisal either of the advisability and quality of the transaction, or of the position of those carrying it out.

The Fortis Share has not been registered with, recommended or approved by, the SEC or any other U.S. federal or state securities commission or regulatory authority. Neither the SEC nor any state securities commission or authority has passed upon the accuracy or adequacy of this Information Memorandum. Any representation to the contrary is a criminal offence in the U.S.

2.2. DECLARATION OF CONFORMITY

The Boards of Directors of Fortis SA/NV and of Fortis NV take responsibility for the data included in this Information Memorandum and confirm that, to the best of their knowledge, as of the date of this Information Memorandum, these data are true and correct in all material respects and that no data have been omitted which could change the tenor of the Information Memorandum.

2.3. CERTIFICATION OF FINANCIAL STATEMENTS

The consolidated annual accounts of Fortis as of 31 December 2000, 1999 and 1998 have been certified without qualification by its external auditors, PricewaterhouseCoopers Réviseurs d'Entreprises S.C.C.R.L., represented by Ph. Barbier, 1000 Brussels, avenue de Cortenbergh/Kortenberglaan 75, Belgium, and KPMG Accountants N.V., 1185 MC Amstelveen, Burgemeester Rijnderslaan 20, the Netherlands.

The statutory annual accounts of Fortis (B) as of 31 December 2000, 1999 and 1998 have been certified without qualification by its external auditor PricewaterhouseCoopers Réviseurs d'Entreprises S.C.C.R.L., represented by Ph. Barbier, 1000 Brussels, avenue de Cortenbergh/Kortenberglaan 75, Belgium.

The statutory annual accounts of Fortis (NL) as of 31 December 2000, 1999 and 1998 have been certified without qualification by its external auditor KPMG Accountants N.V., 1185 MC Amstelveen, Burgemeester Rijnderslaan 20, the Netherlands.

2.4. BUSINESS LICENCES

Fortis has informed the Belgian and Dutch supervisory authorities (see 7.7) of the Unification and will apply to them, if and when required, for renewal of the business licences granted.

2.5. AVAILABLE INFORMATION

Copies of this Information Memorandum, the articles of association of Fortis (B) and of Fortis (NL), the documents prepared in relation to the mergers between Fortis (B)/Fortis SA/NV, and Fortis (NL)/Fortis NV, the agenda of the Extraordinary General Meetings, the annual reports of Fortis for the financial years 2000, 1999 and 1998, the unaudited figures for the first half of the year 2001 and for the third quarter 2001 (as soon as they have been published), are available free of charge at the head offices of Fortis SA/NV and of

Fortis NV as well as at the offices of Fortis Bank and of Fortis Bank (Nederland) N.V. The aforementioned information is also available on the Fortis website: www.fortis.com

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Belgium

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Montagne du Parc/Warandeberg 3
1000 Brussels
Belgium

Fortis N.V.
Archimedeslaan 6
3584 BA Utrecht
The Netherlands

Fortis Bank (Nederland) N.V.
Rokin 55 P.O. Box 243
1000 AE Amsterdam
The Netherlands

The foregoing information is also available for ADR holders upon request from the offices of the ADR Depositary, JPMorgan Chase Bank, at 60 Wall Street, New York, NY 10260, USA.

Fortis has also prepared summary information documents, which are available on the Fortis website or at Fortis Investor Relations. These documents are provided for information purposes only.

Website: www.fortis.com
E-mail: info@fortis.com

2.6. RESTRICTIONS

This Information Memorandum will serve as a Prospectus in connection with the application for listing of the Fortis Share on the Primary Market of Euronext Brussels and on the Official Segment of the stock market of Euronext Amsterdam, and in connection with the application for listing of the Fortis VVPR strips on the Primary Market of Euronext Brussels. This Information Memorandum will also serve as a Prospectus in connection with the application for a secondary listing on the Luxembourg Stock Exchange.

The distribution of this Information Memorandum may be subject in some jurisdictions (other than Belgium, the Netherlands and Luxembourg) to statutory restrictions. Persons who receive this Information Memorandum should inform themselves of and comply with any such restrictions. Fortis does not accept any responsibility whatsoever for any violation of such restrictions.

The Fortis Share has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws. The Fortis Shares are being offered within the United States or to, or for the account of, U.S. persons, pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 802 thereunder. Accordingly, to the extent that the Fortis (B) and/or Fortis (NL) shares are “restricted securities” under Rule 144 of the Securities Act prior to the Unification, Fortis Shares acquired by that investor will be “restricted securities”. Conversely, to the extent that the Fortis (B) and/or Fortis (NL) shares are unrestricted, the Fortis Shares acquired upon Unification will be unrestricted.

The issue and distribution of the Information Memorandum in no way implies that the information contained in this Information Memorandum will be correct and complete at any other date than the date of this Information Memorandum.

This Information Memorandum contains forward-looking statements that are inherently uncertain and, because the actual events or results of Fortis may differ materially from those anticipated, one should be careful in relying on these statements. These forward-looking statements are usually accompanied by words such as “believe(s)”, “anticipate(s)”, “plan(s)”, “expect(s)”, “may”, “will” and similar expressions. The actual events or results of Fortis may differ materially from those anticipated in these forward-looking statements as a result of the risks described under “Risk factors” in chapter 6 and a number of factors described elsewhere in this Information Memorandum, such as, but not limited to, economic, tax or legal circumstances.

3. The Unification

3.1. CREATION OF THE FORTIS SHARE

On 27 September 2001, the Fortis Board of Directors announced its proposal to unify the existing Fortis (B) and Fortis (NL) shares through the creation of a new listed single security, the Fortis Share, comprising one ordinary share in Fortis SA/NV twinned with one ordinary share in Fortis NV, the legal successors of Fortis (B) and of Fortis (NL) respectively after the Unification.

The Fortis Share will have primary listings on the Primary Market of Euronext Brussels and on the Official Segment of the stock market of Euronext Amsterdam. It will be possible to trade the Fortis Share on both exchanges and also to buy on one exchange and sell on the other exchange. Fortis will also maintain a secondary listing on the Luxembourg Stock Exchange and a sponsored over-the-counter ADR Programme in the United States.

There will be no alteration to the economic rights of shareholders as a result of the Unification.

All Shareholders will have voting rights in both Parent Companies and will be able to elect to receive either a wholly Belgian sourced or a wholly Dutch sourced dividend.

The existing Fortis (B) VVPR strips which are listed on the Primary Market of Euronext Brussels will be converted into Fortis VVPR strips. The withholding tax advantages for Belgian dividends attached to the Fortis (B) VVPR strips will be transferred accordingly to the Fortis VVPR strips.

After approval at the Extraordinary General Meetings, the replacement of the currently issued Fortis (B) and Fortis (NL) shares with the Fortis Share will be effected by Fortis for registered shares and by the custodians for bearer shares in book-entry form respectively. Physical bearer Fortis Shares will be available for replacement in early 2002 (see also 5.1).

3.2. RATIONALE FOR THE UNIFICATION

The Fortis Share will provide a single investment opportunity in Fortis. Shareholders will, therefore, be able to benefit from the substantially increased weighting of Fortis in important stock market indices due to the inclusion of Fortis at its full market capitalisation in the relevant indices (EUR 34.0 billion as of 31 October 2001). Euronext has already confirmed that the full market capitalisation of the Fortis Share will be eligible in each of the AEX-index, the BEL20-index and Euronext indices. MSCI announced that it expects to include the full free float of the Fortis Share in its indices, based on a free float of 75%. This is expected to approximately double Fortis' weightings in MSCI's Provisional indices and consequently to result in a significant increase in technical demand for Fortis Shares from funds that track or are benchmarked against relevant MSCI indices. Other major international indices (e.g. DJ-STOXX and FTSE) may also decide to include Fortis at its full market capitalisation. The additional demand for Fortis Shares which, to the best belief of Fortis, will come from index tracking funds and benchmarking investors will be particularly important. Fortis expects that over time this will lead to an improved visibility, enhanced liquidity and increased demand for the Fortis Shares.

Finally, Fortis group companies shall also benefit from the advantages associated with the creation of the Fortis Share, for example easier access to the capital markets.

With the announcement of the creation of the Fortis Share, Fortis delivers on its commitment to its shareholders to unify its shares before year-end 2001.

3.3. IMPLEMENTATION OF THE UNIFICATION

In 1998 the shareholders of Fortis (B) and Fortis (NL) approved an Equalisation Agreement pursuant to which all shareholders share identical economic rights per share with respect to earnings, dividends and net asset value. However, until now the voting and other legal rights of Fortis shareholders pertained only to the company of the share held, i.e. Fortis (B) or Fortis (NL). With the creation of the Fortis Share, all Shareholders will have the same economic and legal (including voting) rights.

The creation of the Fortis Share will be effected through a series of sequential, interconnected and inter-conditional steps which lead to the twinning of one ordinary Fortis SA/NV share with one ordinary Fortis NV share creating a new security, the Fortis Share.

The creation of the Fortis Share is subject to the approval of shareholders at the Extraordinary General Meetings. The implementation will not require any further action on the part of the shareholders except for the holders of physical bearer shares who will need to exchange their existing shares (see chapter 5).

At the Extraordinary General Meetings:

- (i) the shareholders of Fortis (B) and Fortis (NL) will be asked to vote on the principle and the process of the Unification as a single transaction to be effected by a series of sequential, interconnected and inter-conditional steps;
- (ii) the shareholders of Fortis (B) will be asked to approve the restructuring of the shareholders funds (*fonds propres/eigen vermogen*) of Fortis (B) and to dissolve Fortis (B) with effect on 1 July 2001 in order to be absorbed by Fortis SA/NV pursuant to Article 671 of the Belgian Company Code and in accordance with the merger proposal;
- (iii) the shareholders of Fortis (NL) will be asked to approve the increase of the authorised capital of Fortis (NL) and the merger between Fortis (NL) and Fortis NV.

All the resolutions and transactions contained in the Unification together constitute a single indivisible operation whose sole object is the Unification, the consequence of which is:*

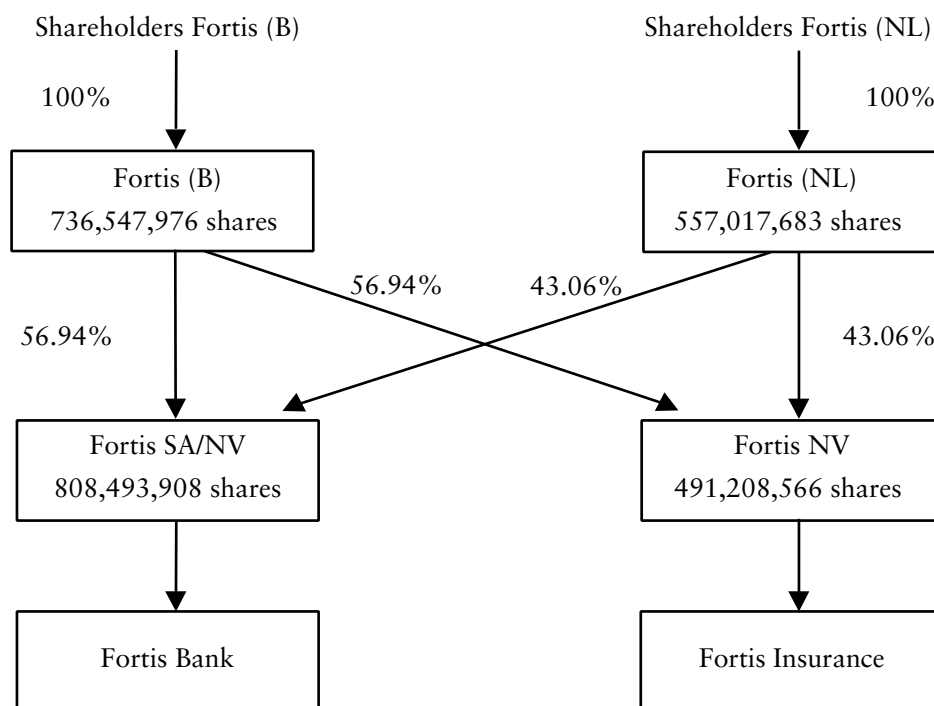
- (i) each and every resolution submitted to the Extraordinary General Meetings shall come into force only if all the resolutions contained in the Unification be adopted and come into force;
- (ii) each and every resolution previously adopted by the Boards of Directors of Fortis (B) and Fortis (NL) as well as each and every resolution previously adopted at the Extraordinary General Meetings will automatically be deemed void and without effect if one or more resolutions contained in the Unification is not adopted or does not come into effect; and
- (iii) the Unification by the issue of the Fortis Shares replacing the Fortis (B) and Fortis (NL) shares will not be deemed effective until such time as the notarial deed of merger between Fortis (NL) and Fortis NV will come into force in compliance with Article 318 sub 1 of Volume 2 of the Dutch Civil Code.

After the Unification, according to the articles of association of Fortis SA/NV and Fortis NV, the number of ordinary shares in Fortis SA/NV and Fortis NV shall remain identical at all times. Any issue of a Fortis Share will require the issue of one ordinary share in each of the Parent Companies. The ordinary shares in Fortis SA/NV and Fortis NV cannot be transferred separately.

A summary of the sequential, interconnected and inter-conditional steps required to create the Fortis Share, is set out hereafter. All market data are for illustrative purposes only and are based on the weighted average of the closing stock market prices of Fortis (B) and Fortis (NL) between 2 July and 13 July 2001 inclusive. This average is used as the reference value in the documents approved by the Fortis Board of Directors on 26 September 2001.

* With the exception of the incorporation of Fortis Brussels and Fortis Utrecht.

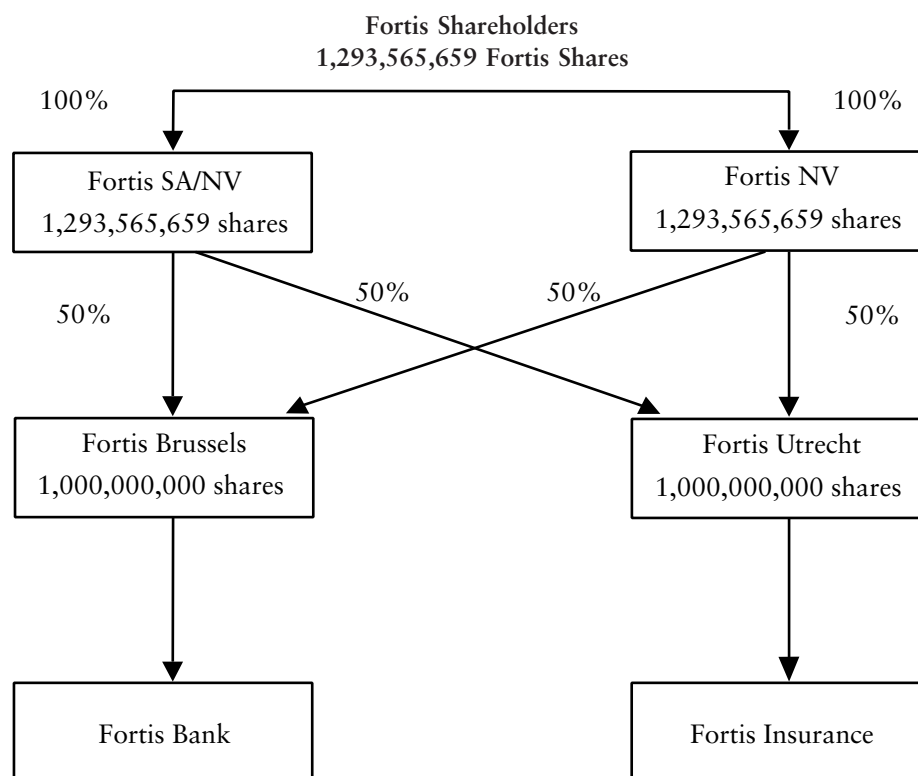
Current Fortis structure



Reference value before Unification

Fortis (B).....	EUR 21,263,101,946;	value per share:	EUR 28.87
Fortis (NL).....	EUR 16,080,315,424;	value per share:	EUR 28.87
Fortis	<u>EUR 37,343,417,370</u>		
Fortis SA/NV	EUR 17,549,912,427;	value per share:	EUR 21.70
Fortis NV	EUR 19,793,504,943;	value per share:	EUR 40.31
Fortis	<u>EUR 37,343,417,370</u>		

Fortis structure after the Unification



Reference value after the Unification

Fortis SA/NV:	EUR 18,671,708,690;	value per share:	EUR 14.435
Fortis NV:.....	EUR 18,671,708,680;	value per share:	EUR 14.435
Fortis.....	EUR 37,343,417,370 →	value per Fortis Share	EUR 28.87
Fortis Brussels:	EUR 17,549,912,427;	value per share:	EUR 17.55
Fortis Utrecht:.....	EUR 19,793,504,943;	value per share:	EUR 19.79
	<u>EUR 37,343,417,370</u>		

Sequential, interconnected and inter-conditional steps to implement the Unification

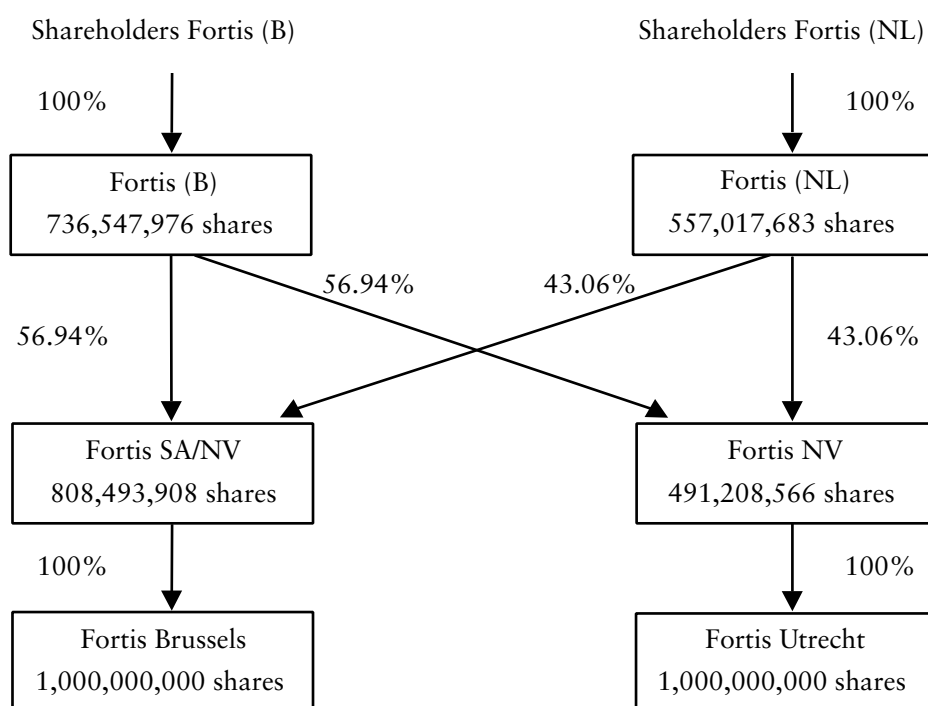
Step 1.*

Contribution of all assets and liabilities by Fortis SA/NV and Fortis NV

Fortis SA/NV contributes all its assets and liabilities (reference value EUR 17,549,912,427) into a newly incorporated Belgian company, Fortis Brussels.

Fortis NV contributes all its assets and liabilities (reference value EUR 19,793,504,943) into a newly incorporated Dutch company, Fortis Utrecht.

Structure of Fortis after this step



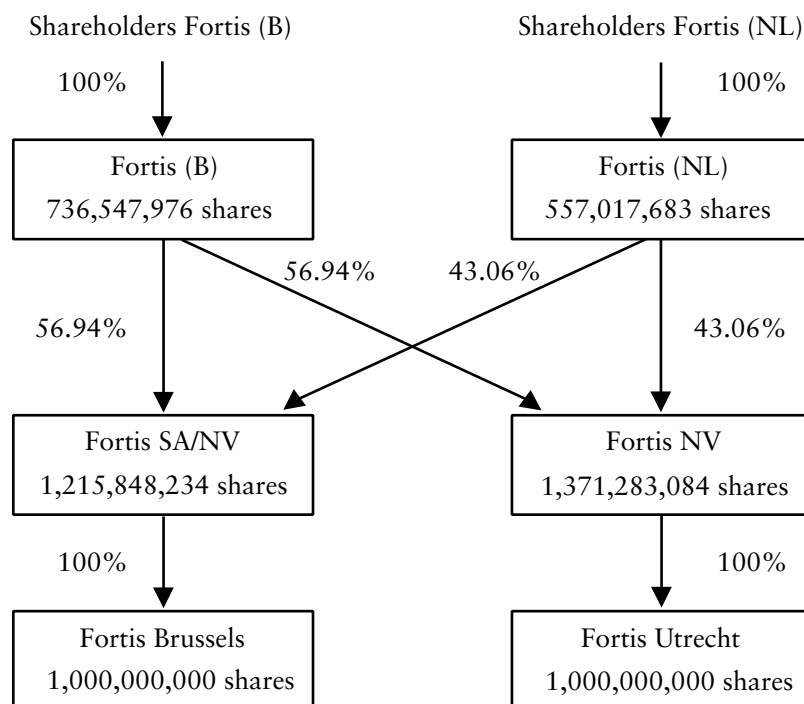
Shareholdings after step 1

	Fortis SA/NV	Shares in (%)	Fortis NV	(%)
Shares held by:				
Fortis (B).....	460,351,237	56.94%	279,691,002	56.94%
Fortis (NL).....	348,142,671	43.06%	211,517,564	43.06%
Total.....	<u>808,493,908</u>		<u>491,208,566</u>	

* This step will be made even if the Unification shall not be realised.

Step 2.**Stock split of Fortis SA/NV and Fortis NV**

The shares of Fortis SA/NV and Fortis NV are split in such a way that the reference value of each share of Fortis SA/NV and Fortis NV will be the same (i.e. EUR 14.435), each share being equal to 50% of the value of the Fortis Share after Unification.

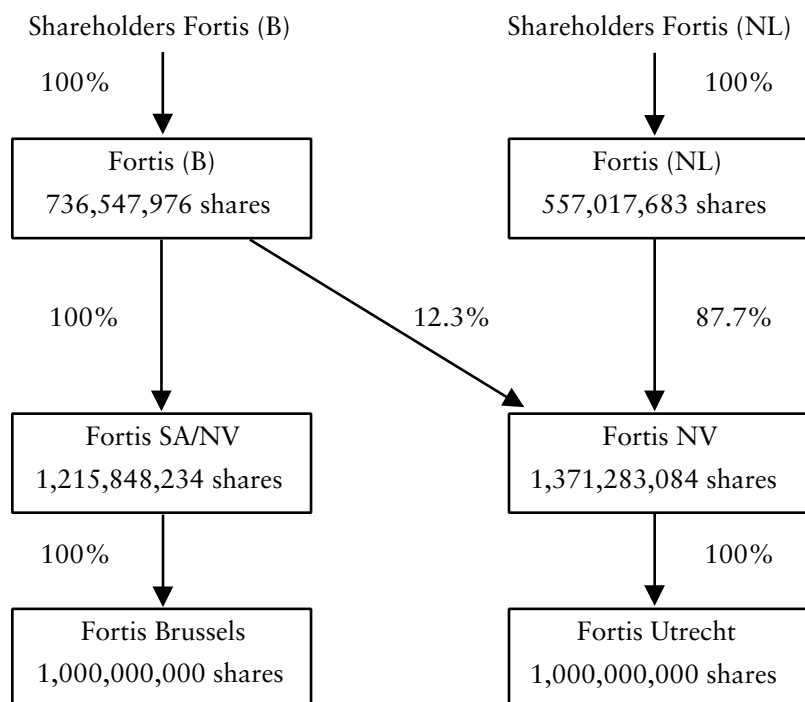
Structure of Fortis after this step*Shareholdings after step 2*

	Fortis SA/NV	Shares in (%)	Fortis NV	(%)
Shares held by:				
Fortis (B).....	692,296,174	56.94%	780,799,779	56.94%
Fortis (NL).....	523,552,060	43.06%	590,483,305	43.06%
Total.....	<u>1,215,848,234</u>		<u>1,371,283,084</u>	

Step 3.**Sale of cross-participations**

Fortis (B) sells part of its shares (i.e. 612,113,742) in Fortis NV to Fortis (NL). The remaining shares in Fortis NV (i.e. 168,686,037) will be contributed into Fortis (NL) in step 4.

Fortis (NL) sells its entire holding in Fortis SA/NV to Fortis (B).

Structure of Fortis after this step*Shareholdings after step 3*

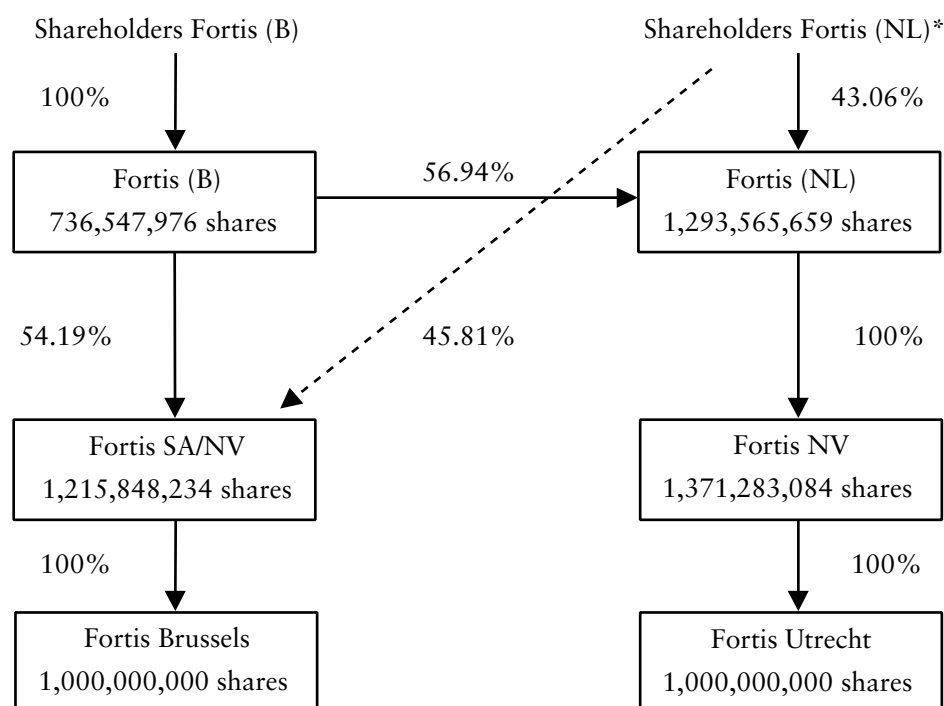
	Fortis SA/NV	Shares in (%)	Fortis NV	(%)
Shares held by:				
Fortis (B)	1,215,848,234	100.0%	168,686,037	12.3%
Fortis (NL)	—	0.0%	1,202,597,047	87.7%
Total	<u>1,215,848,234</u>		<u>1,371,283,084</u>	

Step 4.**Fortis (NL) shareholders receive rights to Fortis SA/NV shares**

Fortis (B) contributes the remainder of its shareholding in Fortis NV (i.e. 168,686,037 shares) to Fortis (NL) and receives 84,343,019 new Fortis (NL) shares equal to the contributed value (i.e. EUR 2,434,864,068).

Fortis (B) subscribes in cash to 652,204,957 new Fortis (NL) shares at a price equal to the nominal value (i.e. EUR 0.24) per Fortis (NL) share.

In compensation for the dilutive effect suffered by Fortis (NL) shareholders resulting from the capital increase in cash at a price per share equal to the nominal value, Fortis (B) grants to Fortis (NL) shareholders for each ordinary Fortis (NL) share they held, the right to receive one Fortis SA/NV share, which will be twinned with one Fortis NV share as a result of the Unification.

Structure of Fortis after this step*Shareholdings after step 4*

	Fortis (B)	%	Fortis SA/NV	%	Fortis (NL)	%	Fortis NV	%
Shares held by:								
Shareholders Fortis (B)....	736,547,976	100.0%	—	—	—	—	—	—
Shareholders Fortis (NL)	—	—	557,017,683	45.81%	557,017,683	43.06%	—	—
Fortis (B)	—	—	658,830,551	54.19%	736,547,976	56.94%	—	—
Fortis (NL)	—	—	—	—	—	—	1,371,283,084	100.0%
Shares outstanding after step 4.....								
	<u>736,547,976</u>	<u>100.0%</u>	<u>1,215,848,234</u>	<u>100.0%</u>	<u>1,293,565,659</u>	<u>100.0%</u>	<u>1,371,283,084</u>	<u>100.0%</u>

* Each Fortis (NL) share giving the right to one Fortis SA/NV share as it will be twinned with one Fortis NV share as a result of the Unification.

Step 5.

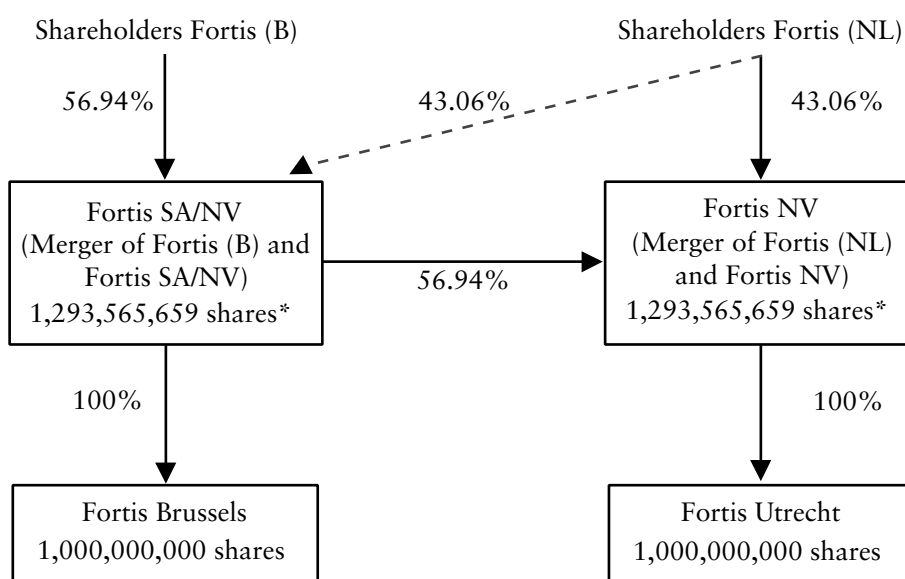
Legal mergers

Fortis (B) is absorbed by Fortis SA/NV, each Fortis (B) share giving the right to one Fortis SA/NV share as it will be twinned with one Fortis NV share as a result of the Unification.

Fortis (NL) is absorbed by Fortis NV, each Fortis (NL) share giving the right to one Fortis NV share as it will be twinned with one Fortis SA/NV share as a result of the Unification.

The respective articles of association of Fortis SA/NV and of Fortis NV will have been amended in order to implement the twinning of the shares and the Unification.

Structure of Fortis after this step



Reference value after step 5

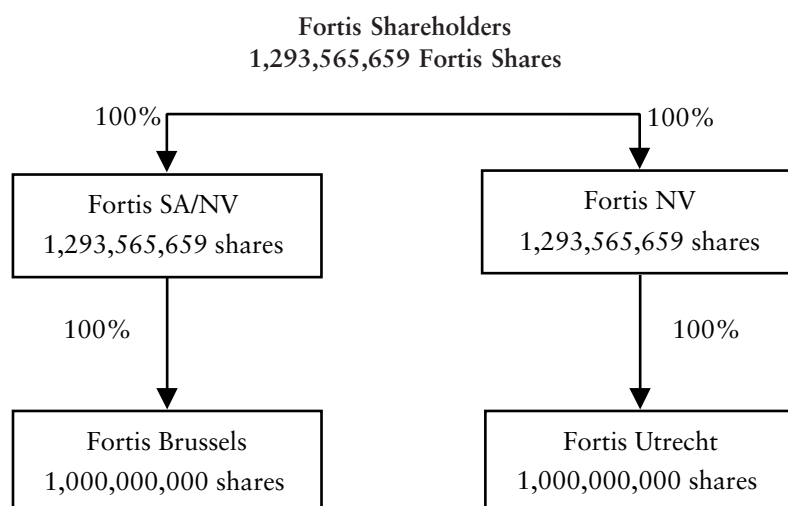
Fortis SA/NV	Numbers of shares	Reference value	
Fortis (B).....	736,547,976	EUR 21,263,101,946	
Fortis SA/NV ..	1,215,848,234	EUR 17,549,912,427	
	-658,830,551	EUR -9,509,754,715	(i.e. value of the Fortis SA/NV shares owned by Fortis (B))
Fortis SA/NV ..	<u>1,293,565,659</u>	<u>EUR 29,303,259,658</u>	

Fortis NV	Numbers of shares	Reference value	
Fortis (NL).....	1,293,565,659	EUR 18,671,708,680	
Fortis NV.....	1,371,283,084	EUR 19,793,504,943	
	-1,371,283,084	EUR -19,793,504,943	(i.e. value of the Fortis NV shares owned by Fortis (NL))
Fortis NV.....	<u>1,293,565,659</u>	<u>EUR 18,671,708,680</u>	

* As a result of the mergers, the shares in Fortis NV held by Fortis (NL) and the shares in Fortis SA/NV held by Fortis (B) will be cancelled.

Step 6.**Shareholders of Fortis SA/NV (after merger) receive rights to Fortis NV shares**

Fortis SA/NV reduces its capital, each Fortis SA/NV share to which the former shareholders of Fortis (B) are entitled giving right to one Fortis NV share (i.e. 736,547,976 shares or EUR 10,631,550,968) as it will be twinned with one Fortis SA/NV share after Unification.

Structure of Fortis after this step*Reference value after step 6*

Fortis SA/NV: EUR 18,671,708,690

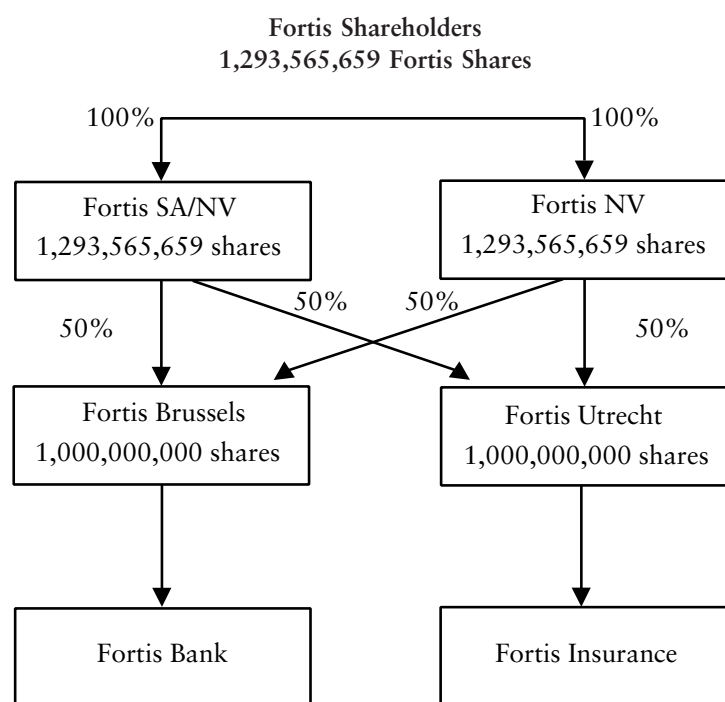
Fortis NV: EUR 18,671,708,680

Fortis: EUR 37,343,417,370 → EUR 28.87 per Fortis Share

Step 7.**Equalisation of the shareholdings in Fortis Brussels and Fortis Utrecht**

In order to equalise their ownership in Fortis Brussels and Fortis Utrecht, Fortis SA/NV sells 50% of its Fortis Brussels shares to Fortis NV and Fortis NV sells 50% of its Fortis Utrecht shares to Fortis SA/NV.

Structure of Fortis after this step



After all the steps, the shareholders of Fortis (B) and Fortis (NL) will receive in replacement of the Fortis (B) and Fortis (NL) shares they currently hold, an identical number of Fortis Shares for an identical value.

3.4. TAXATION ASPECTS OF THE CREATION OF THE FORTIS SHARE

The following describes the general principles of taxation for the replacement of Fortis (B) shares and Fortis (NL) shares with Fortis Shares as set out in this Information Memorandum for holders of such shares as defined below for the jurisdictions stated.

This summary does not purport to be a comprehensive description of all the tax aspects which may be relevant with respect to the replacement with, holding of, and disposal of Fortis Shares.

Each holder of shares should consult an independent tax adviser with respect to the tax consequences of the replacement with, holding of and disposal of Fortis Shares.

The discussion of certain tax aspects as set forth below is included for general information purposes only. This summary is based on the tax legislation, published case law, treaties, rules, regulations and similar sources in force as of the date of this Information Memorandum, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

When reference is made to corporate shareholders, it should be underlined that this summary is applicable to ordinary corporate shareholders only. Other shareholders and shareholders which are subject to a special tax regime or tax status, may be taxed in a different way or may be subject to different taxes. No special tax regime or tax status for investors has been taken into account.

3.4.1. Belgian taxation aspects of the Unification for Fortis (B), Fortis SA/NV and Fortis Brussels

3.4.1.1. Income tax aspects

The Unification will be realised with exemption from income tax in Belgium for Fortis (B), Fortis SA/NV and Fortis Brussels. It should be underlined in this respect that the merger by absorption of Fortis (B) by Fortis SA/NV will be realised under the application of Article 211 of the Belgian Income Tax Code. Moreover, the capital decrease of Fortis SA/NV will exclusively be realised through a refund to its shareholders by using share premiums which are assimilated to real paid-up capital for Belgian income tax purposes.

3.4.1.2. Indirect tax aspects

The Unification does not trigger the tax on stock exchange transactions or the tax on the delivery of bearer shares in Belgium.

All steps of the Unification will be performed with exemption from capital tax.

3.4.2. Dutch taxation aspects of the Unification for Fortis (NL), Fortis NV and Fortis Utrecht

The Dutch tax administration confirmed the Dutch tax implications of the Unification for Fortis (NL), Fortis NV and Fortis Utrecht. Based on this agreement Fortis (NL) will be liable to capital tax on the second capital increase at a rate of 0.55%. The capital tax due on the issue price of the shares in Fortis (NL) will amount to approximately EUR 861,000. The capital tax is deductible for corporate income tax purposes. None of the three companies — Fortis (NL), Fortis NV or Fortis Utrecht — will be liable for any other Dutch taxes regarding the creation of the Fortis Shares.

3.4.3. Belgian taxation aspects of the Unification for Belgian resident shareholders

For the purposes of the section hereunder, the following definitions have been used:

An “Individual” is an individual subject to Belgian individual income tax, i.e., an individual that is a resident of Belgium because he is domiciled in Belgium or has the seat of his wealth in Belgium (Article 3 of the Belgian Income Tax Code);

A “Legal Entity” is a legal entity subject to Belgian tax on non-profit making entities, i.e. a pension fund or a non-profit organisation which is resident in Belgium because it has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium (Article 220 of the Belgian Income Tax Code);

A “Corporate” is a corporation subject to Belgian corporate income tax, i.e., a Belgian resident corporation because it has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium (Article 2, par. 2, 2° of the Belgian Income Tax Code). The Belgian establishments of non-resident companies are subject to the same tax treatment in Belgium as Belgian resident corporations, when these non-resident companies have allocated their Fortis (B) or Fortis (NL) shares, or their Fortis Shares, to their Belgian establishments.

3.4.3.1. Belgian shareholders of Fortis (B)

a. Individuals

For Individuals who have acquired and hold the Fortis (B) shares as a private investment within the scope of the management of one’s own private estate (Article 90,1° of the Belgian Tax Income Code *a contrario*), the different operations realised throughout the Unification neither trigger any receipt of taxable income, nor result in the realisation of any taxable capital gains.

b. Legal Entities

For Legal Entities, the Unification does not trigger the receipt of any taxable income.

c. Corporates

c.1. General comments

Most of the implementation steps of the Unification are realised at the level of Fortis (B) and Fortis SA/NV and therefore have no consequences for the Corporate shareholders of Fortis (B), with the possible exception of (i) the merger between Fortis (B) by Fortis SA/NV and (ii) the capital decrease of Fortis SA/NV implemented through the allocation of shares issued by Fortis NV.

It should be noted at the outset that the Unification is a unique operation, and is therefore not specifically dealt with under Belgian company, tax or accounting law or other general accounting principles.

c.2. Accounting treatment

Based on independent advice received from its professional advisers, Fortis believes that the accounting treatment by Corporate shareholders of the two transactions mentioned above under (i) and (ii), should reflect the specific and unique characteristics of the Unification and should not, therefore, give rise to the recognition of any income/gain or cost/loss.

Fortis believes that the concept of accounting continuity underlying this analysis, is supported by the following factors:

- the existing Equalisation Agreement aims to ensure that all shareholders of Fortis (B) and Fortis (NL) have identical economic rights per share with respect to earnings, dividends and net asset value;
- the purpose of the Unification is to make it technically feasible to create Fortis Shares, each of which would be composed of one ordinary Fortis SA/NV share and one ordinary Fortis NV share of equal value, thereby maintaining the current equality of the respective equity interests of Fortis (B) and Fortis (NL) shareholders;
- with the creation of the Fortis Share, the economic rights will thus remain exactly the same. The legal rights will, however, be extended to both Parent Companies;
- from a purely economic point of view, the implementation of the Unification does not as such create any change in the underlying value of the investment of an existing Fortis (B) shareholder.

Based on the foregoing, Fortis believes that the appropriate accounting treatment by Corporate shareholders of Fortis (B) shares, under the current body of accounting regulations prevailing in Belgium, would be as follows:

(i) merger by absorption between Fortis (B) and Fortis SA/NV

As a result of the merger between Fortis (B) and Fortis SA/NV, Corporate shareholders will receive Fortis SA/NV shares as they will be twinned with Fortis NV shares as a result of the Unification, in exchange for their Fortis (B) shares.

In order to determine the appropriate method of accounting for the Fortis SA/NV shares received, Corporate shareholders will need to look to Article 41 of the Royal Decree of 30 January 2001 which stipulates that shares acquired as the result of a merger, in exchange for shares held in the absorbed company, are to be recorded at the value at which the shares in the absorbed company were carried at the date of the merger.

In other words, Corporate shareholders would not be required to record any value adjustments in their financial statements, but would simply need to amend the description of the investments in their accounting records to recognise the replacement of their Fortis (B) shares with Fortis SA/NV shares.

(ii) capital decrease of Fortis SA/NV

As a result of the capital reduction of Fortis SA/NV, each of its shareholders will be entitled to receive Fortis NV shares (as Fortis (NL) is absorbed in a legal merger by Fortis NV). Having recognised the Fortis NV shares received from Fortis SA/NV as the acquisition of a financial asset, Corporate shareholders will have to account for the corresponding credit, representing the partial reimbursement of its equity interest in Fortis SA/NV.

For separate stand-alone transactions of this kind, the relevant Belgian GAAP guidance is Opinion n° 151/2 (Bulletin n° 34), which was issued in March 1995 by the Belgian Accounting Standards Commission and discusses two options for the recording by shareholders/investors of capital reimbursements:

- (a) the amount recorded by the investee as a reduction of share capital or share premium is deducted from the acquisition value at which the shares are carried in the books of the investor; as a consequence, the reimbursement of the capital would not require the recognition of revenue, unless and to the extent that, the amount of the capital reimbursed exceeded the carrying value of the shares,

(b) the investor recognises income only to the extent that it receives distributions from the investee's accumulated net profits arising since the date of acquisition by the investor. Distributions received in excess of such profits are considered a recovery of the investment and are recorded as a reduction in the cost of the investment.

The Belgian Accounting Standards Commission has expressed a preference for option (b) in those cases where the investment is carried as a financial fixed asset, indicative of the investor's intention of maintaining a long-term equity interest in the investee.

On the other hand, where the investment is held and recorded by the investor as a marketable security, the Belgian Accounting Standards Commission concluded that only option (a) is appropriate.

Given the unique characteristics and specific nature of the Fortis Share, as discussed in the introduction to this section, Fortis understands that, the accounting treatment under Belgian Accounting Guidance n° 151/2 meant for stand-alone transactions (see here above) not being applicable, Corporate shareholders are entitled to base their accounting on the concept of continuity that underpins the overall Unification scenario.

On this basis, Fortis is of the opinion that the capital decrease should not be analysed, from an accounting point of view, on a stand-alone basis, but should be considered as an inseparable component of the Unification process as a whole.

Under this approach, Corporate shareholders will simply reduce the carrying value of their investment in Fortis (B) by half, and allocate that amount as the cost of acquiring the Fortis NV shares received from Fortis (B).

c.3. Tax treatment

Corporate shareholders are subject to corporate income tax on a taxable basis directly resulting from their accounting profits. If the accounting treatment of the Unification by the Belgian corporate shareholders does not result in the recording of a profit, Fortis is of the opinion, based upon consistent case law of the Supreme Court and unanimous legal authors, that there exists no specific tax provision whereby they could be subject to corporate income tax on profits they have not recognised.

Should the accounting statements of the Corporate shareholders recognise a profit as a result of the Unification, these profits (i.e. the fair market value of the Fortis NV shares received) will be taxable under rules provided in Belgian tax law. The amount reimbursed which exceeds the fiscal value of their Fortis (B) shares (i.e. in principle, the acquisition costs of the Fortis (B) shares) will constitute an ordinary income taxable at full corporate tax rate (40.17%). In the opinion of the Belgian Tax Administration, this excess cannot be characterised as a dividend received (under Article 202 of the Belgian Income Tax Code), or as capital gains on shares (under Article 192 of the Belgian Income Tax Code).

3.4.3.2. Belgian shareholders of Fortis (NL)

a. Individuals

For Individuals who have acquired and hold the Fortis (NL) shares as a private investment within the scope of the management of one's own private estate (Article 90,1° of the Belgian Income Tax Code *a contrario*), the different operations realised throughout the Unification neither trigger any receipt of taxable income, nor result in the realisation of any taxable capital gains.

b. Legal Entities

For Legal Entities the Unification does not trigger the receipt of any taxable income.

c. Corporates

Most of the operations effected through the Unification are realised at the level of Fortis (NL) or Fortis NV and do not trigger any tax consequences for the Corporate shareholders of Fortis (NL), with the exception of what is said hereafter relating to the capital increase in cash of Fortis (NL) and the merger between Fortis (NL) and Fortis NV.

One of the capital increases of Fortis (NL) is effected through a contribution in cash equal to the nominal value and without issuance premium of the Fortis (NL) shares issued, which is below their market value. In compensation of the dilutive effect suffered by Fortis (NL) shareholders as a result of the capital increase at a price per share equal to the nominal value per share (i.e. without issuance premium), Fortis (B) grants to Fortis (NL) shareholders the right to receive one Fortis SA/NV share in respect of each ordinary Fortis (NL) share held. The compensation with Fortis SA/NV shares may be characterised tax-wise as the proceeds obtained from the transfer of their preferred subscription rights to Fortis (B) in consideration for Fortis SA/NV shares. Since all income received by a Belgian company constitutes business income, this difference must be recorded as a profit in the profit and loss statement of the Corporate shareholders and be part of the gross taxable profits. These taxable profits obtained upon transferring the pre-emptive subscription rights cannot be offset with the write-offs the Belgian corporate shareholders of Fortis (NL) might have to book on their Fortis (NL) shares as a result of the capital loss they suffered on these shares issued under the capital increase is at nominal value. According to Article 198, 7°, of the Belgian Income Tax Code, write-offs of shares are not tax deductible in Belgium.

As a result of the merger between Fortis (NL) and Fortis NV, the Fortis (NL) shareholders will receive shares of the absorbing company, Fortis NV, in exchange for their Fortis (NL) shares. Pursuant to Article 45, first line, of the Belgian Income Tax Code, capital gains made as a result of a merger involving non-resident companies are exempted from corporate tax provided that the following conditions are met:

- (i) the companies involved in the merger are EU resident companies, i.e., companies having their statutory seat, their main establishment or administrative seat or seat of management in another member state of the European Union;
- (ii) the merger is a tax-exempted merger realised in conformity with the applicable laws of the Member State concerned.

Since the merger between the two Dutch companies will be carried out under a tax exemption regime in the Netherlands, it has no tax consequences for the Fortis (NL) Corporate shareholders. The tax value of the Fortis NV shares received upon the tax-exempt merger by the Fortis (NL) shareholders shall bear the same tax value as the Fortis (NL) shares previously held.

3.4.4. Dutch taxation aspects of the Unification for Dutch resident shareholders

a. Individuals

An “Individual” is an individual subject to Dutch individual income tax, i.e. an individual who is a resident or deemed resident of the Netherlands — including the individual shareholders who have opted to be taxed as a resident of the Netherlands — for Dutch tax purposes.

The transactions in the context of the Unification do not incur any Dutch tax consequences for such Individual shareholders who:

- (i) do not have an enterprise or an interest in an enterprise, to which the shares in Fortis (NL) or Fortis (B) or the Fortis Shares are attributable or belong to; and

(ii) are not considered to perform activities with respect to the shares in Fortis (NL), Fortis (B), or Fortis Shares, other than business or employment activities, that generate taxable income from such other activities (*belastbaar resultaat uit overige werkzaamheden*); and

(iii) do not individually or through a related party have, an actual or a deemed substantial interest in Fortis (NL) or Fortis (B), as defined in section 4.3 of the Income Tax Act 2001.

The Fortis Shares are included in the individual's "yield basis" (*rendementsgrondslag*) for the determination of income from "savings and investments" of the Individual Shareholder. The actual income derived from shares in Fortis (B) or Fortis (NL), or Fortis Shares will not be taxable. Instead, the Individual shareholder will be taxed in the Netherlands at a flat rate of 30% on deemed income from "savings and investments" under box 3 (*sparen en beleggen*). This deemed income amounts to 4% of the average of the Individual's yield basis at the beginning and end of the calendar year, insofar the average exceeds a certain threshold.

For Individual shareholders who do not meet the conditions mentioned under (i) and (ii) above the transactions will not entail any Dutch tax consequences subject to the following considerations:

(i) Individuals that hold shares in Fortis (B) should in principle effectively not be subject to income tax if and to the extent it can be argued that the shares in Fortis NV that they receive — in combination with the shares in Fortis SA/NV — have the same economic function for the shareholder as the shares in Fortis (B) had prior to the capital reduction. If this is not the case, then the Individual shareholders of Fortis (B) are subject to income tax on the capital gains realised.

(ii) Individual shareholders that hold shares in Fortis (NL) should in principle effectively not be subject to income tax if and to the extent it can be argued that the shares in Fortis SA/NV that they receive — in combination with the shares in Fortis (NL) — have the same economic function for the shareholder as the shares in Fortis (NL) had prior to the capital increase. If this is not the case, then the Individual shareholders of Fortis (NL) are subject to income tax on the capital gains realised.

To Fortis' best knowledge the situation (iii) above does not apply to any shareholder.

b. Legal entities

A "Legal Entity" is a legal entity not subject to Dutch corporate income tax, i.e. a qualified pension fund or a non-profit organisation which is a resident of the Netherlands because it has its registered office, its main establishment, its administrative seat or seat of management in the Netherlands.

The transactions in the context of the Unification do not entail any Dutch tax consequences for such Legal Entities holding shares in Fortis (B) or Fortis (NL) or holding Fortis Shares.

c. Corporations

A "Corporation" is a corporation subject to Dutch corporate income tax, i.e. a corporation that is a resident of the Netherlands for Dutch tax purposes, because it has its registered office, its main establishment, its administrative seat or seat of management in the Netherlands, and is not a qualified fiscal investment institution or otherwise subject to a special tax regime.

The transactions will not entail any Dutch tax consequences for such Corporations holding shares in Fortis (B), Fortis (NL) or holding the Fortis Shares subject to the following considerations:

(i) Corporations that hold shares in Fortis (B) should in principle effectively not be subject to corporate income tax if and to the extent it can be argued that the shares in Fortis NV that they receive — in combination with the shares in Fortis SA/NV — have the same economic function for the shareholder as the shares in Fortis (B) had prior to the capital reduction. If this is not the case, then the shareholders of Fortis (B) are subject to corporate income tax on the capital gains realised. For Corporations that can claim the participation exemption with respect to the shares in Fortis (B) the transactions do not incur any Netherlands tax consequences. The Unification may, however, have consequences on the future applicability of the participation exemption.

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- (ii) Corporations that hold shares in Fortis (NL) should in principle effectively not be subject to corporate income tax if and to the extent it can be argued that the shares in Fortis SA/NV that they receive — in combination with the shares in Fortis (NL) — have the same economic function for the shareholder as the shares in Fortis (NL) had prior to the capital increase. If this is not the case, then the shareholders of Fortis (NL) are subject to corporate income tax on the capital gains realised. For Corporations that qualify for the participation exemption with respect to the shares in Fortis (NL) the transactions do not incur any Netherlands tax consequences. The Unification may, however, have consequences on the future applicability of the participation exemption.

3.4.5. Luxembourg taxation aspects of the Unification for Luxembourg resident shareholders

a. Luxembourg resident individuals

Luxembourg resident individuals will not be subject to any Luxembourg income tax if they have held their Fortis (B) or Fortis (NL) shares for 6 months or more.

If Fortis (NL) shares have been held for less than 6 months by Luxembourg resident individuals, they become taxable on the income they realise by receiving Fortis SA/NV shares. The income is, however, entirely offset by the amount of the write-off they realise on their Fortis (NL) shares, due to the dilution effect. As a consequence of this offsetting, no capital gain or loss will therefore be realised by Luxembourg resident individuals who are Fortis (NL) shareholders.

No taxable gain will be realised by the Luxembourg resident individuals who have held Fortis (B) shares for less than 6 months, when they receive the proceeds of the capital reduction of this company, since the capital decrease is justified by legitimate economic needs.

Under a letter issued by the Luxembourg Tax Authorities on July 31, 2001, Luxembourg resident individuals may also opt for rolling over the acquisition value of their original Fortis (B) or Fortis (NL) shares to the Fortis Shares. This prevents any taxation of capital gains on shares held for less than 6 months on the occasion of the Unification.

b. Luxembourg resident taxable companies

Luxembourg resident companies which are subject to tax in Luxembourg (as well as Luxembourg permanent establishments of foreign companies when shares have been allocated to the carrying out of the business of these establishments) will be entitled, under Luxembourg tax law under Article 22,5 of the Luxembourg Income Tax Code, to opt for realising or not realising the capital gains in the event of the proposed transactions.

If the capital gains are realised, they will be subject to corporate income tax, unless the corporate shareholders can rely on the provisions of the Grand Ducal Decree of 24 December 1990 implementing Article 166 of the Luxembourg Income Tax Code.

If Luxembourg resident corporate shareholders opt for not realising capital gains in the event of the proposed transactions under Article 22,5 of the Luxembourg Income Tax Code, the historical acquisition costs of their Fortis (B) or Fortis (NL) shares will be allocated to the two components of the Fortis Share on the basis of the ratio existing between the two shares within the Fortis Share.

c. Luxembourg resident non-taxable entities (UCI, holding companies under the Law of 31 July 1929)

Luxembourg resident companies, which are not subject to income tax because they enjoy a special tax regime, will not bear any Luxembourg income tax consequences upon the realisation of the various steps of the Unification.

3.4.6. United States taxation aspects of the Unification for Fortis (B) and Fortis (NL) shareholders in the United States

The following paragraphs and those in section 4.7.5. describe the material United States federal income tax consequences to a U.S. Shareholder that exchanges Fortis (B) or Fortis (NL) shares for Fortis Shares pursuant to the Unification. As used herein, the term “U.S. Shareholder” means an owner of a Fortis (B) or Fortis (NL) share (and, after the Unification, a holder of a Fortis Share), whether the owner holds the shares directly or through an ADR, that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation, which is created or organised under the laws of the United States or of any political subdivision thereof, or (iii) an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

This discussion is based on provisions of the United States Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect.

This discussion deals only with U.S. Shareholders who hold Fortis (B) or Fortis (NL) shares as capital assets as defined in Section 1221 of the Code, and does not address the tax treatment of persons that are subject to special treatment under the U.S. income tax laws or U.S. Shareholders who hold their Fortis (B) or Fortis (NL) shares through a partnership or other pass-through entity. Persons subject to special treatment include, but are not limited to:

- banks, financial institutions, securities dealers or traders and insurance companies;
- tax-exempt entities;
- investors liable for the alternative minimum tax;
- investors who will hold Fortis (B) or Fortis (NL) shares as part of a straddle, hedging transaction or conversion transaction;
- U.S. Shareholders that have an office or other fixed place of business or “tax home” outside the United States, or investors whose functional currency is not the U.S. dollar; or
- persons who acquired Fortis (B) or Fortis (NL) shares pursuant to the exercise of an employee stock option or otherwise as compensation.

a. Tax effect of the Unification

In the Unification, a U.S. Shareholder of Fortis (NL) shares will be deemed to exchange a portion of each of his or her Fortis (NL) shares equal to the portion of the total fair market value of a Fortis Share represented by a share of Fortis (B). Similarly, a U.S. Shareholder of Fortis (B) shares will be deemed to exchange a portion of each of his or her Fortis (B) shares equal to the portion of the total fair market value of a Fortis Share represented by a share of Fortis (NL). Accordingly, a U.S. Shareholder of Fortis (NL) shares will realise taxable gain or loss on the difference between the fair market value on the date that Unification is completed, which is expected to be 14 December 2001 (the “Effective Date”), of the Fortis (B) share included in each Fortis Share and the tax basis of the portion of the Fortis (NL) share deemed exchanged therefor. A U.S. Shareholder of Fortis (B) shares will realise a taxable gain or loss on the difference between the fair market value on the Effective Date of the Fortis (NL) share included in each Fortis Share and the tax basis of the portion of the Fortis (B) share deemed exchanged therefor. Any gain or loss realised by a U.S. Shareholder will generally be treated as U.S. source gain or loss.

Any gain will be taxable currently as capital gain and will constitute long-term capital gain if the U.S. Shareholder has held the Fortis (B) or Fortis (NL) shares, as the case may be, deemed exchanged for more than one year as of the Effective Date. However, the Internal Revenue Service (“IRS”) may assert that any loss is not currently deductible by reason of Section 1091 of the Code and should be added to the holder’s basis in the Fortis Shares. There is no authority directly on point and, therefore, no assurance can be given that the Internal Revenue Service would not prevail if it were to take such a position.

b. Tax basis of Fortis Shares received in the Unification

The Fortis Shares received by a U.S. Shareholder of Fortis (NL) shares pursuant to the Unification will have a tax basis equal to the sum of (i) the fair market value on the Effective Date of the Fortis (B) shares included in the Fortis Shares, (ii) the U.S. Shareholder's tax basis in the portion of the Fortis (NL) shares which are not deemed to be exchanged, and (iii) any loss on the deemed exchange which is disallowed under Section 1091 of the Code. The Fortis Shares received by a U.S. Shareholder of Fortis (B) shares pursuant to the Unification will have a tax basis equal to the sum of (i) the fair market value on the Effective Date of the Fortis (NL) shares included in the Fortis Shares, (ii) the U.S. Shareholder's tax basis in the portion of the Fortis (B) shares which are not deemed to be exchanged, and (iii) any loss on the deemed exchange which is disallowed under Section 1091 of the Code.

c. Holding period of Fortis Shares received in the Unification

Each Fortis Share received by a U.S. Shareholder of Fortis (NL) or Fortis (B) shares pursuant to the Unification will have a split holding period. For U.S. Shareholders of Fortis (NL) shares, the portion of each Fortis Share attributable to the Fortis (B) shares included in the Fortis Share will have a holding period beginning on the day following the Effective Date and the remainder of each Fortis Share will have a holding period which includes the period for which the U.S. Shareholder held the Fortis (NL) share included in the Fortis Share. For U.S. Shareholders of Fortis (B) shares, the portion of each Fortis Share attributable to the Fortis (NL) share included in the Fortis Share will have a holding period beginning on the day following the Effective Date and the remainder of each Fortis Share will have a holding period which includes the period for which the U.S. Shareholder held the Fortis (B) share included in the Fortis Share.

THE FOREGOING DISCUSSION AND THE DISCUSSION CONTAINED IN SECTION 4.7.5 IS INTENDED ONLY AS A SUMMARY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR DISCUSSION OF ALL POTENTIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE UNIFICATION. FORTIS (B) AND FORTIS (NL) SHAREHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISERS CONCERNING THE UNITED STATES FEDERAL, STATE, LOCAL AND OTHER NON-U.S. TAX CONSEQUENCES OF THE UNIFICATION TO THEM.

4. Characteristics of the Fortis Share

The text of this chapter is based upon the articles of association of Fortis SA/NV and Fortis NV respectively, as they will read after the Unification. In the event of doubt or discrepancy between this Information Memorandum and the text of the articles of association, the latter will prevail.

4.1. TWINNED SHARE PRINCIPLE

The Fortis Share is comprised of one ordinary Fortis SA/NV share twinned with one ordinary Fortis NV share. The twinned share principle is used in the articles of association of Fortis SA/NV and Fortis NV to the effect that:

- a twinned share in one of the Parent Companies may only be (a) issued, (b) subscribed, (c) transferred by others than the Parent Companies, and (d) encumbered with a right of pledge or usufruct or any other limited right *in rem* (*droit réel/beperkt zakelijk recht*), together with the corresponding twinned share in the other Parent Company in the form of a Fortis Share, as if Shareholders held shares in a single company;
- no issue of ordinary shares may be made and no rights to acquire ordinary shares may be granted by either Parent Company without the corresponding issue or granting of rights to shares in twinned form by the other Parent Company.

The twinned share principle will be cancelled if the shareholders meetings of both Fortis SA/NV and Fortis NV resolve to amend the articles of association to that effect.

4.2. FORM OF THE FORTIS SHARE

The Fortis Shares shall be either bearer or registered shares at the discretion of the Shareholder.

Physical bearer Fortis Shares (*en vif/K-stukken*) in several denominations (*coupures*) will be available at bank counters and financial intermediaries within three months of the first day of listing of the Fortis Shares.

The Fortis Board of Directors shall keep a register for each of Fortis SA/NV and Fortis NV respectively, in which the names and addresses of all holders of registered shares of Fortis SA/NV and Fortis NV respectively are recorded identically.

At a Shareholder's request, registered Fortis Shares may be converted to bearer Fortis Shares and *vice versa*.

4.3. TRANSFERABILITY OF THE FORTIS SHARE

The Fortis Shares are freely transferable.

With regard to physical bearer Fortis Shares, both under Belgian and Dutch law, the transfer of ownership takes place by the delivery of the physical Fortis Shares. Bearer Fortis Shares can also be transferred by way of book entry.

With regard to registered Fortis Shares, transfer of ownership will have to comply with the requirements of both Belgian and Dutch law.* Bearer Fortis Shares can also be transferred by way of book entry.

* Under Belgian law registered shares are transferred when the parties reach an agreement on the subject of the transfer and the price. Furthermore, the transfer of the registered shares will take effect vis-à-vis the company and third parties on registration in the register of shareholders. Under Dutch law registered shares in a company whose shares are listed on a recognised stock exchange are transferred by way of an instrument in writing and an acknowledgement in writing by the company of the transfer.

4.4. DIVIDEND ELECTION

The dividend policy of Fortis SA/NV will be the same as that of Fortis NV and Shareholders will have the right to elect to receive their dividend from either Fortis SA/NV or Fortis NV. The objective of the Dividend Election mechanism is to allow the current Fortis (B) shareholders to continue to receive a Belgian sourced dividend and to allow the current Fortis (NL) shareholders to continue to receive a Dutch sourced dividend.

Each Shareholder will be authorised to choose, with respect to each distribution of dividend, from which Parent Company he wishes to receive his dividend, provided that in respect of each Fortis Share held:

- (i) a Shareholder electing a Belgian sourced dividend will not be entitled to a Dutch sourced dividend and *vice versa*; and
- (ii) there may be no election for a partial Belgian dividend and a partial Dutch dividend.

Shareholders may communicate their Dividend Election by completing a “dividend election form” or by any other means adopted by the Fortis Board of Directors.

Pursuant to the terms of the Deposit Agreement, the ADR depository, JPMorgan Chase Bank, shall elect to receive dividends from Fortis NV and the ADR depository will distribute such dividends to the ADR holders subject to the terms of the Deposit Agreement.

In the event no Dividend Election is made in respect of a Fortis Share the following applies:

- in the event the Fortis Share is held through a custodian having an account with a Belgian domiciled CSD member or the Fortis Share is owned by a Shareholder registered in the shareholders registers with a domicile in Belgium, such Shareholder is deemed to have made an election for the Fortis SA/NV dividend;
- in the event the Fortis Share is held through a custodian having an account with a Dutch domiciled CSD member or the Fortis Share is owned by a shareholder registered in the shareholders registers with a domicile in the Netherlands, such Shareholder is deemed to have made an election for the Fortis NV dividend;
- in the event the Fortis Share is held through a custodian having an account with neither a Dutch nor a Belgian domiciled CSD member or the Fortis Share is owned by a Shareholder registered in the shareholders registers having domicile neither in the Netherlands nor in Belgium, 50% of the Fortis Shares held by the Shareholder concerned will be allotted a Fortis SA/NV dividend and 50% of the Fortis Shares held by the Shareholder concerned will be allotted a Fortis NV dividend; any odd number remaining will receive a 100% Fortis SA/NV dividend in the first year and each alternate year thereafter, and a 100% Fortis NV dividend in the intervening years;
- in the event a Shareholder received physical bearer shares and has failed to elect a Fortis NV dividend, such Shareholder is deemed to have made an election for the Fortis SA/NV dividend.

Indicative calendar Dividend Election

Event	Date	Trading
Annual General Meetings Fortis SA/NV and Fortis NV	29 May 2002	Cum dividend
Ex dividend date.....	31 May 2002	Ex dividend
Day one of Dividend Election period	31 May 2002	Ex dividend
End Dividend Election period.....	14 June 2002	Ex dividend
Payment date	20 June 2002	Ex dividend

4.5. VOTING RIGHTS

The Shareholders will simultaneously be shareholders in Fortis SA/NV and Fortis NV and will therefore have the right to cast one vote per share held at the general meetings of Shareholders of both companies.

4.6. LIQUIDATION RIGHTS

On a winding up of Fortis SA/NV and Fortis NV, any surplus (after distribution of the amount payable on any preference shares issued by Fortis NV) will be distributed amongst the Shareholders according to the number of shares held in each company.

4.7. TAXATION ASPECTS RELATED TO THE (HOLDING OF THE) FORTIS SHARE

4.7.1. General Remarks

The Shareholders are simultaneously shareholders in Fortis SA/NV and Fortis NV. They may elect to receive dividends from either Fortis SA/NV or Fortis NV, in such a way that the source of the dividends distributed on the Fortis Shares will be either Belgium or the Netherlands; this process is known as the “Dividend Election” (see 4.4). If no election has been made by the Shareholders (or their proxyholders), rules by default will apply for determining the source of the dividends. Dividends received on a Fortis Share can come only from one source, either Belgium or the Netherlands, to the exclusion of the other country.

4.7.2. Belgium

For the purposes of section 4.7.2 the definitions of section 3.4.3 will be used.

4.7.2.1. Distribution of dividends by Fortis SA/NV

a. Application of Belgian withholding tax

Belgian withholding tax will be due on the gross amount of the dividends distributed by Fortis SA/NV, according to the Belgian tax provisions applicable at the time of distribution and, if applicable, taking into account the identity of the beneficiary. The rate of Belgian withholding tax is 25%. This rate might be reduced if VVPR advantages are attached to the Fortis Shares (see 4.5.2) or by application of double taxation treaties concluded by Belgium with the state of residence of the Shareholders.

b. Belgian withholding tax treatment if a U.S. Shareholder elects a dividend to be paid by Fortis SA/NV

U.S. investors will normally benefit from a reduced withholding tax rate in Belgium of 15% if they make use of the reduced withholding under the US-Belgium Tax Treaty and by using form 276 Div.-Aut. which is supplied by the Belgian Tax Administration (Bureau Central de Taxation, Etranger, 1000 Brussels, Place Jean Jacobs 10, Belgium).

U.S. pension funds which are not subject to US income tax should apply for a special procedure for exempting Belgian source dividends from Belgian withholding tax.

c. Tax treatment of dividends distributed by Fortis SA/NV to Belgian resident Shareholders

Corporates which hold Fortis Shares will be entitled to invoke the Belgian tax provisions on dividends received (Articles 202 and 203 of the Belgian Income Tax Code) when they receive dividends distributed by Fortis SA/NV. The conditions for applying the dividend received regime (as defined in Article 202, par. 2 of the Belgian Income Tax Code) are examined as if the Corporates were holding shares in both Fortis SA/NV and Fortis NV; the acquisition value of each of the components of the Fortis Shares will be determined either on the basis of the ratio existing between the shares of the two Parent Companies, or on the basis of the acquisition value of the Fortis Shares as a result of the various steps of the Unification, if the holders of Fortis

Shares have previously held Fortis (B) shares or Fortis (NL) shares and have not treated the various steps of the Unification under the concept of accounting continuity (see 3.4.3.)

Individuals and Legal Entities will be subject to income tax in Belgium under the tax rules applicable at the time of distribution of the dividends by Fortis SA/NV. Under the current Belgian tax rules, Belgian withholding tax will represent the final tax liability for these Shareholders and the Belgian source dividends should therefore not be included in the tax returns of these Shareholders. Individuals may however opt for reporting the Belgian source dividends in their tax returns.

d. Application of double taxation treaties concluded by Belgium

Non-resident Shareholders who hold Fortis Shares and who elect or who are deemed to elect to receive dividends from Fortis SA/NV will be able to invoke the provisions of the double taxation treaties concluded by Belgium and their state of residence, namely for the application of the reduced withholding tax rates as provided in the applicable treaty.

4.7.2.2. Distribution of dividends by Fortis NV

a. Application of Belgian withholding tax

When Individuals receive foreign source dividends, e.g. dividends distributed by Fortis NV, said dividends will be subject to Belgian withholding tax if their payment is made through a Belgian paying intermediary.

When dividends distributed by Fortis NV are received by Legal Entities and when these foreign source dividends have not been paid through a Belgian paying intermediary, they should declare and pay Belgian withholding tax on said foreign dividends (under Article 262, 1°, b of the Belgian Income Tax Code).

b. Tax treatment of dividends distributed by Fortis NV to Belgian resident Shareholders

For Belgian resident Shareholders, dividends received from Fortis NV are subject to the rules applicable on the payment of foreign dividends.

b.1 Individuals

For Belgian resident individuals receiving foreign source dividends through a Belgian paying intermediary, Belgian withholding tax retained by the Belgian paying intermediary can be considered as the final tax liability.

If, however, foreign source dividends have not been subject to Belgian withholding tax (i.e. if these dividends have not been paid through a Belgian paying intermediary), the Individuals must report in their individual income tax return the dividends received from Fortis NV. Said dividends will then be subject to the Belgian individual income tax at the rate of 25%, plus local surtax, unless the progressive individual income tax rate is lower than this rate.

b.2 Legal Entities

Legal Entities receiving dividends from Fortis NV without the intervention of a Belgian paying intermediary should report these dividends in the withholding tax return and pay Belgian withholding tax on these foreign source dividends. In this case, Belgian withholding tax represents the final tax liability for said Belgian legal entities.

b.3 Corporates

Corporate Shareholders receiving dividends from Fortis NV will be subject to the same tax treatment as the one described above for dividends received from Fortis SA/NV. No tax credit will be granted for Dutch withholding tax on dividends distributed by Fortis NV.

c. Application of tax treaties in Belgium

Belgian resident Shareholders, will be able to invoke the application of the double taxation treaty concluded between Belgium, as their country of residence, and the Netherlands, as the country of origin of the dividends distributed by Fortis NV, namely the application of the reduced withholding tax rates as provided in this treaty.

4.7.3. The Netherlands

For the purposes of section 4.7.3 the definitions of section 3.4.4 will be used.

4.7.3.1. Distribution of dividends by Fortis NV

a. Application of Dutch dividend withholding tax

In view of the Dutch tax provisions applicable at the time of distribution, and taking into account the identity of the beneficiary, Dutch dividend withholding tax will be due on the gross amount of the dividends distributed by Fortis NV. The rate of Dutch dividend withholding tax is 25%. This rate may be reduced by application of tax treaties concluded by the Netherlands with the state of residence of the shareholders. If the Dutch participation exemption is applicable, no dividend withholding tax will be due.

It should be noted that legislation is pending before Parliament, with retrospective effect to 27 April 2001, regarding dividend stripping. Under the proposed legislation certain conditions have to be met by shareholders in order to be regarded as the beneficial owner of Fortis NV dividends. If these conditions are not met, certain benefits with respect to the dividend withholding tax provided for under domestic law — such as the possibility to offset the dividend withholding tax against the Netherlands corporate income tax liability — or under tax treaties — for instance application of the reduced treaty rate — may be denied.

b. Dutch dividend withholding tax if a U.S. Shareholder elects a dividend to be paid by Fortis NV

U.S. investors will normally benefit from a reduced withholding tax rate in the Netherlands of 15% if they make use of the reduced withholding under the U.S.-the Netherlands Tax Treaty and by using either form IB 92 USA, IB 95 USA or IB 96 USA (whatever form is relevant for the shareholder) and which form can be requested at the Netherlands Tax Administration (Belastingdienst/Centrum voor facilitaire dienstverlening, Afdeling Logistiek reprografisch centrum, P.O. Box 1314, 7301 BN Apeldoorn).

Qualifying US pension funds may apply for a special procedure for exempting Netherlands source dividends at source from Netherlands dividend withholding tax.

c. Income tax treatment of dividends distributed by Fortis NV to resident Shareholders of the Netherlands

c.1. Individuals

For Individuals, the dividends distributed by Fortis NV are taxable in the Netherlands at the progressive rates of box 1 of the Income Tax Act 2001, if:

- (i) the Shareholder has an enterprise or an interest in an enterprise, to which the Fortis Shares are attributable or belong to; or
- (ii) the Shareholder is considered to perform activities with respect to the Fortis Shares other than business or employment activities, that generate taxable income from such other activities (*belastbaar resultaat uit overige werkzaamheden*);

If the situations (i) or (ii) above, do not apply to the Individual shareholder, the shares are included in the Individual's "yield basis" (*rendementsgrondslag*) for the determination of income from "savings and investments" of the individual shareholder and the actual income derived from the Fortis Shares will not be taxable. Instead, the individual shareholder will be taxed in the Netherlands at a flat rate of 30% on deemed income from "savings and investments", under box 3 (*sparen en beleggen*). This deemed income amounts to

4% of the average of the Individual's yield basis at the beginning and end of the calendar year, insofar the average exceeds a certain threshold.

The Dutch dividend withholding tax can either be offset against the personal income tax liability or refunded, provided the legislation for the avoidance of dividend stripping is not applicable.

For Individuals, the dividend distributed by Fortis NV is taxable in the Netherlands at the rate stated in box 2 of the Income Tax Act 2001, if the shareholder, or a related party, has an actual or deemed substantial interest in Fortis NV, as defined in section 4.3 of the Income Tax Act 2001. To Fortis' best knowledge this situation does not apply to any shareholder.

c.2. Legal Entities

Legal Entities are exempt from corporate income tax and therefore, dividends distributed by Fortis NV are not subject to Dutch corporate income tax. A refund of the Dutch dividend withholding tax can be claimed provided that the Fortis Shares on which the dividend has been received will not be transferred within a period of three months after acquisition. Under the above-mentioned pending legislation with respect to dividend stripping, this restriction will be abolished and replaced by a beneficial ownership requirement.

c.3. Corporations

For Corporations, dividends distributed by Fortis NV will be subject to corporate income tax. The Dutch dividend withholding tax can be either offset against the corporate income tax liability or refunded, provided the legislation for the avoidance of dividend stripping is not applicable. Corporations that can claim the participation exemption on the shares in Fortis NV will receive the Fortis NV dividends free from corporate income tax.

d. Income tax treatment of dividends distributed by Fortis NV to non-resident Shareholders of the Netherlands

A Shareholder who is neither a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes — including the individual Shareholder who has the option to be taxed as a resident of the Netherlands but has not exercised that option — is not taxable for individual or corporate income tax purposes in the Netherlands regarding dividends distributed by Fortis NV, unless:

- (i) the Shareholder 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 to which enterprise the Fortis Shares are attributable or belong to; or
- (ii) the Shareholder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than the holding of securities or an employment contract, and to which enterprise the Fortis Shares are attributable or belong to; or
- (iii) in case of an individual Shareholder, such Shareholder is considered to perform activities in the Netherlands with respect to the Fortis Shares other than business or employment activities that generate taxable income from such other activities (*belastbaar resultaat uit overige werkzaamheden in Nederland*); or
- (iv) the Shareholder, or a party related to the Shareholder, has an actual or deemed substantial interest in Fortis NV as defined in section 4.3 of the Income Tax Act 2001 and such interest is not part of the business assets of this shareholder.

If situations (i) or (iii) above are applicable and if the Shareholder is an individual, the dividends distributed by Fortis NV will be taxable in the Netherlands at the progressive rates of box 1. If the shareholder is an individual and situation (ii) does apply, the shares will be included in the individual's 'yield basis' of box 3. To Fortis' best knowledge situation (iv) above does not apply to any individual Shareholder.

For Legal Entities and Corporations to which the situations (i), (ii) or (iv) above are applicable, the same rules apply as stated above under “*Income tax treatment of dividends distributed by Fortis NV to resident shareholders of the Netherlands*”.

Regarding the possibility to offset the dividend withholding tax against Dutch corporate or individual income tax liability or the refund of dividend withholding tax for those Shareholders to whom the above-mentioned situations (i), (ii), (iii) or (iv) are applicable, the same rules apply as stated above under “*Income tax treatment of dividends distributed by Fortis NV to resident shareholders of the Netherlands*”.

e. Application of tax treaties concluded by the Netherlands

A Shareholder that is not a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes — including the individual shareholder who has the option to be taxed as a resident of the Netherlands but has not exercised that option — that elects or is deemed to elect to receive dividends from Fortis NV will be able to invoke the provisions of a tax treaty concluded by the Netherlands and their State of residence, if applicable, only if all conditions for the application of the relevant treaty and the application of the reduced withholding tax rates in the applicable treaty are met.

4.7.3.2. Distribution of dividends by Fortis SA/NV

a. Income tax treatment of dividends distributed by Fortis SA/NV to resident Shareholders of the Netherlands

For the individual or corporate income tax treatment of dividends distributed by Fortis SA/NV to Dutch resident shareholders, the same rules apply as stated above under “*Income tax treatment of dividends distributed by Fortis NV to resident shareholders of the Netherlands*”. Belgian dividend withholding tax can either be offset against the Netherlands individual or corporate income tax liability or refunded within and under the conditions and the limitations provided for in the tax treaty and in Dutch tax law except for Legal Entities and those Corporations that can claim for the participation exemption on the Fortis Shares.

b. Application of the tax treaty between the Netherlands and Belgium

Residents and deemed residents of the Netherlands — including the Individual Shareholder who has opted to be taxed as a resident of the Netherlands — for the purposes of Dutch corporate or individual income tax law and the applicability of the tax treaty between the Netherlands and Belgium, will be able to invoke the application of the tax treaty and the application of the reduced withholding tax rates mentioned in the tax treaty. It should be noted that a new tax treaty is under discussion wherein the shareholder would need to be the beneficial owner of the dividend in order to qualify for the application of the reduced withholding tax rates mentioned in the tax treaty.

4.7.4. Luxembourg

a. Luxembourg resident individuals

Dividends received by a Luxembourg resident individual holding Fortis Shares will be treated as foreign source dividends. As such, they will be included in the taxable basis of the Luxembourg resident individual. Credit will be granted for foreign tax withheld at source within the legal limits. Under a draft law to be applicable for income realised as from 2002, only 50% of the foreign source dividends received by a Luxembourg resident Individual will be subject to tax in Luxembourg.

Luxembourg resident individuals will be able to invoke the application of the double taxation treaties concluded by Luxembourg with Belgium or with the Netherlands, according to the source of the dividends received.

b. Luxembourg resident taxable companies

Luxembourg resident taxable companies will have to book separately each of the two components of the Fortis Shares received in exchange for their original Fortis (B) or Fortis (NL) shares.

If the Luxembourg resident taxable companies have chosen for realising capital gains on the occasion of the mergers between respectively Fortis (B) and Fortis SA/NV or Fortis (NL) and Fortis NV, the total acquisition cost of the Fortis Shares will be equal to the fair market value of the Fortis Shares at the time of the reorganisation. This acquisition cost will be allocated to each of the two components of the Fortis Shares on the basis of the ratio existing between the shares of the two Parent Companies.

If a Luxembourg resident taxable company is a shareholder of Fortis (B) and has chosen not to realise capital gains on the occasion of the merger between Fortis (B) and Fortis SA/NV, the acquisition cost of one Fortis SA/NV share included in the Fortis Share will be equal to the initial acquisition cost of the Fortis (B) share after setting off the refund per Fortis (B) share obtained through the capital decrease of Fortis SA/NV; for the purpose of computing the holding period of the Fortis SA/NV share included in the Fortis Share, the period of holding the original Fortis (B) share will be taken into account. The acquisition cost of one Fortis NV share will be equal to the fair market value of the Fortis Share at the time of the reorganisation multiplied by the portion of the ratio existing between the shares of the Parent Companies.

The same rules are applicable for a Luxembourg resident taxable company which is a shareholder of Fortis (NL).

Dividends received by a Luxembourg resident taxable company on the Fortis Share will be included in the taxable basis of the Luxembourg recipient company. Said dividends can be excluded from the taxable basis by application of the participation exemption regime, if the conditions laid-down in Article 166 of the Luxembourg Income Tax Code are met. For the purposes of application of this regime, as well as for the application of the capital gain tax exemption provided for in the Grand Ducal Decree of December 24, 1990, each of the components of the Fortis Share will be appraised individually, and the conditions of the exemption will be analysed on each part of the Fortis Share. This means that, if a Luxembourg corporate shareholder opts for receiving Belgian source dividends, under the Dividend Election rule, it can take advantage of the participation exemption regime on said dividends, provided the Fortis SA/NV shares included in the Fortis Shares it holds meet the conditions of Article 166 of the Luxembourg Income Tax Code.

The same rule will be applicable for determining whether the capital tax exemption could be granted if a Luxembourg corporate shareholder decides to dispose of its Fortis Shares.

Belgian or Dutch withholding tax which might be applied on the distribution of either Belgian or Dutch dividends, may be offset from the Luxembourg corporate tax under the conditions and within the limits provided for in the Luxembourg Income Tax Code.

c. Luxembourg resident non-taxable entities (UCI, holding companies under the Law of 31 July 1929)

Luxembourg resident non-taxable entities will not be subject to corporate income tax in Luxembourg on the dividends received on the Fortis Shares.

They will not be able to offset the foreign withholding tax on dividends distributed on the Fortis Shares against any corporate income tax.

4.7.5. The United States

For the purposes of section 4.7.5 the definitions of section 3.4.6 will be used.

a. Taxation of dividends on Fortis Shares after the Unification

Distributions paid on Fortis Shares, before reduction for any Belgian or Dutch income tax withheld, will generally be taxable to a U.S. Shareholder as foreign source income to the extent the distribution is out of the earnings and profits of the paying entity. Such distributions will not be eligible for the dividends-received deduction allowed to corporations.

Dividends paid in euros will be included as income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date the dividends are actually or constructively received. Gain or loss realised on a sale or other disposition of the euros will be ordinary income or loss and will be U.S. source income.

If dividends received in euros are converted into U.S. dollars on the day they are received, a U.S. Shareholder generally will not be required to recognise any foreign currency gain or loss in respect thereof.

b. Non-U.S. taxes

Payments of dividends on the Fortis Shares to U.S. Shareholders will be subject to Belgian or Dutch withholding taxes, depending on whether the U.S. Shareholder receives the dividends from Fortis SA/NV or Fortis NV. The rate will be determined under the United States-Belgium or United States-Netherlands double taxation convention, as the case may be, if the U.S. Shareholder qualifies for benefits thereunder. See sections 4.7.2. and 4.7.3., respectively. For United States federal income tax purposes, U.S. Shareholders will be treated as having received the gross amount of any dividend paid, including Belgian or Dutch taxes withheld, and as having paid the withheld taxes to the taxing authority. As a result, the amount included in the gross income by a U.S. Shareholder in connection with a payment of dividends will generally be greater than the amount of cash actually received or receivable by the U.S. Shareholder.

Subject to generally applicable limitations and restrictions, a U.S. Shareholder may be entitled to a credit against its United States federal income tax liability, or a deduction in computing its United States federal taxable income, for the Belgian or Dutch income taxes withheld. The Shareholders should consult their tax advisors as to whether dividends paid solely by Fortis SA/NV or Fortis NV, as the case may be, pursuant to an election made or pursuant to the default rules will be treated, for U.S. federal income tax purposes, as a dividend paid solely by the paying entity and the possible implications of alternative characterisations. Dividends treated as paid solely by Fortis SA/NV or Fortis NV will generally constitute “passive income” or “financial services income”, depending on the U.S. Shareholder’s individual circumstances, for foreign tax credit purposes. U.S. Shareholders are urged to consult their tax advisors concerning the foreign tax credit implications of the payment of Belgian or Dutch withholding taxes.

c. Backup withholding and information reporting

Payments of dividends and other proceeds in connection with Fortis Shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Shareholder as may be required under applicable regulations. Under certain circumstances backup withholding will apply to these payments. Some U.S. Shareholders, such as corporations, are not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Shareholder will be allowed as a credit against United States federal income tax liability and may entitle the U.S. Shareholder to a refund, provided that the required information is furnished to the IRS.

5. Replacement of the shares of Fortis (B) and Fortis (NL) with Fortis Shares and admission to listing

5.1. GENERAL

The shareholders of Fortis (B) and Fortis (NL) will receive Fortis Shares in replacement of their ordinary Fortis (B) and Fortis (NL) shares.

Holders of registered and book-entry bearer Fortis (B) and Fortis (NL) shares do not need to take any action in order to have their existing shares replaced with Fortis Shares. Fortis and the custodians will update the registers and book-entries automatically.

Holders of physical bearer Fortis (B) shares must deliver their shares to bank counters or other financial intermediaries in order to receive Fortis Shares in replacement. Physical bearer Fortis Shares are expected to be available within three months of the first day of listing of the Fortis Share. The exact date of availability will be communicated in due course.

Shareholders who have not exchanged their physical bearer Fortis (B) shares will not be entitled to exercise the rights attached to the Fortis Shares (e.g. attendance at general meetings of shareholders, entitlement to dividend). It is, therefore, recommended that holders of physical bearer Fortis (B) shares, who wish to hold Fortis Shares in physical bearer form, submit their Fortis (B) shares for replacement as soon as physical bearer Fortis Shares are available. Holders of physical bearer Fortis (B) shares who wish to hold book-entry bearer or registered Fortis Shares may submit their Fortis (B) shares for replacement immediately upon Unification.

Holders of physical bearer shares will, however, be able to replace their existing shares at bank counters or other financial intermediaries for a significant period of time after the Unification.

Fortis (B) VVPR strips will be replaced by Fortis VVPR strips according to the same mechanism that applies to the Fortis (B) shares.

Fortis (NL) currently has a sponsored over-the-counter ADR Programme in the United States. This programme will be replaced with a new sponsored over-the-counter ADR Programme of Fortis Shares. Fortis (NL) ADR holders will have to exchange their existing ADRs representing Fortis (NL) shares for new ADRs representing Fortis Shares pursuant to the procedures implemented by the ADR depositary.

5.2. VVPR STRIPS

Fortis (B) has issued 321,901,444 VVPR strips in conjunction with its various capital increases, which will be replaced, according to Article 269, 4 of the Belgian Income Tax Code, by 321,901,444 Fortis VVPR strips, following the Unification.

The Fortis VVPR strips will be listed separately on the Primary Market of Euronext Brussels and will be available in registered and bearer form (book entry and physical bearer), as is currently the case for Fortis (B) VVPR strips.

Holders of Fortis Shares and Fortis VVPR strips who elect a Belgian dividend will therefore be able to benefit from a reduction in the applicable Belgian withholding tax rate from 25% to 15%.

5.3. COSTS OF REPLACEMENT TO FORTIS

Fortis does not expect the costs related to the replacement to exceed EUR 5 million.

5.4. COSTS OF REPLACEMENT TO SHAREHOLDERS

In most cases, Fortis will pay all conversion-related costs. However, Fortis cannot guarantee that intermediaries will not charge Shareholders on an individual basis. Tax on stock exchange transactions or in respect of delivery of physical bearer shares will not be due upon replacement.

5.5. APPLICATION FOR ADMISSION TO LISTING OF THE FORTIS SHARES AND FORTIS VVPR STRIPS

Fortis will apply for admission to listing of the Fortis Shares on the Primary Market of Euronext Brussels and on the Official Segment of the stock market of Euronext Amsterdam, and a secondary listing of the Fortis Shares on the Luxembourg Stock Exchange. Furthermore, Fortis will apply for admission to a separate listing of the Fortis VVPR strips on the Primary Market of Euronext Brussels.

As a result of the Unification, the Fortis (B) shares, Fortis (NL) shares and the Fortis (B) VVPR strips will be delisted. The delisting is expected to take place on market closing of the relevant exchanges on 14 December 2001.

Trading in Fortis Shares and related Fortis VVPR strips on the relevant exchanges is expected to commence on market opening on 17 December 2001.

Fortis has requested the UK Listing Authority to delist the existing Fortis (B) and Fortis (NL) shares from the Official List of the UK Listing Authority with effect on market opening on 17 December 2001. Investors based in the United Kingdom may trade Fortis Shares on Euronext Amsterdam, Euronext Brussels and the Luxembourg Stock Exchange.

5.6. TRADING AND SETTLEMENT OF THE FORTIS SHARES AND FORTIS VVPR STRIPS

On 17 December 2001 at the latest, a temporary global note, representing the Fortis Shares and a temporary global note representing the Fortis VVPR strips will be deposited with CIK. Upon the availability of physical bearer Fortis Shares and Fortis VVPR strips as referred to in section 4.2., these temporary global notes will be replaced by global notes reflecting the number of Fortis Shares and Fortis VVPR strips, except those issued in physical bearer form.

Fortis (NL) shareholders that at present hold their shares through Necigef may continue to hold and transfer their Fortis Shares through Necigef, as Necigef has a deposit with CIK.

The ISIN-code of the Fortis Share will be BE0003801181 (Code SVM 3801.18, Fondscode 30086).

The Fortis VVPR strip will have a separate ISIN-code BE0005591624 (Code SVM 5591.62).

5.7. PAYING AGENTS

Fortis will have two primary paying agents, a Belgian and a Dutch primary paying agent.

Fortis Bank SA/NV
Montagne du Parc/Warandeborg 3
1000 Brussels
Belgium

Fortis Bank (Nederland) N.V.
Rokin 55, P.O. Box 243
1000 AE Amsterdam
The Netherlands

5.8. REPLACEMENT OF THE CONVERSION SECURITIES FOR THE HOLDERS OF LISTED CONVERTIBLE NOTES LINKED TO FORTIS (NL) SHARES

The Fortis Share will replace the Fortis (NL) share as the underlying conversion security for the convertible notes or bonds in accordance with the terms and conditions of such notes or bonds.

Overview of the outstanding listed Fortis (NL) convertible notes listed on Euronext Amsterdam

		Conversion price (Eur)	Conversion period	Outstanding number of underlying shares as of 31 October 2001
Fortis (NL) 2003	2.625%	31.51	4 Feb 1999 – 6 Nov 2003	21,602,208
Fortis (NL) 2004	1.500%	38.35	16 Aug 1999 – 29 July 2004	15,000,000
ASR 2005	3.000%	33.56	12 Oct 1998 – 15 July 2005	3,550,735*

* After elimination of the convertible bonds held by Fortis.

6. Risk factors

The investment considerations set forth below are not intended to be exhaustive, and there may be other considerations, which should be taken into account in relation to the Information Memorandum.

6.1. RISKS RELATED TO THE UNIFICATION

The following risks related to the proposed Unification have been identified and are listed below in no particular order:

- *Operational risk* arising from the replacement of the shares of Fortis (B) and Fortis (NL) with Fortis Shares. The replacement will be realised by amending the book entries and by replacement of the physical bearer shares. Although Fortis believes that the replacement is structured in such a way it will be generated almost automatically, no guarantee can be given that the financial institutions that should make the relevant adjustments in their systems will be able to do so in a timely manner;
- *Realignment risk* arising from the fact that the Fortis Share can be bought on Euronext Amsterdam and sold on Euronext Brussels and *vice versa*. No assurance can be given that Euronext Amsterdam and Euronext Brussels will be able, as of the first day of listing of the Fortis Share, to provide full fungibility;
- *Tax risk* arising from the replacement of shares in Fortis (B) and/or Fortis (NL) with Fortis Shares. The steps of the Unification outlined in section 3.3. may give rise to a taxable profit/loss or income in certain jurisdictions. Investors should contact a tax adviser to ascertain their own tax position;
- *Legal risks* arising from the implementation of the Unification. The shares in Fortis SA/NV and Fortis NV, which together constitute the Fortis Shares, will be governed by the laws of two different jurisdictions. Consequently, with regard to the shares in Fortis SA/NV and Fortis NV, as well as with regard to the twinning and the consequences of the twinning, differences exist in the way each of those shares and the Fortis Shares are treated in these two jurisdictions, which under exceptional circumstances may lead to a proposal to detwin all or part of the shares in Fortis SA/NV and Fortis NV, which would in any event be subject to shareholders' approval.

6.2. RISKS RELATING TO THE ACTIVITIES OF FORTIS

As a financial services group operating in the fields of insurance, banking and investment, Fortis is subject to risks that follow from day-to-day operations. An in-depth discussion of these risks, as well as risk management, is included in the Fortis annual review 2000, which is incorporated by reference in this Information Memorandum.

In summary, the following risks related to the day-to-day activities of Fortis can be distinguished and are listed in no particular order:

- *Market risk* arises from potential changes in the value of financial instruments in response to price fluctuations in the financial markets in which Fortis is active;
- *Credit risk* reflects the danger that a counter-party will prove unable to meet its contractual obligations towards Fortis in respect of loans or other financial transactions;
- *Liquidity risk* concerns the possibility that Fortis' creditors will demand immediate reimbursement of cash, obliging the company to borrow additional funds or to sell assets;
- *Insurance risk* is the danger that benefits to be paid to Fortis' policyholders will turn out higher than forecast. This occurs when premium income or technical provisions are too low to cover future claims and payments;

-
- *Operational risks* take in a wide range of factors inherent in the day-to-day operations of virtually every company. The internal focus within a financial services company is on the accuracy and continuity of operations (key-person issues, equipment malfunctions, anti-fraud protection), while externally it has to contend with contractual and non-contractual liabilities and protecting information and value;
 - *Legal risks* include the potentially adverse impact of legislative changes and the risk that it will no longer be possible to require counter-parties to honour existing contractual arrangements.

In addition, *inter alia*, the following risks can be identified:

- *Competition — economic factors*: financial services providers operating in the fields of insurance, banking and investment face significant competition in all of their markets. In the event of an economic downturn, margins may come under pressure. It cannot be ruled out that intensified future competition could lead to falling margins and lower profitability;
- *Growth*: the ability to achieve sustained revenue growth and increase in profits depends on a number of factors, several of which are outside the control of the financial services group, such as general economic circumstances. Growth potential may be restricted by a company's liability to adequately adapt to increase in size;
- *Dependence on qualified personnel*: attracting and retaining highly qualified personnel is a critical success factor to any financial services group. Staff shortages may have a restraining influence on future growth and may adversely affect the group's results;
- *ICT/Internet*: information technology and the rise of the Internet permit new means of distributing financial products, and may boost competition. Increased and/or additional competition can have a significant impact on future business models, profit margins and market positions.

7. Information concerning Fortis

7.1. PROFILE

Fortis is an international financial services provider active in the fields of insurance, banking and investment management. With a market capitalisation of EUR 34.0 billion as of 31 October 2001 and some 70,000 employees, Fortis ranks among the twenty largest financial institutions in Europe.

In its home market, the Benelux countries, Fortis occupies a leading position and offers a broad range of financial services to individuals, companies, institutional investors and the public sector. Fortis ranks as one of the two largest providers of integrated financial services in the Benelux, catering to approximately 7 million customers through approximately 2,500 branches and 8,500 insurance brokers. Fortis believes it is ranked number one in private banking and number two in asset management in the Benelux.

Outside its home market, Fortis concentrates on selected market segments. Fortis has operations in the United States through Fortis, Inc. (primarily in speciality insurance) and Fortis is active internationally on a selective and focused basis.

Fortis is managed with a view to achieving sustainable economic growth and a commitment to the community and the environment. Its commitment to the welfare of its millions of customers keeps Fortis anchored in the local communities in which it operates. By combining know-how and experience with global strength, Fortis supports its customers worldwide in an ongoing process of personal, social and commercial growth.

7.2. HISTORY OF FORTIS

Fortis was created in 1990 when AG Group (currently Fortis (B)), a large Belgian insurer, and N.V. AMEV, a large Dutch insurer which had merged earlier that year with the Dutch savings bank VSB (currently Fortis (NL)), merged their respective operations.

In the late eighties, AG Group and AMEV shared many similarities, which were the starting point for the first cross-border merger of equals in the financial world.

Firstly, AG Group and AMEV, two companies of similar size and active in similar domains, had the same type of distribution network, composed of independent intermediaries. These networks were faced with the threat of the banking channel as a distributor of insurance. Both companies did not have much additional opportunity to continue their growth on their own in their domestic market.

Moreover, both companies had also made early, limited attempts to expand into banking, but they were still lacking the scale to play a major role in a European context.

Finally, AG Group and AMEV had limited visibility on the international capital markets. AG Group held a strong position in the Belgian insurance market and was a market leader in various sectors but had a fairly restricted international presence and only minimal banking interests. AMEV held a relatively strong position in the Dutch insurance market and enjoyed a fairly strong international insurance position.

Starting from these similarities, both companies developed a common and original philosophy that led to the creation of Fortis in early 1990.

Unity of resources was achieved by sharing all assets of the two parent companies, which retained their own, separate share listings.

Unity of management was realised by exchanging seats on the Boards of Directors and by creating a joint Executive Committee.

Unity of strategy was expressed in the will to create a diversified financial services provider across the borders of Belgium and the Netherlands.

Through organic growth and a series of acquisitions (CGER/ASLK, MeesPierson, Generale Bank, BGL and ASR), Fortis has grown from a broker-based insurance group into an integrated financial services provider, offering insurance and banking products to a varied group of customers through multiple channels.

Fortis is also a cross-border institution. Whereas most of its competitors still manage their activities by country, Fortis is organised in six cross-border businesses sharing, where relevant, scale and skills, within the Benelux countries and the world at large.

7.2.1. Insurance through intermediaries in the Benelux

Since the creation of Fortis, Fortis AG maintained its leading position as the first insurer operating through insurance intermediaries in Belgium. It has an overall market share of 10% in the Belgian insurance market.

Pursuant to a public offer by Fortis (NL) closed in December 2000, Fortis acquired almost 100% of the shares of ASR Verzekeringsgroep N.V. On 25 April 2001 the legal merger between ASR Verzekeringsgroep N.V. and AMEV Nederland N.V. was completed. The newly merged group was renamed AMEV Stad Rotterdam Verzekeringsgroep (ASR) N.V. Measured in terms of total premium income, in the Netherlands, the new combination is the second largest insurer focusing on intermediaries with a market share of 12%.

With the acquisition of ASR, Fortis also became the largest insurance group operating in the Benelux, both in life and non-life.

7.2.2. Fortis, Inc.

In the United States, Fortis pursues a speciality strategy with the aim of achieving leadership positions in selected specialised market segments: credit-related products and services, funeral insurance, health insurance and employee benefits.

The recent acquisitions and divestitures mentioned below are consistent with Fortis' strategy to build and manage in the United States a select portfolio of speciality businesses that are leaders in their respective markets.

In 1998, Fortis, Inc. completed the acquisition of John Alden Financial Corporation, an independent provider of health insurance and services for small businesses in the United States.

In August 1999, Fortis, Inc. completed the acquisition of American Bankers Insurance Group, Inc. one of the two leading U.S. credit-related insurers. The combination of American Security Group and American Bankers Insurance, operating under the name "Assurant", is now the market leader in the field of credit-related insurance products and services and extended service contracts.

Fortis Long Term Care, a specialist insurer of the costs of private residential care or home care for the elderly, was sold in March 2000. Fortis has decided not to continue its activities in this specialty market, because it could not achieve the leading position to which it aspired within a reasonable time scale.

In October 2000, Fortis, Inc. completed the acquisition of the U.S. pre-arranged funeral insurance company American Memorial Life Insurance Company. This acquisition allowed Fortis to continue to expand its pre-need market position and leverage its management expertise within this specialty market segment.

In April 2001, Fortis, Inc. completed the sale of Fortis Financial Group, Fortis, Inc.'s variable life insurance and annuity businesses and its proprietary mutual fund complex, to The Hartford Financial Services Group.

In July 2001, Fortis, Inc. acquired all the shares of CORE, Inc., a leading provider of employee absence management throughout the United States and a major provider of disability reinsurance and management services to middle market insurance carriers.

Also in July 2001, Fortis, Inc. announced a definitive agreement under which it would purchase Protective Life Corporation's Dental Benefits Division. The transaction is expected to be completed in the 4th quarter of 2001 subject to regulatory approvals and customary closing conditions. Fortis believes this acquisition will position Fortis Benefits as leader in the voluntary (employee paid) dental benefits market and the 4th largest provider of dental benefits in the United States.

7.2.3. International insurance activities

In 1992, Fortis entered into a joint venture with one of Spain's leading banks, "la Caixa". The subsidiaries of this joint venture CAIFOR are SegurCaixa, a non-life insurer in which Fortis holds a 60% interest, and VidaCaixa, a life-insurer in which Fortis holds a 40% interest.

In June 2001, Fortis completed a joint venture with Maybank, Malaysia's leading financial services group, in order to develop bancassurance in Malaysia under which Fortis purchased a 30% equity interest in Maybank's life and non-life insurance businesses.

In April 2001, Fortis announced that it had reached an agreement regarding the take-over of the insurance portfolio of Baloise (España) Seguros y Reaseguros S.A. by Bilbao Compañía Anonima de Seguros y Reaseguros, S.A. (Seguros Bilbao). Baloise (España) operates through an extensive network of intermediaries with life and non-life products, mainly for private individuals. Seguros Bilbao, part of Fortis, operates through intermediaries and specialises in individual insurance and investment products.

In June 2001, Fortis agreed to sell its Australian general insurance subsidiary to the UK-based insurer CGNU. This transaction which closed in July 2001, is consistent with Fortis' strategy to focus on Europe, Asia and selected niche markets in the United States.

In October 2001, Fortis announced its acquisition of 24.9% in Tai Ping Life, a Chinese life insurance company that has a nationwide licence for selling life insurance products in the People's Republic of China.

7.2.4. Fortis Bank

When Fortis was created in 1990, it was mainly a broker-based insurance group with limited banking activities.

This changed substantially in 1993, when Fortis acquired from the Belgian government a controlling interest in CGER/ASLK Bank & Insurance, thus substantially broadening and strengthening Fortis' banking and bancassurance activities and expertise. Fortis increased its stake in CGER/ASLK to nearly 75% in 1997 and to 100% in 1999.

In 1995, Fortis acquired SNCI/NMKN, which was fully merged into CGER/ASLK Bank in 1997.

At the beginning of 1997, Fortis acquired the Netherlands-based merchant bank MeesPierson. This acquisition significantly strengthened Fortis' private, corporate and investment banking activities. It also provided Fortis with a major increase in the level and scope of its investment management activities.

In July 1998, Fortis acquired Générale de Banque/Generale Bank, the largest Belgian bank.

After this acquisition, Fortis started the integration of its banking operations in Belgium and the Netherlands to form a cross-border operation organised along business lines. By combining relevant activities as much as possible, maximum benefits are currently obtained from potential cost and revenue synergies. An important step in the integration process was the legal merger of CGER/ASLK Bank and Générale de Banque/Generale Bank to formally create Fortis Bank in June 1999.

The integration of the banking activities is scheduled for completion in 2003.

In March 2000 and as a result of a public exchange offer, Fortis Bank raised its participating interest in the Luxembourg-based bank Banque Générale du Luxembourg to the level of 97.73% of the bank's share capital. This step reinforced Fortis' presence in its home market, the Benelux.

In April 2000, Fortis Bank exercised its option to buy the remaining 70% of the shares in the Spanish bank Beta Capital, of which it had owned 30% since 1996. Beta Capital, which head office is in Madrid, is primarily engaged in private banking and brokerage in the Spanish market.

In September 2000, Fortis Bank increased its stake in Bank Belgolaise from 60% to almost 100% after a successful public offer.

7.3. STRATEGY

7.3.1. Goals

Since Fortis' creation in 1990, it has built leadership positions in its home market of the Benelux, in life and non-life insurance, retail banking and banking for small and medium-sized enterprises, private banking, asset management and certain merchant banking activities.

Having completed the recent acquisition of ASR, Fortis' primary attention has shifted from consolidating its position in its home markets through acquisitions to growing into a single, strong efficient customer focused company, focusing on core businesses and developing solid growth platforms in Europe, the United States and Asia.

Fortis' goal is to become the preferred supplier of financial services in its chosen markets. To achieve this, Fortis is now organised around specific customer focused "Businesses"; each Business benefits from a substantial autonomy as regards its own strategy and development going forward, and is subject to a high level of accountability.

7.3.2. Competitive Strengths

Fortis believes that there are certain characteristics that set it apart from its competitors in its core Benelux markets and which contribute generally to its strength:

- Fortis has a clear strategy focused on the growing savings market in the Benelux. This strategy is designed to reach its existing and expanding customer base by offering many products, using multiple channels of distribution, with a particular emphasis on its strength in bancassurance, where Fortis intends to leverage its success in bancassurance;
- Fortis' market position in banking and insurance in the Benelux countries has provided it with stable earnings and cash flow. This has enabled it to finance its strategy of strengthening its home market position while expanding selectively internationally.

Fortis has been able to increase or maintain its market share in the Benelux despite intense competition. The acquisition of Générale de Banque/Generale Bank significantly enhanced its market position in banking and asset management in the Benelux. It has also broadened its distribution channels in its core Benelux markets and increased the scale of its operations internationally, particularly in Europe and Asia. Fortis' acquisition of ASR has further strengthened the group's position in its core Benelux markets.

In addition to its strong position in its domestic markets, Fortis has followed a strategy of selective expansion outside the Benelux principally focused on credit-related insurance and a number of other specific specialty insurance market segments in the United States. In other international markets, Fortis' main focus has been on insurance, while the MeesPierson and Générale de Banque/Generale Bank acquisitions have contributed to expand the scope of Fortis' international banking activities.

Fortis' stated strategic objectives consist of improving significantly its home market performance, explore European leadership opportunities and expand the group's presence in selected regions around the world. The goals and activities described are the initial steps that have been identified to strengthen Fortis' position in the Benelux, build a European growth platform and capture growth potential in the United States and Asia.

In order to implement its stated objectives, there are three basic principles underlying the strategic direction of Fortis:

- Reinforcing Fortis' position in the Benelux by focusing on servicing its customers and reducing costs;
- Using Fortis' Benelux platform to expand in certain businesses in Europe with a focus on the development of asset gathering activities; and
- Diversifying Fortis' business development through development in Asia and in the United States.

7.4. DESCRIPTION OF ACTIVITIES

7.4.1. Insurance through intermediaries

Fortis is focusing on strengthening its position as an integrated financial services provider which distributes its products and services via intermediaries and tied agents. By actively supporting and guiding the intermediaries, Fortis can achieve further sales growth while reducing costs.

In the Benelux, Fortis is market leader in life and non-life insurance and also in bancassurance.

The recent acquisitions and divestitures are consistent with Fortis' strategy to build and manage in the United States a select portfolio of specialty businesses, which are leaders in their respective markets. Fortis will continue to study additional potential acquisitions to strengthen its position in specialty U.S. insurance markets.

The activities of Fortis in other areas are also designed to pursue increased scale within specific niches. Fortis is present in France, the United Kingdom, Spain and Singapore. Each company operates in specific life and non-life market segments, in which they are pursuing a strong position. This was the purpose of the 1999 take-over of the British insurer Northern Star. Fortis' objective in Asia, meanwhile, is to use its knowledge in the field of bancassurance to set up joint ventures with local financial institutions, such as the one entered into with Maybank in the Malaysian market.

Fortis continually strives to combine the strengths of its insurance operations. One example is the creation of cross-border collaborative arrangements and the increasing exchange of know-how. Full integration of insurance operations is less practical in this field, given the differences in taxation, social and other conditions between countries in which Fortis operates.

Life insurance

Through Fortis AG (formerly AG Group) in Belgium and ASR in the Netherlands, Fortis offers a wide selection of individual and group life insurance and a large number of investment-linked insurance products. Fortis is Belgium's largest provider in the life sector. ASR makes up the largest insurer in the Netherlands operating through independent intermediaries. Fortis AG and ASR work primarily through intermediaries and their own insurance agents.

Fortis Luxembourg Vie, the life insurer, concentrates on cross-border sale of financial products, taking advantage of European regulations on freedom to provide insurance services. It is also active in the local market via insurance agents (individual life) and independent intermediaries (group life).

Fortis Assurances distributes insurance products in France through a variety of channels: its insurance agents, independent intermediaries and financial institutions.

VidaCaixa, a subsidiary of CAIFOR, Fortis' joint venture with "la Caixa" in Spain supplies annuities, investment-linked products, pension plans and credit-linked life insurance via bank branches. VidaCaixa has a leadership position in the life insurance market and is the leader measured both by premium income and technical provisions. Another Fortis company, Seguros BILBAO, distributes its life products in Spain through intermediaries.

In the United States, Fortis Family is one of the top 2 providers in pre-need funeral insurance. Its products are distributed mainly through funeral homes. The acquisition of pre-arranged funeral insurance company American Memorial Life Insurance Company in October 2000 allowed Fortis to continue to expand its pre-need market position and leverage its management expertise within this specialty market segment. In the United States, Fortis sells group life products mainly through Fortis Benefits.

In Asia, Fortis holds a 30% equity interest in Maybank's life and non-life insurance business through the joint venture agreement with Maybank signed on 8 February 2001 and closed end June 2001.

In October 2001, Fortis announced its acquisition of 24.9% in Tai Ping Life, a Chinese life insurance company that has a nationwide licence for selling life insurance products in the People's Republic of China.

Non-life insurance

Through Fortis AG and ASR, Fortis is one of the top three providers of non-life insurance in the Benelux region. To meet demand for supplementary health insurance, Fortis established the Health Care Business Unit in Belgium. This brings together the expertise that was previously to be found in the retail and corporate sectors. The integration of the portfolio of industrial insurances in Belgium and the Netherlands was completed in 1999 and the cross-border enterprise Fortis Corporate Insurance was formed. A specialist approach to risk management in both markets results in high added value for the end customer and professional intermediaries.

Fortis Luxembourg-IARD offers non-life insurance, with the exception of motor insurance. It operates exclusively in the local Luxembourg market.

SegurCaixa is a subsidiary of Fortis' Spanish joint venture CAIFOR. Its principal business is fire insurance, which it offers via the banking channel. Seguros BILBAO has a substantial non-life portfolio, a large proportion of it in the form of motor insurance.

In the United Kingdom, Fortis concentrates through Fortis Insurance Ltd. on the sale of motor and travel insurance. Fortis Insurance's position was significantly strengthened in 1999 following the take-over of Northern Star, which is chiefly active in motor and other individual lines.

In Asia, Fortis has profitable operations in Singapore through Keppel Insurance, in which Fortis has a 40% stake, and has obtained a 30% stake in Maybank's life and non-life insurance business as explained above.

In the United States, Fortis is active in healthcare insurance, employee benefits and credit-related insurance products and services. Fortis Health is one of the largest commercial insurers in the area of healthcare insurance for small businesses and individuals.

Fortis Benefits has a leading position in the area of employee benefits (in this case disability and dental insurance) for small- and medium-sized enterprises.

Assurant is the name of the combination of American Security Group and American Bankers Insurance, which was acquired in August 1999. Assurant has a leading position in the market in the field of credit related services. The acquisition of American Bankers Insurance gave Fortis control over a number of additional products and distribution channels, notably the credit operations of large retail stores and financial institutions targeting the private market.

7.4.2. Fortis Bank

Fortis intends to be the Benelux market leader in the financial services field and to expand its activities in the bancassurance market. Fortis Bank has an overall market share of over 20% in the Benelux.

Elsewhere in the Eurozone, Fortis will pursue a leading position in selected market segments. It is prepared to enter new markets to this end, provided that it will be able to achieve leadership in them. Selective use will be made of targeted acquisitions in order to achieve the desired positions.

Fortis has a presence in countries where this is desirable in order to provide an excellent service to its customers.

Network Banking

The business line *Individuals, Professionals and Small Enterprises* offers a comprehensive range of financial products and services geared to the specific needs of the three respective customer groups in the Benelux. The *Individuals, Professionals and Small Enterprises* business line is also represented in France, Poland and Hong Kong.

Fortis offers its customers a variety of ways of performing bank transactions electronically or by phone. Additional investment will be made in this area in the years to come. With new products and services like this, Fortis offers strong Internet banking capabilities, which have taken off very well. Apart from investing in alternative forms of distribution, Fortis is also developing new branch concepts. The existing branch network in the Netherlands and Belgium is being streamlined. The focus at Fortis branches will be increasingly on the provision of advice to specific customer groups and on improving the effectiveness of sales activities.

Fortis Bank, through FB Insurance, has a leading position in bancassurance: the sale of Fortis insurance products through the company's own bank branches or through third parties on an exclusive basis. These products are principally targeted at the retail market, but products are also supplied to small and medium-sized enterprises and other customers of the banking network.

CGER-ASLK has always been the Belgian market leader for bancassurance and after the merger with Générale de Banque/Generale Bank, sales of insurance products to the former Générale de Banque/Generale Bank customers have been substantially expanded, enabling Fortis to further strengthen its position in the Belgian bancassurance market.

The business line *Medium-sized Enterprises and Large Corporates* offers its customers a complete package of tailor-made and flexible solutions. Account managers and corporate officers are responsible for customer contacts. The business line pursues a specific approach to each of its target groups. A network of 100 regional business centres serves medium-sized companies in the Benelux. The proximity to their customers ensures optimum service. Within the large enterprise segment, the business line concentrates on a number of sectors in which it can call on special expertise. An international network, with presence in 40 locations, monitors companies active in these sectors. The network is managed from Brussels and Rotterdam.

A framework has also been created to facilitate the securitisation and marketability of trade debts and other assets. Fortis Bank is also focusing on the development of electronic distribution channels to meet customers' online banking needs.

Merchant Banking

Investment Banking provides advisory services to companies, public authorities, and institutions in the field of mergers and acquisitions (including financial restructuring and management buy-outs) and capital markets transactions (such as Initial Public Offerings, issues of new shares, emissions of convertibles as well as private placements for both public and private companies). It focuses on Benelux and Benelux-linked transactions. Investment banking is also active in the secondary equity and derivatives markets and research with a focus on the Benelux. The Investment Banking business line has a leading position in terms of number and volume of transactions in the Benelux.

Financial Markets specialises in currency trading, market making and fixed-income securities. This business line concentrates on professional customers and institutional investors, although medium-sized and large enterprises also belong to its target group. Financial Markets is an important European player with a leading position in Benelux.

In 1999 Fortis Bank integrated its dealing rooms in Brussels, Rotterdam and Amsterdam. The business line *Financial Markets* also has dealing rooms in Hong Kong and New York.

Fortis has combined its custody, derivatives, clearing, securities borrowing and lending, fund service and prime banking activities in *Information Banking*. This specialised business line is targeted primarily at financial professionals, pension funds, insurers, asset managers, investment funds and traders with international portfolios. International banks and brokers use Information Banking as a local custodian for their Benelux investments.

The *Financial Institutions and Banks* activity is involved in managing relations with 2,500 banks and financial institutions around the world. It provides credit facilities for bankers and supplies banks with financial services, in close co-operation with the other Fortis Bank business lines. These services include custody, clearing, asset management and logistical services. Financial Institutions and Banks are also responsible for monitoring country risks for Fortis Bank.

Private Banking

Private Banking's core businesses are investment, structuring and financing. This internationally integrated business line focuses on wealthy individuals, director-owners, foundations and other private institutions. Private Banking operations, which are carried out under the MeesPierson and Banque Générale du Luxembourg (BGL) names, are organised around a network of onshore and offshore branches respectively, ensuring a presence in the world's leading financial centres. The most important European branches are in Benelux, France, Spain, Switzerland and Guernsey. Fortis strengthened its private banking activities in early 2000 by increasing its stake in BGL. In July 2001, Fortis merged its French private banking activities into MeesPierson Patrimoine France.

Fortis manages private banking assets of EUR 65 billion at the end of June 2001 ranking it among the top ten largest private banks in Europe.

Asset Management

Fortis had EUR 315 billion assets under management at the end of June 2001, ranking it among the top ten largest asset managers in Europe.

Fortis Investment Management (FIM) offers a wide variety of investment funds and manages assets for institutional investors. FIM is active at a number of locations around the world and has a strong brand name, especially in the European market.

In November 2000, FIM received from the Chinese authorities a licence to open an office in Shanghai. This was the first licence, which China has granted to a European fund management company.

7.5. GROUP-WIDE RISK MANAGEMENT

During 2000, Fortis introduced a number of key structures. At the Fortis Board of Directors level, a newly formed Capital Committee assists the Fortis Board of Directors in its decision making on capital allocation, taking into account risk adjusted returns of the Fortis Businesses. At the group level, a central Risk Management function has been created, reporting directly to the Fortis CFO. In addition, a central asset-liability management (ALM) reporting function at the Fortis group level provides a consolidated view of the banking and insurance ALM. Further refinements and implementation of a comprehensive and streamlined risk management structure has continued to receive a high level of attention in 2001.

In risk reporting, projects have been introduced to achieve a group-wide management reporting system to evaluate and manage risk-related decision making in each of the Fortis businesses. Fortis has established two projects, the Fortis Capital Adequacy Project ("ForCap") and the PerForM project ("PerForM") reflecting Fortis management's belief that the objective of value creation is best served by (a) optimising capital levels and (b) putting available capital to its most efficient use. Both notions require the development of quantified, sophisticated risk measurement tools and an upgrading of management reporting to include risk considerations and a strict value focus.

The ForCap and the PerForM projects are still under development. However, Fortis is already using the analyses, e.g. by divesting activities which clearly perform below Fortis' target rates, by adjusting pricing to correctly reflect the risks as they show up through the new measurement systems and by designing products which offer a better risk/return profile.

The Fortis Capital Adequacy Project

The ForCap project aims to develop a group-wide consistent methodology for quantifying Fortis' exposure to various risk categories. The ForCap project utilises risk information to improve Fortis' computation and monitoring of its economic capital adequacy, to provide information to the various businesses, and to shareholders, as well as to use this information as input for return on risk-adjusted capital ("RORAC") and economic value added ("EVA") calculations.

The first steps in the ForCap project, completed in 2000, were to establish a consistent basis for assessing risk across the group and to ensure that all material risks are adequately captured throughout the group. Next, the relative importance of each of the defined risk types was estimated at a high level of aggregation. This resulted in a first estimate of "economic capital", i.e. the capital required, within a 99.97% confidence interval, to ensure Fortis solvency given Fortis' risk profile.

The ForCap exercise is a preliminary but significant step towards determining the risk adjusted returns of each of the Businesses of Fortis. Risk adjusted return (RORAC) figures will provide insight into how well a business performs, taking into account the level of risk to which it is exposed. RORAC is a measure of how effectively Fortis is generating a return on the capital that is consumed as a result of assuming risk. It is calculated by dividing the risk-adjusted return by economic capital. The calculation of the risk-adjusted return is based on the net operating profit whereby provisions for credit risks are replaced by non-cyclical provisions.

The PerForM Project

The PerForM project is a value-oriented process of target setting and monitoring, and strategy development. For each of the businesses, key improvement targets form a high-level financial "balanced scorecard". The developed scorecards consist of a set of Fortis indicators covering all units, a set of business indicators, permitting benchmarking with peers, and a set of tactical indicators which suggest the key actions. Those indicators are important ingredients in the valuation model, which allow assessing the value creation and its sensitivity to changes in the indicators.

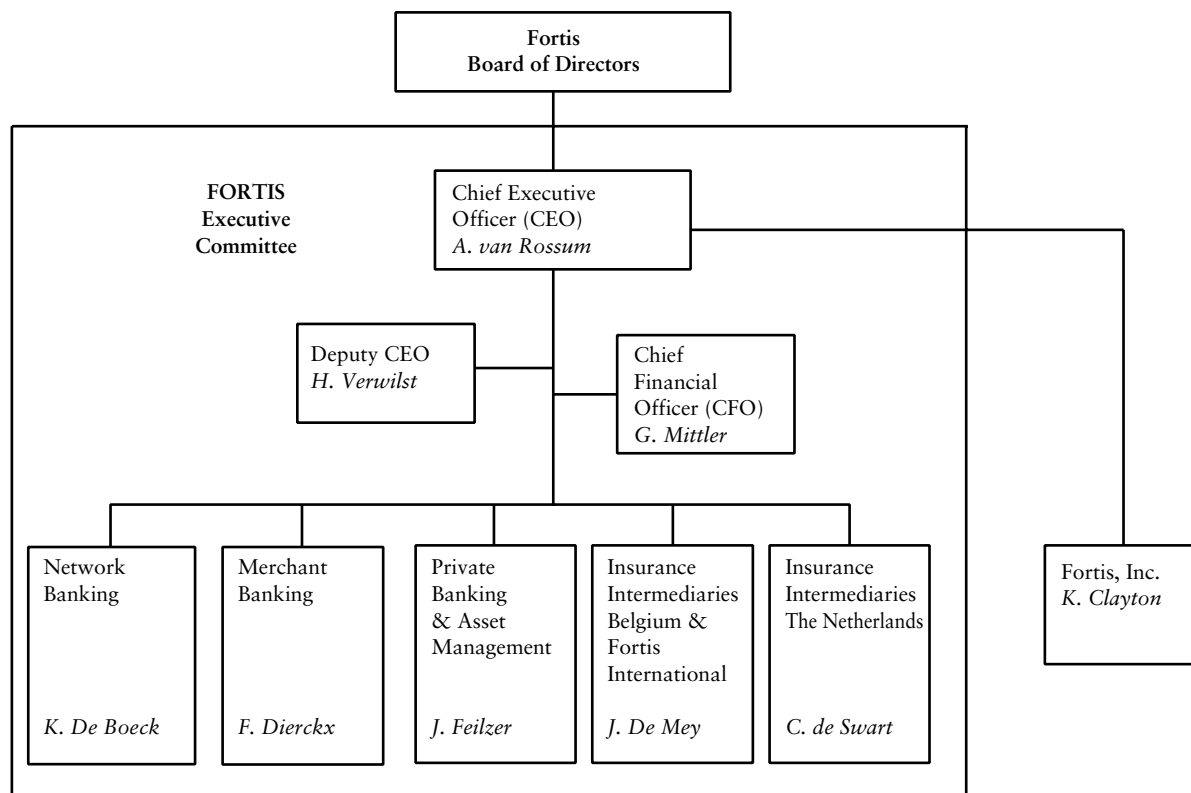
7.6. CORPORATE GOVERNANCE

7.6.1. Management structure

Fortis has taken a number of measures to increase the group's transparency and to allow more efficient decision-making. A number of far-reaching measures were taken in 1999-2000:

- the number of members of the Fortis Board of Directors has been reduced to a maximum of seventeen, and the Board of Directors of Fortis (B) and Fortis (NL) are now comprised of the same members (currently sixteen);
- the Executive Committee members are no longer members of the Fortis Board of Directors, with the exception of the Chief Executive Officer (CEO);
- one CEO, Anton van Rossum, has been appointed, and the CEO function has been separated from the function of chairman of the Fortis Board of Directors;
- the composition of the Executive Committee is no longer equally divided between Belgian and Dutch members.

The diagram below outlines Fortis' current operating and management structure.



The current structure provides full unity of management within Fortis and thereby increases management's decision-making ability.

The present Fortis management structure will stay in place after the implementation of the Unification.

7.6.2. The Fortis Board of Directors

The boards of directors of the Parent Companies are composed of the same members and function as a single Fortis Board of Directors. The Fortis Board of Directors consists of a maximum of seventeen members: one executive member, being the CEO, and a maximum of sixteen non-executive members. The scope of activity of the non-executive members of the Fortis Board of Directors involves the general course of affairs and the supervision and control of the financial course of affairs.

The Fortis Board of Directors meets at least seven times a year, according to a fixed timetable, and on as many other occasions as the group's interests require. The Fortis Boards of Directors' working methods, meetings and decision-making process are specified in the board rules.

Current composition of the Fortis Board of Directors:

J.L.M. Bartelds (chairman)
Count M. Lippens (chairman)
Viscount E. Davignon (vice chairman)
J.R. Glasz (vice chairman)
A. van Rossum (CEO)
Baron V. Croes
J.M. Hessels
H.J. Hielkema
Baron D. Janssen
Ch. Morin-Postel
A.J.M. Roobeek
J.M. Schröder
J.J. Slechte
P. Speeckaert
Baron P. Van Waeyenberge
N.J. Westdijk

The Fortis Board of Directors may institute from among its members all committees that it considers useful. The board rules govern the composition and responsibilities of these committees.

The Compensation and Nominating Committee advises the Fortis Board of Directors on matters concerning remuneration and appointment policy for the Fortis Board of Directors and Executive Committee members.

The Audit Committee supports the Fortis Board of Directors in its duty to ensure the quality of the financial and management information and of the internal auditing. It also oversees the provision of information to shareholders, management bodies and external regulators. The Audit Committee has six members, none of whom bear any responsibility for day-to-day management.

The Capital Committee advises the Fortis Board of Directors on matters relating to Fortis' capital availability and asset allocation.

The Chairmen's Committee is responsible for preparing the meetings of the Fortis Board of Directors.

In early 2001, Fortis set up an International Advisory Council which is comprised of persons with a diversity of backgrounds and from different geographical areas in which Fortis is active, and which is a general advisory body for the Fortis Board of Directors.

The boards of directors of the Sub-holding Companies are composed of the same members as the boards of directors of the Parent Companies.

Remuneration of the directors who have no executive duties within Fortis is fixed in accordance with the articles of association of the relevant Fortis companies. The remuneration is determined in view of the responsibilities of the non-executive directors in the Fortis Board of Directors and international market practice. For the financial year 2000, remuneration of the non-executive directors came to EUR 2.9 million. From that amount EUR 0.9 million was paid to companies outside Fortis, where those directors exercise functions.

7.6.3. The Fortis Executive Committee

In June 2000, Fortis announced the appointment of Anton van Rossum as CEO. He started on 1 September 2000. The scope of activity of the CEO involves the daily management of Fortis and the implementation of Fortis strategy. The Executive Committee supports the CEO.

The Executive Committee consists of the CEO, the Deputy CEO and six other members. With the exception of the CEO, Deputy CEO and Chief Financial Officer, the individual members are responsible for specific businesses. The Executive Committee is responsible for the proposal and implementation of Fortis strategy,

proposals for acquisitions and divestitures, capital allocation and target setting. The Executive Committee also monitors the performance of the individual businesses.

Current composition of the Executive Committee:

Anton van Rossum	Chairman, CEO
Herman Verwilt	Deputy CEO
Gilbert Mittler	CFO
Karel De Boeck	CEO Network Banking
Filip Dierckx	CEO Merchant Banking
Joop Feilzer	CEO Private Banking and Asset Management
Jozef De Mey	CEO Insurance Intermediaries: Belgium & International
Carlo de Swart	CEO Insurance Intermediaries: the Netherlands

Fortis, Inc. reports directly to the CEO.

In 2000 the remuneration of the Executive Committee was EUR 7.2 million. That amount was charged to various Fortis companies.

7.7. SUPERVISION

The banking and insurance supervisory authorities in Belgium and the Netherlands have agreed to co-ordinate the implementation of their respective supervisory powers. The agreement stipulates that each of the four authorities continue to supervise the relevant activities of Fortis in its jurisdiction. The authority that supervises the greatest volume of activities (measured in terms of capital adequacy requirements) of Fortis co-ordinates the activities of all Dutch and Belgian supervisory authorities with respect to Fortis. Fortis reports on a consolidated basis to this authority. On the basis of this criterion, the CBF acts as the co-ordinating authority. Each country in which Fortis has operations also has its own national body for the regulation and supervision of local activities. In addition, Fortis operations in the United States are supervised by the regulators in the states in which they operate.

The annual audit of the financial statements and the review of the interim financial statements of Fortis are done jointly by KPMG Accountants N.V. (Amstelveen) and PricewaterhouseCoopers Réviseurs d'Entreprises S.C.C.R.L. (Brussels).

Fortis Audit Services reports to the Audit Committee and issues an opinion regarding Fortis' internal control. All Fortis units have a compliance function. Annually, a consolidated report on compliance is drawn up and discussed with the Audit Committee.

7.8. EMPLOYEES

Set out below is an overview of the average numbers of Fortis employees in full time equivalent since 1998. The majority of the Fortis employees work in the Benelux and are attached to the banking activity.

1998	59,481
1999	61,109
2000	62,881

7.9. INCENTIVE SCHEMES FOR EMPLOYEES

As an additional incentive to its personnel, in the past few years Fortis has offered a number of stock option plans (including warrants and stock appreciation rights) on the ordinary shares in Fortis (B) and Fortis (NL). Prior to 1999, the plans were offered primarily to senior management and to the employees in the Netherlands, but in 1999 and 2000 the plans were extended and offered to employees in Belgium, the Netherlands, Luxembourg, United Kingdom, Spain and France. The Fortis option plans do not constitute part of the terms of employment and are decided upon by the Fortis Board of Directors on a yearly basis.

Fortis currently holds 1,582,402 Fortis (B) shares and 3,847,619 Fortis (NL) shares that could cover the potential obligations resulting from the incentive schemes mentioned below. It is currently foreseen that the incentive schemes for personnel will be amended in order to convert the underlying securities into the Fortis Share.

Grant Year	2001	2000	1999	1998	1997
Granted number of options	344,750	12,187,837	20,101,835	6,498,227	5,403,385
Outstanding as at 31 October 2001....	344,750	12,187,137	20,097,426	3,559,773	1,195,762
Average strike price (weighted).....	37.57	32.91	29.61	27.14	19.17
Exercise (earliest)	1 Jan 2005	24 May 2003	22 Sep 2002	1 Jul 1998	1 Jul 1997
Maturity (earliest).....	18 Apr 2007	24 May 2005	22 Sep 2004	1 Apr 2003	1 Jul 2002
Maturity (latest).....	18 Apr 2007	1 Oct 2007	31 Dec 2009	1 Jul 2003	20 Nov 2007

Up to and including the year 1998, ASR has annually given its employees the opportunity to subscribe to convertible bonds issued by ASR. At present, the conversion rights pertaining to all bonds issued can be exercised. The convertible bonds for ASR employees currently outstanding amounts to a total of EUR 299,939, that can be converted into 15,786 Fortis (NL) shares with an additional aggregate cash payment of EUR 19,476.28.

The total number of options on Fortis (NL) shares or Fortis (B) shares outstanding at the date of this Information Memorandum to the current members of the Fortis (NL) and Fortis (B) Boards of Directors is 208,750 (which includes the number of options held by the CEO). The total number of Fortis (NL) shares held by the current members of the Fortis (NL) and Fortis (B) Boards of Directors is 5,248.

The total number of options on Fortis (NL) and Fortis (B) shares outstanding at the date of this Information Memorandum to the current members of the Executive Committee is 437,996. The total numbers of Fortis (NL) shares held by the current members of the Executive Committee is 10,853. Other than loans secured by mortgages, which are granted within the scope of the regular conditions as applicable to employees, Fortis has currently no loans outstanding to any member of the Fortis (NL) or Fortis (B) Board of Directors or the Executive Committee, other than on commercial conditions.

The following table details the number of options granted to members of the Fortis Board and the Executive Committee.

Year granted	Director	Exercise price (EUR)	Expiry date	Total options granted	Outstanding as per 31 Oct 2001
1997	H. Bartelds, H. Hielkema:.....	19.97	2002	15,000	15,000
	M. Lippens, H. Verwilt, J. De Mey, K. De Boeck:.....	18.60	2007	61,200	61,200
	G. Mittler:	18.60	2007	10,350	10,350
1998	H. Bartelds, H. Hielkema, J. Feilzer:	27.57	2003	22,500	22,500
1999	H. Bartelds, H. Hielkema, J. Feilzer:.....	29.81	2004	22,500	22,500
	M. Lippens, H. Verwilt, G. Mittler, J. De Mey, K. De Boeck, F. Dierckx:.....	29.81	2006	45,000	45,000
	M. Lippens, H. Verwilt, G. Mittler, J. De Mey, K. De Boeck, F. Dierckx:.....	31.75	2009	45,900	45,900
	C. de Swart:	19.26	2004	37,298	37,298
2000	H. Bartelds, M. Lippens, A. van Rossum:	38.40	2006	76,350	76,350
	H. Hielkema, H. Verwilt:	38.40	2006	37,900	37,900
	J. Feilzer, G. Mittler:.....	38.40	2006	26,700	26,700
	J. De Mey, K. De Boeck, F. Dierckx:.....	38.40	2006	36,000	36,000
	C. de Swart:	17.47	2005	37,298	37,298
2001	A. van Rossum:.....	37.57	2007	38,000	38,000
	H. Verwilt:.....	37.57	2007	26,750	26,750
	K. de Boeck, J. de Mey, C. de Swart, F. Dierckx, G. Mittler, J. Feilzer:	37.57	2007	108,000	108,000
	Total for all years			<u>646,746</u>	<u>646,746</u>

7.10. DEVELOPMENT OF FORTIS SHARES

7.10.1. Fortis (B)

Since 4 January 1999, the Fortis (B) shares have been quoted in euros. The table below sets forth the reported quarterly high and low quotations for Fortis (B) shares each year since 1996 based on information provided by Bloomberg L.P. Data have been adjusted to reflect all stock splits.

On 31 October 2001, the Fortis (B) shares represented 20.40% of the total weight of the BEL20-Index of Euronext Brussels, based on its market price on such date of EUR 26.20. The Fortis (B) share was also traded on the stock exchanges of Luxembourg and London.

	Fortis (B) Shares Listed on Euronext Brussels		
	High ⁽¹⁾ (EUR)	Low ⁽¹⁾ (EUR)	Trading Volume ^(1,2) (Millions of Shares)
1996			
First quarter.....	10.74	9.72	23.6
Second quarter.....	12.17	10.25	16.7
Third quarter.....	12.42	10.82	14.2
Fourth quarter.....	14.30	11.91	13.6
1997			
First quarter.....	17.90	13.61	22.6
Second quarter.....	20.46	15.98	17.7
Third quarter.....	22.89	18.81	20.3
Fourth quarter.....	22.03	17.35	26.6
1998			
First quarter.....	31.47	21.46	26.7
Second quarter.....	31.33	23.80	77.2
Third quarter.....	32.91	23.22	74.8
Fourth quarter.....	34.64	19.39	84.8
1999			
First quarter.....	38.99	31.01	71.8
Second quarter.....	34.61	28.91	60.0
Third quarter.....	33.73	27.05	62.2
Fourth quarter.....	36.00	29.50	74.8
2000			
First quarter.....	36.30	24.71	98.4
Second quarter.....	31.50	26.00	76.4
Third quarter.....	36.29	29.75	71.3
Fourth quarter.....	36.82	32.05	73.8
2001			
First quarter.....	36.19	25.52	100.8
Second quarter.....	30.81	27.01	79.0
Third quarter.....	31.25	20.26	95.3

(1) Information provided by Bloomberg L.P.

(2) Includes purchases only; the trading volumes are not comparable with the trading volumes of Fortis (NL) Shares.

7.10.2. Fortis (NL)

Since 4 January 1999, the depository receipts are quoted in euros. Since 11 January 1999 Fortis (NL) shares are denominated in euros.

As at 31 October 2001, the Fortis (NL) shares represented 3.77% of the total weight of the AEX-index of Euronext Amsterdam, based on its market price on such date of EUR 26.30. The table below sets forth the reported quarterly high and low quotations for the Fortis (NL) shares each year since 1996 based on information provided by Bloomberg L.P. Data have been adjusted to reflect all stock splits.

	Fortis (NL) Shares Listed on Euronext Amsterdam		
	High ⁽¹⁾	Low ⁽¹⁾	Trading Volume ^(1,2)
	(EUR)	(EUR)	(Millions of Shares)
1996			
First quarter	10.60	9.30	105.0
Second quarter	12.43	10.57	81.5
Third quarter	12.23	9.87	85.5
Fourth quarter	13.82	11.37	89.4
1997			
First quarter	17.99	13.34	112.4
Second quarter	19.90	14.29	98.0
Third quarter	22.87	17.72	106.9
Fourth quarter	20.65	16.00	88.6
1998			
First quarter	29.70	20.01	119.0
Second quarter	30.15	24.64	148.6
Third quarter	34.49	23.76	161.6
Fourth quarter	35.67	18.60	184.4
1999			
First quarter	39.75	31.05	176.7
Second quarter	35.95	29.70	151.5
Third quarter	33.50	26.30	213.8
Fourth quarter	35.89	29.13	187.1
2000			
First quarter	36.10	24.60	232.5
Second quarter	31.60	25.98	243.7
Third quarter	36.59	29.82	289.7
Fourth quarter	37.00	32.00	302.6
2001			
First quarter	36.10	25.48	323.3
Second quarter	30.73	26.94	280.4
Third quarter	31.24	20.85	362.0

(1) Information provided by Bloomberg L.P.

(2) Aggregate of purchases and sales; the trading volumes are not comparable with the trading volumes of Fortis (B) Shares.

7.10.3 Development of share prices from 1 January 1996



Source: FactSet as of 31 Oct 01

7.11. DIVIDEND POLICY

7.11.1. General

The current dividend policy of Fortis is, in principle, to pay out between 40% and 45% of Fortis' combined net profit to the shareholders.

The payment and the amount of dividends depend, however, on Fortis' operational results, financial condition, cash requirements, future prospects and other relevant factors. Both Parent Companies fully depend for the dividend payment to their shareholders on the cash dividends from the Fortis operating subsidiaries.

It is intended that the current dividend policy will be maintained within the scope of the Fortis Share.

Both Parent Companies are subject to legal restrictions on the amount of dividends they can pay to their shareholders. The Dutch Civil Code provides that dividends can only be paid by limited liability companies up to an amount equal to the excess of a company's shareholders' equity over the sum of (i) paid up capital and (ii) shareholders' reserves required by law or the company's articles of association. The Belgian Companies Code provides that dividends can only be paid up to an amount equal to the excess of a company's shareholders' equity over the sum of (i) paid up or called up capital and (ii) reserves not available for distribution pursuant to law or the articles of association.

7.11.2. Dividend Election

See section 4.4. with respect to the Dividend Election mechanism.

7.12. KEY FIGURES

Key figures (in EUR million)	First half-year 2001	2000	1999
Fortis			
Result before taxation	2,369	4,135	3,392
Net profit	1,538.0	2,768	2,316
Non-recurrent income	310	413	353
Net operating profit	1,848.4	2,355	1,963
Net equity	14,740	15,197	13,508
Total assets	476,215	438,083	406,109
Total assets under management	314,758	313,846	278,207
Return on equity	19.7%	20.0%	18.7%
Insurance			
Gross Premium income	11,999	15,784	12,527
Result before taxation	943	2,029	1,624
Net profit	991	1,484	1,289
Non-recurrent income	310	219	353
Net operating profit	680	1,265	936
Banking			
Total revenue, net of interest expense	4,469	8,122	7,389
Result before taxation	1,490	2,332	1,942
Net profit	926	1,506	1,185
Non-recurrent income		194	
Net operating profit	926	1,312	1,185
Key figures per share (in EUR)	30 June 2001	2000	1999
Net operating profit	1.19	1.94	1.71
Net profit	1.43	2.28	2.02
Net profit after full conversion	1.40	2.23	1.98
Net equity	11.40	11.78	11.46
Dividend		0.88	0.76

7.13. LEGAL PROCEEDINGS

From time to time, Fortis becomes involved in ordinary, routine or regulatory legal proceedings incidental to the business of Fortis. As at the date of this Information Memorandum, there are no legal or arbitration proceedings that may have, or have recently had a significant effect on the financial position of the Parent Companies.

7.14. FINANCIAL OBJECTIVES AND PROSPECTS

In order to expand its business, Fortis may make strategic acquisitions or enter into business combinations, joint ventures or other strategic partnership arrangements with other companies. Any such transaction (particularly an acquisition or similar business combination) may involve the payment of consideration in the form of cash, shares or other securities, or a combination of both. Fortis has had, and expects to continue to have, discussions with numerous third parties regarding potential strategic alliances. As of the date of this Information Memorandum, Fortis has not entered into any definitive agreement for an acquisition or other business combination.

In its Annual Review 2000 dated 22 March 2001, Fortis made the following statements:

“Fortis constantly endeavours to improve the quality and consistency of its results. In order to provide greater insight into the trend of the results, net operating profit will henceforth be considered the criterion. Net operating profit equals net profit including recurrent capital gains after adjustment for non-recurrent elements. The new growth target for net operating profit per share is a minimum of 12%. For return on

equity, Fortis is now targeting at least 15%. Unless the economic climate deteriorates further, Fortis will achieve its new financial targets in 2001. Non-recurrent income in 2001 could nearly match that in 2000”.

In its press release dated 27 August 2001, Fortis reconfirmed that “If the economic environment does not deteriorate further, it will achieve its financial target of a 12% increase in net operating profit per share. As non-operating items will reach the 2000 level, the increase in net profit per share will consequently amount to at least 9%. The target for the return on equity of at least 15% will be achieved.”

After the terrorist attacks on the U.S. on 11 September 2001, Fortis issued on 19 September 2001 the following statement:

“Fortis has a deep feeling of compassion for all victims of the terrorist attacks in the U.S.A. and their families. Thankfully all our colleagues in the United States are safe and the New York offices of Fortis, Inc. will reopen in the course of this week. The terrible events of last week have had a negative impact on the financial markets and may have longer lasting consequences for the economy. The real and longer impact of these events is impossible to assess as of today. However, the direct effect on our US operations, from policies related to these events and a lower US dollar/EUR exchange rate, is limited to less than EUR 20 million.”

On 22 November 2001, Fortis will issue a press release regarding the 2001 third quarter results.

8. Information concerning the capital structure of the issuers

8.1. FORTIS (B) AND FORTIS (NL) BEFORE THE UNIFICATION

8.1.1. Capital structure and main shareholders of Fortis (B)

Fortis (B) (formerly Fortis AG SA/NV, formerly AG Group) is a public company with limited liability incorporated in the form of a *société anonyme/naamloze vennootschap* under Belgian law. Fortis (B) was established on 14 July 1824 and its registered office is located in 1000 Brussels, Rue Royale/Koningsstraat 20, Belgium. The company is registered with the Brussels Trade Register under number 1811.

On 16 July 2001, Fortis (B) held 56.94% of the economic interests in the Fortis group through its participations in both Fortis SA/NV (which controlled the vast majority of the group's banking interests) and Fortis NV (which controlled the vast majority of the group's insurance interests) and controls 50% of the voting rights in such companies on the basis of an agreement with Fortis (NL).

On 16 July 2001, the share capital of Fortis (B) amounted to EUR 294,619,190.40 (fully paid up) and was represented by 736,547,976 ordinary shares, without indication of nominal value. Shares are in either bearer or registered form.

The Fortis (B) Board of Directors is authorised to increase Fortis (B)'s capital, in one or more transactions, for up to a maximum amount of EUR 50,000,000. This authorisation is granted to the Fortis (B) Board of Directors through to 30 December 2003. This authorisation has been used by the Fortis (B) Board of Directors for a total amount of EUR 6,434,343.75, bringing the authorised capital to EUR 43,565,656.25 currently.

Main shareholders

The following holdings in the share capital (the percentages also indicate the voting interest) of Fortis (B) are known to Fortis as at 8 October 2001. No assurance can be given that the information provided is accurate as at the date of this Information Memorandum.

	% of total shares outstanding
Société Générale de Belgique.....	19.6
Fortales	4.9
Swiss Reinsurance Company.....	1.9
Caixa Holding SA.....	1.5
Mutuelle Solvay	1.4
Asahi.....	0.5

8.1.2. Capital structure and main shareholders of Fortis (NL)

Fortis (NL) (formerly Fortis AMEV N.V., and before that N.V. AMEV) was incorporated on 15 January 1920 as a public limited with liability company. Fortis (NL) has its corporate seat in Utrecht, the Netherlands, with its head office at 3584 BA Utrecht, Archimedeslaan 6, the Netherlands, and is registered under number 30000846 with the Trade Register at the Chamber of Commerce of Utrecht, the Netherlands.

On 16 July 2001, Fortis (NL) held 43.06% of the economic interests in the Fortis group through its participations in both Fortis SA/NV (which controlled the vast majority of the group's banking interests) and Fortis NV (which controlled the vast majority of the group's insurance interests) and controls 50% of the voting rights in such companies on the basis of an agreement with Fortis (B).

On the date hereof, the authorised share capital of Fortis (NL) amounts to EUR 528,000,000.48 and is divided into 850 million ordinary shares with a nominal value of EUR 0.24 each, 1,100 million cumulative preference shares A with a nominal value of EUR 0.24 each, 250 million cumulative preference shares B with a nominal value of EUR 0.24 each and two priority shares with a nominal value of EUR 0.24 each. The cumulative preference shares A, the cumulative preference shares B and the priority shares will only be in

registered form. The ordinary shares may be held, at the option of the shareholder, in bearer or registered form.

On 16 July 2001, 557,017,683 (excluding the 3,540,389 Fortis (NL) shares held by Fortis (NL)) ordinary shares were issued and outstanding. All issued and outstanding ordinary shares are fully paid up.

Cumulative preference shares A

No cumulative preference shares A are outstanding. However, Fortis (NL) has granted an option to Stichting Continuïteit Fortis (NL) enabling it to acquire up to such number of cumulative preference shares A of Fortis (NL) (which have the same voting rights as ordinary shares), as shall, following the exercise of the option, result in the nominal amount of the cumulative preference share A capital subscribed by the Stichting Continuïteit Fortis (NL) to be equal to the nominal amount of the remaining issued share capital of Fortis (NL).

The arrangement entered into with Stichting Continuïteit Fortis (NL) is intended to safeguard the continuity, independence and identity of Fortis (NL), for the benefit of all interested parties, including shareholders and employees. The exercise price of the option is EUR 0.24 per cumulative preference share A, being its nominal value, although upon exercise only 25% of the nominal value is required to be paid. The additional 75% of the nominal value per cumulative preference share A will not be required to be paid by Stichting Continuïteit Fortis (NL) until a call for payment is made by Fortis (NL) by resolution of the Fortis (NL) Board of Directors.

Stichting Continuïteit Fortis (NL) is an independent legal entity. Its purpose is to provide a protective measure against unfriendly take-over bids. The board of Stichting Continuïteit Fortis (NL) is composed of one A member and one B member, who are related to Fortis, and two A and two B members who are not related to Fortis, in each case within the meaning of Appendix X to the Listing and Issuing Rules of Euronext Amsterdam.

Each transfer of cumulative preference shares A requires the approval of the Fortis (NL) Board of Directors. If any cumulative preference shares A are issued, a general meeting of shareholders of Fortis (NL) shall be convened which shall be held no later than two years after the date on which cumulative preference shares A were first issued. A resolution concerning the purchase or cancellations, as the case may be, of the cumulative preference shares A shall be put on the agenda of such meeting. If the adopted resolution on this agenda item is not a resolution for the purchase or cancellation, as the case may be, of the cumulative preference shares A, a general meeting of shareholders will be convened and held each time within two years of the previous meeting. At such meeting a resolution concerning the purchase or cancellation, as the case may be, of the cumulative preference shares A will be put on the agenda, until there are no cumulative preference shares A outstanding.

Cumulative preference shares B

No cumulative preference shares B are outstanding. Cumulative preference shares B must be fully paid up upon issue. Each transfer of cumulative preference shares B requires the approval of the Fortis (NL) Board of Directors. Cumulative preference shares B may be issued by Fortis (NL) for financing purposes only.

Priority Shares

Two priority shares have been issued to and are held by Stichting Prioriteit Fortis. These two priority shares will be transferred by Stichting Prioriteit Fortis to Fortis (NL) in the context of the Unification and will cease to exist by operation of law as a consequence of the legal merger between Fortis (NL) and Fortis NV.

Main shareholders

The following holdings in the share capital (the percentages also indicate the voting interest) of Fortis (NL) are known to Fortis as at 8 October 2001 (unless indicated otherwise). No assurance can be given that the information provided is accurate as at the date of this Information Memorandum.

	% of total shares outstanding
Stichting VSB Fonds.....	13.11
ING Groep (reported 16 October 2000)	6.71
Münchener Rückversicherungs-Gesellschaft (reported 19 December 2000)	5.30
Stichting VSB Fonds Den Haag e.o	3.50
Stichting VSB Fonds Barneveld e.o	0.11
Stichting VSB Fonds Bolsward/Dronrijp	0.10
Stichting VSB Fonds Woerden	0.10
Stichting VSB Fonds Westland.....	0.01

8.2. FORTIS SA/NV AND FORTIS NV AFTER THE UNIFICATION

8.2.1. Capital structure of Fortis SA/NV

Fortis SA/NV (formerly Fortis Belgium, formerly Fortis Capital Holding) is a public company with limited liability incorporated in the form of a *société anonyme/naamloze vennootschap* under Belgian law. Fortis SA/NV was incorporated on 16 November 1993 and its registered office is at 1000 Brussels, Rue Royale/Koningsstraat 20, Belgium. The company is registered with the Brussels Trade Register under number 577615.

Subject to the necessary approvals by the Extraordinary General Meetings in the context of the Unification, the company's capital will be set at EUR 5,541,595,618 and will be fully paid up. The company's capital will be represented by 1,293,565,659 twinned shares, without indication of nominal value.

Subject to the amendment of the company's articles of association by the Extraordinary General Meeting, the Fortis SA/NV Board of Directors will be authorised, for a period of three years as from the date of the Extraordinary General Meeting, to increase the company's capital, in one or more operations, up to a maximum amount of EUR 50,000,000.

After the Unification, Fortis SA/NV will hold 50% of both Fortis Brussels (controlling the vast majority of the group's banking interests) and Fortis Utrecht (controlling the vast majority of the group's insurance interests).

8.2.2. Capital structure of Fortis NV

Fortis NV is a public company incorporated in the form of a *naamloze vennootschap* under Dutch law. Fortis NV was incorporated on 19 April 1984 as a public limited liability company. Fortis NV has its corporate seat in Utrecht, the Netherlands, with its head office at 3584 BA Utrecht, Archimedeslaan 6, the Netherlands, and is registered with the Trade Register at the Chamber of Commerce of Utrecht under number 30072145.

Subject to the necessary approvals by the Extraordinary General Meetings in the context of the Unification, the company's authorised share capital shall amount to EUR 1,470,000,000 divided into (i) 1,750,000,000 cumulative preference shares A, each with a nominal value of EUR 0.42, (ii) 250,000,000 cumulative preference shares B, each with a nominal value of EUR 0.42, and (iii) 1,500,000,000 ordinary twinned shares, each with a nominal value of EUR 0.42.

Subject to the necessary decisions by the Extraordinary General Meetings, 1,293,565,659 twinned shares are issued and outstanding. All issued and outstanding twinned shares are fully paid up. No cumulative preference shares A, cumulative preference shares B are outstanding.

After the Unification, Fortis NV will hold 50% of both Fortis Brussels (controlling the vast majority of the group's banking interests) and Fortis Utrecht (controlling the vast majority of the group's insurance interests).

After the Unification the name of the Stichting Continuïteit Fortis (NL) will be Stichting Continuïteit Fortis. Stichting Continuïteit Fortis will have an option enabling it to acquire cumulative preference shares of Fortis NV similar to the above described option that Stichting Continuïteit Fortis (NL) currently has vis-à-vis Fortis (NL), with an exercise price of EUR 0.42 per cumulative preference share A of Fortis NV, being its nominal value. Stichting Continuïteit Fortis will enter into an agreement with Fortis NV by which it will undertake to exercise the option under certain circumstances.

8.2.3. Main shareholders known to Fortis after Unification

The main shareholders known to Fortis after Unification are the following and the percentages have been based on a total number of 1,293,565,659 Fortis Shares and on the percentages of holdings mentioned in 8.1.1. and 8.1.2.

	% of total Fortis Shares outstanding
Société Générale de Belgique	11.2
VSF Stichtingen*	7.5
Fortales	2.8
ING Groep	2.7
Münchener Rückversicherungs-Gesellschaft	2.3
Swiss Reinsurance Company	1.0
Caixa Holding SA	0.9
Mutuelle Solvay	0.8
Asahi	0.3

* Comprising Stichting VSB Fonds, Stichting VSB Fonds Den Haag e.o., Stichting VSB Fonds Barneveld e.o., Stichting VSB Fonds Bolsward/Dronrijp, Stichting VSB Fonds Woerden and Stichting VSB Fonds Westland.

9. Fairness opinions

The following is the text of the fairness opinions delivered by J.P. Morgan plc and UBS Warburg Ltd. to the Boards of Directors of Fortis (B) and Fortis (NL) respectively dated 26 September 2001 and 24 September 2001 respectively.

9.1. FAIRNESS OPINION TO THE BOARD OF DIRECTORS OF FORTIS (B)

London, September 26, 2001

The Board of Directors
Fortis (B)
Rue Royale 20
1000 Brussels

Ladies and Gentlemen:

You have requested that J.P. Morgan plc (“JP Morgan”) provide an opinion to the Board of Directors of Fortis (B) (the “Company”), as to the fairness, from a financial point of view, to the shareholders of the Company as a whole of the Exchange Ratio (as defined below) agreed between the Company and Fortis (NL) NV (the “Counterparty” and together with the Company, the “Parties”), with respect to the proposed transaction to be implemented by the Parties (the “Transaction”) pursuant to the description of the transaction structure provided to us by the Company and its representatives dated September 17th and as described in the prospectus chapter 3, paragraph 3.3.

Under the terms of the prospectus, the Company will enter into a series of interconnected and inter-conditional transactions with the Counterparty and its shareholders, whereby the shares of Fortis SA/NV and Fortis NV will be “twinned” and will effectively trade as a single security (the “New Fortis Share”). Each ordinary share of the Company will be converted into 1 twinned share of Fortis SA/NV and Fortis NV (the “Exchange Ratio”).

A simplified summary of the steps required to implement the Transaction is set out below:

1. Fortis SA/NV contributes all its assets and liabilities to a new Belgian Subco and Fortis NV transfers all its assets and liabilities to a new Dutch Subco;
2. Each Fortis SA/NV share is stapled with one Fortis NV share. Articles of Association of both companies are amended accordingly;
3. Fortis (B) sells to Fortis (NL) NV part of its shareholding in Fortis NV; Fortis (NL) NV sells to Fortis (B) its entire shareholding in Fortis SA/NV;
4. Fortis (B) contributes the remainder of its shareholding in Fortis NV to Fortis (NL) NV in remuneration for newly issued shares of Fortis (NL) NV whose value exactly equals the contributed value. Following the first contribution, Fortis (NL) NV issues new shares at EUR 0.24 each (nominal value of Fortis (NL) NV shares). The issue is fully subscribed by Fortis (B). Fortis (B) compensates the Fortis (NL) NV shareholders for the advantage of the low issue price by distributing a right on one Fortis SA/NV share per Fortis (NL) NV share held. This right will be settled at the end of the process by the effective distribution of the Fortis SA/NV shares as stapled with Fortis NV;
5. Fortis (B) is absorbed by Fortis SA/NV, each Fortis (B) share giving right to one Fortis SA/NV share. Similarly, Fortis (NL) NV is absorbed by Fortis NV, each Fortis (NL) NV share giving right to one Fortis NV share.

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6. Fortis SA/NV reduces its capital by distributing its holding in Fortis NV shares (see step 4) only to the benefit of the former shareholders of Fortis (B), each Fortis SA/NV share giving right to one Fortis NV share to be stapled with Fortis SA/NV;
 7. In order to share their ownership in the new Subco's, Fortis SA/NV will sell to Fortis NV a number of Belgian Subco's shares which will represent its share in the value of the New Fortis Share and will purchase from Fortis NV a proportionate number of Dutch Subco's shares;
 8. The payable and receivable at the Topcos created at step 3 and 4 will be mechanically settled through the step 7.

Please be advised that while certain provisions of the Transaction are summarised above, the terms of the Transaction be more fully described in the prospectus. As a result, the description of the Transaction and certain other information contained herein is qualified in its entirety by reference to the prospectus.

In arriving at our opinion, we have reviewed (i) the description of the transaction structure, the new draft of the financial rule book including a memorandum on the impact of the Transaction on the equity linked instruments of Fortis, the new draft of articles of association of the two Topcos and Subcos including the amendment to the governing agreement, the draft prospectus to shareholders dated September 12th and the draft merger proposals dated September 17th provided to us by the Company and its representatives; (ii) the draft legal opinion on the legal validity of the unification by Dieux & Associés dated September 18th as far as Belgian Law is concerned, the draft legal opinion on the legal validity of the unification by Stibbe dated September 20th as far as Dutch Law is concerned; (iii) the draft tax opinion on the tax validity of the unification by De Bandt, Van Hecke, Loesch & Wolter dated September 17th as far as Belgian Law is concerned; (iv) the draft tax opinion on the tax validity of the unification by KPMG Meijburg & Co. dated September 18th as far as Dutch Law is concerned; (v) the opinion of external auditors of the Parties, namely KPMG for Dutch accounting aspects and PWC for Belgian accounting aspects, on the accounting impact on the consolidated accounts of Fortis dated September 20th; (vi) the audited consolidated and unconsolidated financial statements of the Parties for the fiscal year ended December 31 2000 and for the first half 2001, (vii) certain internal financial analyses and forecasts prepared by the Company and its management, (viii) the various legal and tax rulings requested by the Parties in relation with the transaction, (ix) the letter of comfort from Euronext Brussels and Amsterdam on the practicality of the instrument, the index reweighting and ability to handle the dividend election process, (x) documentation in relation to discussions between Fortis, its financial advisors and certain international equity index providers concerning possible inclusion and/or reweighting of the New Fortis Share in such indices; (xi) the letter from the Commission Bancaire and Financière on the accounting treatment of the Transaction dated September 12th; (xii) the memorandum from Fortis Legal and tax summarising the survey of D.F. King on the proportion of U.S. shareholders in Fortis dated September 12th.

In addition, we have held discussions with certain members of the management of the Company and the Counterparty, with respect to the effects of the Transaction on the financial condition and future prospects of the Company and the Counterparty, and certain other matters we believed necessary or appropriate to our inquiry.

In performing such analysis, we have used such methodologies as we have deemed necessary or appropriate for the purposes of this opinion. Our view is based on (i) our consideration of the information the Parties and their respective representatives and advisors have provided to us to date, (ii) our understanding of the terms upon which the Company and the Counterparty intend to consummate the Transaction, including, without limitation, those with respect to governance and control of the Parties after consummation of the Transaction, (iii) the currently contemplated capital structure and the anticipated credit standing of the Parties and its subsidiaries upon consummation of the Transaction, and (iv) the assumption that the Transaction will be consummated within the time periods contemplated by the prospectus.

In giving our opinion, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was publicly available or was furnished to us by the Company and the Counterparty and their respective representatives and advisors or otherwise reviewed by us. We have assumed that all the steps required to implement the Transaction are to be interconnected and, accordingly, dependent and conditional on each other. We have not verified the accuracy or completeness of any such information

and we have not conducted any evaluation or appraisal of any assets or liabilities, nor have any such valuations or appraisals been provided to us. We have also assumed that the Transaction will have the tax consequences for the Company, the Counterparty and the Company's shareholders taken as a whole described in the discussions with and materials provided to us by representatives and advisors of the Parties. In particular, we have assumed that the Transaction will be accounted for under generally Fortis Belgian and Dutch accepted accounting principles. We have relied as to all legal matters relevant to rendering our opinion upon the advice of counsel, namely Dieux & Associés, as far as Belgian Law is concerned, by Stibbe as far as Dutch Law is concerned and by De Bandt, Van Hecke, Loesch & Wolter and KPMG Meijburg & Co. for tax matters.

We are expressing no opinion on the likelihood that the Transaction will be successfully consummated or consummated within the timeframe currently envisaged by the Company and the Counterparty. We express no opinion as to the possible tax consequences of the Transaction for the shareholders of the Company and the Counterparty and, in forming our opinion, have not taken into account any tax matter other than the tax consequences for the Company described in the discussions with and materials provided to us by representatives and advisors of the Company. Accordingly, it may be advisable for shareholders of the Company to consult their own legal and tax advisors to determine the effect of the Transaction on their individual shareholdings of the Company.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion.

We are expressing no opinion herein as to the price at which any securities of either of the Parties will trade at any time. Other factors after the date hereof may affect the value of the businesses of the Parties either before or after consummation of the Transaction, including but not limited to (i) the total or partial disposition of the equity securities of the Company or the Counterparty by their respective shareholders within a short period of time after the effective date of the Transaction, (ii) changes in prevailing interest rates and other factors which generally influence the price of securities, (iii) adverse changes in the current capital markets, (iv) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of the Parties, (v) any actions taken or restrictions imposed by any governmental agencies or regulatory authorities, and (vi) timely execution of all necessary agreements to complete the Transaction on terms and conditions that are acceptable to all parties at interest. No opinion is expressed whether any alternative transaction might be more beneficial to the Company.

JP Morgan has assumed, for the purposes of giving this opinion that the terms of the Transaction are the most beneficial terms from the Company's perspective that could under the circumstances be negotiated by the Company.

We have acted as financial advisor to the Company with respect to the proposed Transaction and will receive a fee from the Company for our services. Please be advised that we have had and continue to have significant and on-going financial advisory and other relationships with the Company, and the Counterparty. JP Morgan acted among other mandates, as financial advisors to the Parties for the acquisition of the remaining stake of Banque Générale du Luxembourg in January 2000, as financial advisor to the Company for the acquisition of Generale Bank, as financial advisor of the Company for the acquisition of ASLK/CGER. We have not verified and assume no responsibility for the contents of the Shareholder Circular. In the ordinary course of their businesses, affiliates of JP Morgan may actively trade in the debt and equity securities of the Parties and their respective affiliates, for their own accounts, or for the accounts of customers, and accordingly, may at any time hold a long or short position in such securities.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Exchange Ratio in the proposed Transaction is fair, from a financial point of view, to the shareholders of the Company as a whole.

This letter is provided solely for the benefit of the Board of Directors of the Company in connection with, and for the purposes of, their evaluation of the Transaction, and is not on behalf of, and shall not confer rights or remedies upon, any shareholder of the Company, the Counterparty, or any other person other than the

members of the Board of Directors of the Company or be used for any other purpose. This opinion may not be used or relied upon by, or disclosed, referred to or communicated by you (in whole or in part) to any third party for any purpose whatsoever except with our prior written consent in each instance. This opinion may be reproduced in full in any proxy or information statement mailed to shareholders of the Company but may not otherwise be disclosed publicly in any manner without our prior written approval and must be treated as confidential.

The provision of this letter shall be governed by, and the terms of this letter construed in accordance with, English law.

Very truly yours,

J.P. MORGAN plc

9.2. FAIRNESS OPINION TO THE BOARD OF DIRECTORS OF FORTIS (NL)

24 September 2001

The Board of Directors
Fortis (NL) NV
Archimedeslaan 6
3584 BA Utrecht
The Netherlands

Dear Sirs,

You have requested UBS Warburg to provide you with an opinion as to the fairness to the shareholders of Fortis (NL) NV as a whole from a financial point of view of the Exchange Ratio (as defined below) agreed between Fortis (NL) NV and Fortis (B).

In this letter “UBS Warburg” means UBS Warburg Ltd., the “Company” means Fortis (NL) NV, and “Fortis” means Fortis (NL) NV and Fortis (B) taken together with their respective subsidiaries and affiliates.

This request is made in connection with the proposed unification (the “Unification”) of the existing listed ordinary shares of the Company and Fortis (B) into single units (each a “New Fortis Share”). It is envisaged that the Company, Fortis (B) and certain of their subsidiaries will undertake a series of interconditional and interconnected steps such that each Fortis (B) shareholder and each shareholder of the Company shall receive one New Fortis Share for every existing ordinary share held in either entity (the “Exchange Ratio”). Each New Fortis Share will each represent one Fortis SA/NV share twinned with one Fortis NV share, and will be the only listed and tradable ordinary share of Fortis. The terms and conditions of the Unification are more fully set out in section 3 of the Prospectus (as defined below).

In determining our opinion, we have used such methodologies as we have deemed necessary or appropriate for the purposes of this opinion, including having:

- (i) reviewed certain aspects of the proposed Unification on the Company and the shareholders of the Company as a whole. Accordingly, we have not taken into account the consequences of the Unification or the implementation or terms of the New Fortis Share on the specific position (whether legal, tax, regulatory or otherwise) of any individual shareholder or particular category of shareholders. With respect to the tax aspects of the Unification, in forming our opinion we have only taken into account the tax consequences on the Company described in the discussions with and materials provided to us by the representatives and advisers of Fortis and, accordingly, express no opinion as to the possible tax consequences of the Unification on the shareholders of the Company (whether as a whole, as individuals or as particular categories of shareholders). Such consequences, if any, may vary from shareholder to shareholder and from jurisdiction to jurisdiction. Accordingly, it may be advisable for individual shareholders of the Company to consult their own legal and tax advisers to determine the effect of the Unification on their specific shareholdings in the Company; and
- (ii) compared the economic rights attributable to the ordinary shares of the Company prior to the Unification and the economic rights attributable to the New Fortis Share after Unification in terms of dividends, and liquidation rights.

In determining our opinion, we have:

- (i) reviewed certain publicly available financial statements and other information on the Company and Fortis (B)
- (ii) reviewed draft proof 8 of the prospectus to shareholders dated 12 September 2001 (the “Prospectus”)

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- (iii) reviewed the draft merger proposal of Fortis (NL) NV and Fortis NV and the draft explanatory memorandum to the merger proposal of Fortis (NL) NV and Fortis NV both dated 17 September 2001 and to be approved by the Board of Directors of the Company
 - (iv) reviewed a comfort letter dated 24 September 2001 prepared by Fortis' auditors concerning the impact of the implementation of the New Fortis Share on the consolidated accounts of, and under the accounting principles applied by, Fortis
 - (v) reviewed the Company's Articles of association, the Fortis (B) Articles of association, the current Fortis SA/NV and Fortis NV Articles of association, the draft of the new Fortis SA/NV Articles of association dated 17 September 2001 and the draft list of amendments to the Fortis NV Articles of association dated 10 September 2001
 - (vi) reviewed certain advice of the tax and legal advisers to the Company as to the tax and legal implications of the proposed Unification and the implementation of the New Fortis Share on the Company, in particular the draft tax opinion from KPMG dated 17 September 2001, the draft legal opinion from Stibbe dated 20 September 2001, the draft tax opinion from De Bandt dated 17 September 2001 and the draft legal opinion from Dieux & Partners dated 18 September 2001
 - (vii) reviewed publicly available information and information provided by Fortis regarding the Company's shareholder base
 - (viii) reviewed certain documents (including tax rulings) relating to discussions between Fortis and the relevant tax authorities with respect to the tax impact on Fortis of the Unification
 - (ix) reviewed correspondence between Fortis and Euronext (including comfort letters received from Euronext) relating to the listing, trading, clearing and settlement of the New Fortis Share in Amsterdam and Brussels and the inclusion of the New Fortis Share in certain Euronext equity indices
 - (x) reviewed documentation in relation to certain discussions between Fortis, its financial advisers and certain international equity index providers concerning the possible inclusion of the New Fortis Share in such indices
 - (xi) participated in certain discussions with members of the management of Fortis to discuss certain aspects and review the benefits perceived to result from the Unification, in particular the potential benefits in terms of market liquidity and inclusion in various equity indices
 - (xii) participated in certain discussions with members of the management of Fortis and Euronext to discuss the proposed listing, trading, clearing and settlement of the New Fortis Share, including discussions in relation to the proposal of depositing the New Fortis Shares with the *Caisse Interprofessionnelle de Dépôts et de Virements de Titres (CIK) S.A.*, and the attribution of a Belgian ISIN prefix to the New Fortis Share
 - (xiii) conducted such other financial analysis and investigations and considered such other matters as we have deemed necessary or appropriate for the purposes of this opinion.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or was furnished to us by Fortis and their representatives and advisers, or otherwise reviewed by us for the purposes of this opinion, and we have not assumed and we do not assume any responsibility or liability therefor. We have not made any independent valuation of the assets and liabilities of Fortis (including the Company and Fortis (B) or any subsidiary or affiliate thereof). Our opinion is based on the economic, regulatory, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or reaffirm.

In relation to tax, legal, regulatory, accounting and other non-financial aspects of the Unification which are relevant to our opinion, we have relied upon discussions with and materials provided to us by the various

representatives and relevant advisers of Fortis and, accordingly, have assumed that the Unification will have the impact upon the Company specified in such discussions or materials.

We have assumed that the Unification will be consummated in accordance with the terms and the timetable set forth in the Prospectus and that in particular, all transactions involved in the Unification are to be interconnected and, accordingly, dependent and conditional on each other.

We have relied on the management of the Company as to the strategic rationale and the perceived benefits of the Unification. Our opinion does not address the Company's underlying decision to proceed with the Unification nor does it constitute a recommendation to any shareholder to vote in favour of the Unification (in either case taking the Unification by itself or when comparing it to other alternative transactions or structures) or any opinion as to the likelihood of the consummation of the Unification. We have not verified and assume no responsibility for the contents of the Prospectus. We express no opinion as to the prices at which the New Fortis Share may trade in the future.

Based on the foregoing, it is our opinion, as of the date hereof, that the Exchange Ratio is fair to the shareholders of the Company as a whole from a financial point of view.

UBS Warburg, as part of its investment banking business, is engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, issues of securities and other purposes.

UBS Warburg is acting as one of the financial advisers to Fortis in connection with the Unification and is providing other investment banking services and is receiving a fee for these services. From time to time, UBS AG and its affiliates may have maintained or may continue to maintain banking relationships with Fortis for their own account or for the account of customers, and accordingly they may at any time hold long or short positions in Fortis' securities.

This letter and the opinion is provided solely for the benefit of the Board of Directors of the Company in connection with and for the purposes of their consideration of the Unification and is not on behalf of, and shall not confer rights or remedies upon and does not constitute a recommendation by UBS Warburg to, any holder of securities of the Company, Fortis (B) or any other person other than the Board of Directors of the Company. This letter is strictly confidential and may not be used for any other purpose, or reproduced (other than for the Board of Directors and its advisers), disseminated, quoted or publicly referred to at any time and in any manner without our prior written consent, save that it may be reproduced in its entirety in the Prospectus. This letter is not addressed to and may not be relied upon by any third party for any purpose whatsoever.

The provision of this letter shall be governed by and the terms of this letter shall be construed in accordance with English law.

Yours faithfully,

UBS Warburg Ltd.

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Financial information

The consolidated financial information of Fortis for the years 2000, 1999 and 1998 set forth below has been derived from the consolidated annual accounts of Fortis for the year 2000. The 2000 annual accounts, including the notes set forth therein, and the annual review 2000 are incorporated by reference into this Information Memorandum.

The Fortis' annual accounts have been jointly audited by KPMG Accountants N.V. (Amstelveen) and PricewaterhouseCoopers S.C.C.R.L./Bedrijfsrevisoren B.C.V.B.A. (Brussels).

In 1998 Fortis opted for consortium accounting following the seventh European directive. This implies a consolidation of Fortis and the two listed companies, Fortis (NL) and Fortis (B). Prior to 1998, Fortis (NL) and Fortis (B) were not consolidated into the Fortis figures. The consolidated annual accounts of Fortis for the year 1998 were compiled including the integration from 1 January 1998 of the effects of the acquisition of Generale Bank and of the equalisation ratio agreed between Fortis (B) and Fortis (NL).

Fortis included a cash flow statement for the first time in its 1999 annual accounts. For reasons of comparison, a cash flow statement was also included for 1998.

Also incorporated of this Information Memorandum by reference into this Information Memorandum are the unaudited figures for the 1st half of the year 2001 that were published by Fortis on 27 August 2001.

FORTIS CONSOLIDATED FINANCIAL INFORMATION AT YEAR END

FORTIS CONSOLIDATED BALANCE SHEETS AT YEAR END
(before appropriation of profit)
(In EUR million)

	<u>31-12-2000</u>	<u>31-12-1999</u>	<u>31-12-1998</u>
Assets			
Cash	6,110.3	3,660.4	3,674.8
Trading securities	13,362.9	9,898.8	7,111.5
Investments	134,203.0	127,382.0	115,096.3
Loans and advances to credit institutions	62,382.8	81,970.1	58,097.5
Loans and advances to customers	162,093.4	139,422.2	122,212.5
Reinsurers' share of technical provisions	4,943.6	4,231.7	2,106.5
Deferred acquisition costs	3,297.7	2,081.4	1,333.2
Prepayments and accrued income	17,037.9	13,156.7	10,883.4
Investments on behalf of policyholders	22,012.7	16,210.0	11,200.8
Other assets	12,638.4	8,096.0	8,545.0
Total assets	<u>438,082.7</u>	<u>406,109.3</u>	<u>340,261.5</u>
Liabilities, minority interests and net equity			
Liabilities:			
Amounts owed to credit institutions	94,174.3	116,991.9	81,113.6
Amounts owed to customers	145,752.0	134,963.4	125,164.5
Debt certificates	43,760.8	35,943.4	36,456.4
Technical provisions	56,130.2	44,612.7	37,055.0
Liability related to investments on behalf of policyholders	21,690.1	15,824.3	10,913.0
Accruals and deferred income	15,824.0	12,236.4	9,783.4
Other liabilities	31,865.0	19,522.3	18,804.9
Convertible notes	1,257.3	1,255.9	680.7
Subordinated liabilities	8,230.3	6,906.4	6,294.3
Total liabilities	<u>418,684.0</u>	<u>388,256.7</u>	<u>326,265.8</u>
Fund for general banking risks	2,042.9	1,861.2	1,706.8
Minority interests	2,159.0	2,483.5	1,025.6
Net equity:			
Capital	428.4	397.6	365.7
Share premium reserve	16,598.6	13,099.8	11,556.6
Revaluation reserve	2,794.0	3,932.9	3,331.4
Goodwill	(15,833.8)	(13,035.0)	(11,107.3)
Other reserves	11,209.6	9,112.6	7,116.9
Net equity	<u>15,196.8</u>	<u>13,507.9</u>	<u>11,263.3</u>
Group equity	<u>17,355.8</u>	<u>15,991.4</u>	<u>12,288.9</u>
Total liabilities, minority interests and net equity	<u>438,082.7</u>	<u>406,109.3</u>	<u>340,261.5</u>

FORTIS CONSOLIDATED PROFIT AND LOSS ACCOUNTS AT YEAR END
(In EUR million)

	2000	1999	1998
Revenues:			
Insurance premiums	15,783.7	12,526.6	9,980.9
Interest income	25,713.1	20,822.6	19,747.1
Commissions and fees	2,163.6	1,832.0	1,659.7
Results from financial transactions	738.2	3,084.6	2,789.3
Other revenues	3,028.9	2,665.7	1,943.0
Total revenues	47,427.5	40,931.5	36,120.0
Interest expenses	(19,402.9)	(14,705.9)	(13,944.2)
Total revenues, net of interest expense	28,024.6	26,225.6	22,175.8
Policy benefits and claims	(13,463.3)	(13,797.4)	(10,834.4)
Value adjustments	(461.9)	(546.9)	(872.4)
Net revenues	14,099.4	11,881.3	10,469.0
Operating expenses	(9,964.5)	(8,489.2)	(7,862.0)
Result before taxation	4,134.9	3,392.1	2,607.0
Taxation	(1,149.6)	(892.9)	(777.6)
Group profit	2,985.3	2,499.2	1,829.4
Minority interest	217.7	183.0	169.6
Net profit before extraordinary result	2,767.6	2,316.2	1,659.8
Extraordinary net result			202.0
Net profit	2,767.6	2,316.2	1,861.8

FORTIS CONSOLIDATED CASH FLOW STATEMENTS AT YEAR END
(In EUR million)

	2000	1999	1998
Cash flows from operating activities:			
Net profit	2,767.6	2,316.2	1,861.8
Adjustment to reconcile net profit to net cash provided by operating activities:			
— Minority interest	217.7	183.1	169.7
— Value adjustments on receivables	461.9	546.9	872.4
— Value adjustments on real estate	(20.7)	45.7	20.5
— Depreciation, amortisation and accretion	1,771.4	1,582.7	1,091.8
— Foreign exchange gains/losses on debt securities	(206.8)	(1,548.5)	(478.0)
— Gains realised on sale of investment securities	(1,150.3)	(1,098.4)	(1,386.2)
— Gains realised on sale of real estate	(73.2)	(52.3)	(29.8)
— Unrealised gains/losses on trading portfolio	(219.5)	(77.1)	(155.2)
— Other	(43.3)	78.3	171.9
Net change in operating assets and liabilities, excluding effects of acquisitions:			
— Trading securities	(3,244.7)	(2,710.1)	(1,223.4)
— Deferred acquisition costs	(1,595.8)	(966.0)	(570.2)
— Prepayments and accrued income	(4,686.9)	(2,332.1)	(627.5)
— Investments on behalf of policyholders	(4,030.0)	(3,112.0)	(2,455.7)
— Other assets	(3,741.1)	(375.9)	(1,760.5)
— Technical provisions	4,653.2	4,651.6	5,642.8
— Accruals and deferred income	3,416.6	2,569.2	1,574.7
— Liabilities related to investments on behalf of policyholders	2,022.8	1,213.3	381.3
— Other liabilities	10,899.2	1,628.7	5,527.6
Net cash provided by operating activities	7,198.1	2,543.3	8,628.0
Cash flows from investing activities:			
Purchase of investment securities	(62,586.2)	(106,387.2)	(77,337.0)
Proceeds from sale/maturities of investment securities	62,028.2	99,554.5	63,772.8
Net increase in loans and advances to credit institutions	19,915.6	(23,590.7)	(2,600.3)
Net increase in loans and advances to customers	(12,972.2)	(17,274.9)	(10,563.4)
Payment of purchase of business, net of cash acquired	(365.6)	(3,877.8)	(404.7)
Net purchase of tangible fixed assets and intangible assets ..	(408.5)	(454.1)	(470.1)
Net cash used in investing activities	5,611.3	(52,030.2)	(27,602.7)
Cash flows from financing activities:			
Change in amounts owed to credit institutions	(23,592.3)	35,875.9	17,514.9
Change in amounts owed to customers	10,005.9	9,799.0	3,379.5
Change in debt certificates	4,193.1	(603.0)	(396.2)
Change in convertible notes		575.3	680.7
Change in subordinated liabilities	856.2	584.4	572.0
Capital issued by Fortis (B) and Fortis (NL)	(1,206.3)	2,436.3	76.2
Capital contribution from other parties	591.1	1,290.0	63.5
Dividends paid	(818.8)	(610.1)	(357.8)
Net cash provided/used by financing activities	(9,971.1)	49,347.8	21,532.8
Net increase (decrease) in cash	2,838.3	(139.1)	2,558.1
Cash and cash equivalents at beginning of the year	3,660.4	3,674.8	1,228.4
Effect of exchange rate changes on cash	(388.4)	124.7	(111.7)
Cash at end of the year	6,110.3	3,660.4	3,674.8
Interest paid	21,493.7	14,486.1	12,060.0
Income taxes paid	751.6	653.0	982.0

AUDITORS' STATEMENTS

In our opinion, the consolidated financial information of Fortis for the financial years 2000, 1999 and 1998, as included in this Information Memorandum, on pages 80 to 82, is consistent, in all material respects, with the Annual accounts 2000 from which the information has been derived. We issued an unqualified auditor's report on these annual accounts on 22 March 2001. This auditor's report is included in the Annual accounts 2000 of Fortis, which form together with the Annual review 2000 an integral part of this Information Memorandum.

For a better understanding of Fortis' financial position and results and of the scope of our audit, the consolidated financial information should be read in conjunction with the annual accounts from which they have been derived and our auditors' reports thereon.

The consolidated financial statements of Fortis as included in this Information Memorandum on pages 84 to 86 have been derived from the interim financial statements of Fortis as of 30 June 2001. We have reviewed these statements in accordance with generally accepted standards for review engagements.

Utrecht 15, November 2001

KPMG Accountants N.V.

Brussels 15, November 2001

PricewaterhouseCoopers
Réviseurs d'Entreprises S.C.C.R.L.,
Bedrijfsrevisoren B.C.V.B.A.
represented by Ph. Barbier

FORTIS CONSOLIDATED HALF-YEARLY FINANCIAL INFORMATION

FORTIS CONSOLIDATED BALANCE SHEETS (In EUR million)

	30 June 2001 <u>(unaudited)</u>	31 December 2000 <u>(audited)</u>
Assets		
Cash	6,155.6	6,110.3
Trading stock of securities	16,682.3	13,362.9
Investments	142,176.9	134,203.0
Loans and advances to credit institutions	67,877.2	62,382.8
Loans and advances to customers	181,043.7	162,093.4
Reinsurers' share of technical provisions	5,385.7	4,943.6
Deferred acquisition costs	2,928.5	3,297.7
Prepayments and accrued income	17,790.7	17,037.9
Investments on behalf of policyholders	22,876.4	22,012.7
Other assets	13,298.4	12,638.4
Total assets	476,215.4	438,082.7
Liabilities		
Amounts owed to credit institutions	116,433.8	94,174.3
Amounts owed to customers	155,256.9	145,752.0
Debt certificates	43,472.1	43,760.8
Technical provisions	57,279.8	56,130.2
Technical provisions related to investments on behalf of policyholders	22,341.6	21,690.1
Accruals and deferred income	18,332.7	15,824.0
Other liabilities	34,211.1	31,865.0
Convertible notes	1,257.3	1,257.3
Subordinated liabilities*	8,601.4	8,230.3
Total liabilities	457,186.7	418,684.0
Fund for general banking risks*	2,132.3	2,042.9
Minority interests	2,156.4	2,159.0
Net equity	14,740.0	15,196.8
Group equity*	16,896.4	17,355.8
Total liabilities, minority interests and equity	476,215.4	438,082.7
*Risk-bearing capital	27,630.1	27,629.0

FORTIS CONSOLIDATED PROFIT AND LOSS ACCOUNTS
(In EUR million)

	First half-year 2001 <u>(unaudited)</u>	First half-year 2000 <u>(unaudited)</u>	Increase in %
Revenues			
Insurance premiums.....	9,998.6	7,762.9	29
Interest income	12,120.4	12,735.0	(5)
Commissions and fees	1,042.7	1,057.2	(1)
Results from financial transactions.....	(475.7)	1,479.3	
Other revenues.....	1,287.5	1,216.7	6
Total revenues	23,973.5	24,251.1	(1)
Interest expense	(8,718.0)	(9,564.2)	(9)
Total revenues, net of interest expense.....	15,255.5	14,686.9	4
Technical charges insurance	(7,325.1)	(7,277.8)	1
Value adjustments.....	(162.7)	(313.6)	(48)
Net revenues.....	7,767.7	7,095.5	9
Operating expenses.....	(5,398.4)	(4,927.6)	10
Result before taxation	2,369.3	2,167.9	9
Taxation	(738.6)	(575.3)	28
Group profit	1,630.7	1,592.6	2
Minority interests	92.7	117.0	(21)
Net operating profit.....	1,538.0	1,475.6	4
Non-recurrent capital gains:			
— Suez (Insurance)	263.6		
— Fortis Financial Group (Insurance)	46.8		
Release of millennium provisions:			
— Insurance		34.8	
— Banking		47.0	
Non-operating items	310.4	81.8	
Net profit.....	1,848.4	1,557.4	19

FORTIS CONSOLIDATED CASH FLOW STATEMENTS
(In EUR million)

	First half-year 2001 (unaudited)	2000 (audited)
Cash flow from operating activities:		
Net profit	1,848.4	2,767.6
Adjustment to reconcile net profit to net cash provided by operating activities:		
— Minority interest	92.7	217.7
— Value adjustments on receivables.....	162.7	461.9
— Value adjustments on real estate	5.9	(20.7)
— Depreciation, amortization and accretion	207.5	1,771.4
— Foreign exchange gains (losses) on debt securities.....	(512.5)	(206.8)
— Gains realized on sale of investment securities	(683.0)	(1,150.3)
— Gains realized on sale of real estate.....	(6.7)	(73.2)
— Unrealized gains/losses on trading portfolio	(131.6)	(219.5)
— Other	(104.4)	(43.3)
Net change in operating assets and liabilities, excluding effects of acquisitions:		
— Trading securities	(3,187.8)	(3,244.7)
— Deferred acquisition costs	(391.3)	(1,595.8)
— Prepayment and accrued income.....	(835.2)	(4,686.9)
— Investments on behalf of policyholders.....	(1,046.5)	(4,030.0)
— Other assets	(1,663.5)	(3,741.1)
— Technical provisions	2,892.5	4,653.2
— Accruals and deferred income.....	1,833.3	3,416.6
— Liabilities related to investments on behalf of policyholders	564.4	2,022.8
— Other liabilities	2,575.7	10,899.2
Net cash provided by operating activities	1,620.6	7,198.1
Cash flow from investing activities:		
Purchase of investment securities	(39,193.4)	(62,586.2)
Proceeds from sale/maturities of investment securities	31,592.5	62,028.2
Net increase in loans and advances to credit institutions	(5,158.2)	19,915.6
Net increase in loans and advances to customers	(19,034.0)	(12,972.2)
Purchase/sale of business, net of cash included.....	374.9	(365.6)
Net purchase of tangible fixed assets and intangible assets	(219.4)	(408.5)
Net cash used in investing activities.....	(31,637.6)	5,611.3
Cash flow from financing activities:		
Change in amounts owed to credit institutions.....	22,258.9	(23,592.3)
Change in amounts owed to customers	9,504.9	10,005.9
Change in debt certificates	(371.2)	4,193.1
Change in subordinated liabilities	277.1	856.2
Capital issued by Fortis (B) and Fortis (NL).....	8.1	(1,206.3)
Capital contribution from other parties		591.1
Dividends paid	(1,200.0)	(818.8)
Net cash provided by financing activities.....	30,477.8	(9,971.1)
Net increase (decrease) in cash.....	460.8	2,838.3
Cash at beginning of the period.....	6,110.3	3,660.4
Effect of exchange rate changes on cash	(415.5)	(388.4)
Cash at end of the period	6,155.6	6,110.3

Exhibit

PROPOSED ARTICLES OF ASSOCIATION OF FORTIS SA/NV

SECTION ONE — DEFINITION — TWINNED SHARES PRINCIPLE — NATURE — NAME — REGISTERED OFFICE — PURPOSE

Article One — Definitions

In these articles of association the following expressions shall have the following meanings:

- a. the company: the company with limited liability incorporated under the laws of Belgium (société anonyme/naamloze vennootschap) Fortis SA/NV, with registered office established at 1000 Brussels, Rue Royale, 20;
- b. Fortis N.V.: the company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands Fortis N.V., with official seat in Utrecht;
- c. twinned share or Fortis SA/NV share: an ordinary share without nominal value in the capital of the company twinned with a Fortis N.V. share in a unit;
- d. Fortis N.V. share: an ordinary share, with a par value of forty-two (0.42) eurocents, in the capital of Fortis N.V. twinned with a twinned share in a unit;
- e. unit: a unit comprising one (1) twinned share and one (1) Fortis N.V. share.

Article Two — Twinned shares principle

1. The twinned shares principle is used in these articles to the effect that:

- a. a twinned share shall only be capable of being issued, subscribed, transferred by others than the company, and encumbered with a right of pledge or usufruct or any other limited right *in rem* (“droit réel/zakelijk recht”) together with a Fortis N.V. share in the form of a unit, to intend that shareholders should be in the same position as if they held shares in a single company,
- b. no issues of shares and no rights to acquire shares (other than shares issued in the form of a unit) shall be made respectively granted either by the company or Fortis N.V. without a corresponding issue of shares in twinned form by the other, carrying substantially all the same rights and obligations, *mutatis mutandis*.

2. The twinned shares principle will be cancelled if the shareholders meeting resolves to amend the articles of association, in accordance with article 29 paragraph 2, as a result whereof the clauses in these articles relating to such principle, as included in articles 2 paragraphs 3 until 9, article 7, article 9, article 12, article 13, article 14, article 16, article 17, article 26 paragraph 2, article 32 and article 33 are amended or deleted.

3. In accordance with the twinned share principle as defined under paragraph 1, the twinned shares and Fortis N.V. shares shall only be issued in the form of units, while each twinned share and each Fortis N.V. share comprised in any unit shall only be held by the same person; a twinned share may only be subscribed for by such a person, who, at the same time, will subscribe for a Fortis N.V. share, and a twinned share may only be transferred to such a person to whom, at the same time, a Fortis N.V. shares is transferred, as a result whereof such persons are shareholders who are also holder of an equal of Fortis N.V. shares.

4. In the event of a breach with the provisions of paragraph 3, as a result whereof a twinned share and a Fortis N.V. would not be held by the same person:

- a. the voting right, the rights to attend meetings of shareholders and the rights to acquire dividend attached to the twinned shares which are held by the shareholder outside of a unit, are suspended;

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- b. the shareholder is obligated to transfer the twinned shares, which are held outside of a unit, within a period of three months to Fortis N.V., to which latter company the requirements as mentioned in paragraph 3, will not apply. The price to be paid for the shares to be transferred shall be determined by mutual agreement of the parties. If the parties should fail to reach such agreement, such price will be determined in accordance with the provisions of paragraph 6 of this article.
5. The shareholder in respect of whom the provisions of paragraph 4 apply, shall be under the obligation to notify the Board of Directors thereof disclosing the number of twinned shares which are held outside a unit, within a period of thirty days.
6. In the event a shareholder that is under the obligation to dispose of such twinned shares (the “offeror”) fails to comply after having been notified by registered letter by the Board of Directors of its obligations in time, the company shall be irrevocably empowered and, upon request of the offeror, obliged on behalf and for account of the offeror to dispose of as many twinned shares as referred to in this article at a price to be determined by an expert appointed for that purpose by the chairman of the Commercial Court in whose Trade Register the company is registered at the request of the Board of Directors, whilst the costs of the valuation and transfer shall be for the account of the offeror.
7. In the event the offeror fails to cooperate with the transfer of the referred twinned shares, within fourteen days after having been notified by registered letter by the Board of Directors of such disposal, the company shall be irrevocable empowered to sign the deed of transfer on behalf of the offeror in the event the twinned shares are registered and, in the event the twinned shares are bearer shares, to undertake all (legal) actions on behalf of the offeror which are necessary to transfer such shares.
8. The company will ensure that the offeror will receive the purchase price less costs for the transferred shares without delay.
9. All communications, announcements, declarations and/or demands as referred to in the preceding paragraphs of this article shall be made in writing in exchange for a certificate of receipt or by registered letter.

Article Three — Nature

The company is a limited liability company. It has, within the meaning of the Company Code, the capacity of a company making, or having made, a public issue of capital.

Article Four — Name

The company’s name is “Fortis SA/NV”.

Article Five — Registered Office

The company’s registered office is established at BRUSSELS, 20 Rue Royale. This office may be transferred to any other place in Belgium by decision of the board of directors.

Article Six — Purpose

The purpose of the company, both in Belgium and abroad, is:

- a) The acquisition, ownership and transfer, by means of purchase, contribution, sale, exchange, assignment, merger, split, subscription, exercise of rights or otherwise, of any participating interest in any business or branch of activity, and in any company, partnership, enterprise, establishment or foundation, whether public or private, which does or may in the future exist, and carrying out financing, banking, insurance, re-insurance, industrial, commercial or civil, administrative or technical activities.
- b) The purchase, subscription, exchange, assignment and sale of, and all other similar operations relating to, every kind of transferable security, share, stock, bond, warrant and government stock, and, in a general way, all rights on movable and immovable property, as well as all forms of intellectual rights.

c) Administrative, commercial and financial management and the undertaking of every kind of study for third parties and in particular for companies, partnerships, enterprises, establishments and foundations in which it holds a participating interest, either directly or indirectly; the granting of loans, advances, guarantees or security in whatever form, and of technical, administrative and financial assistance in whatever form.

d) Carrying out all financial, manufacturing, commercial and civil operations and operations relating to movable and immovable assets, including the acquisition, management, leasing out and disposal of all movable and immovable assets useful to achieve its purpose.

e) Achieving its company purpose, either alone or in partnership, directly or indirectly, on its own behalf or for the account of third parties, by concluding any agreements and carrying out any operations such as to promote said purpose or that of the companies, partnerships, enterprises, establishments and foundations in which it holds a participating interest.

SECTION TWO — CAPITAL — SHARES — DEBENTURES

Article Seven — Capital

The company capital is set at five billion five hundred forty-one million five hundred ninety-five six hundred eighteen (5,541,595,618) Euros and is fully paid up. It is represented by one billion two hundred ninety-three million five hundred sixty-five thousand six hundred fifty-nine (1,293,565,659) twinned shares, without indication of nominal value. Twinned shares can only be issued twinned with one (1) Fortis N.V. share so as to form a unit. At all times the number of twinned shares in issue and the number of Fortis N.V. shares in issue must be equal.

Article Eight — Nature of the twinned shares

1. Twinned shares are in the form of registered shares, in bearer form or in book entry form.
2. Each twinned share have the same set of characteristics and shall be of the same form than the Fortis N.V. share with which such twinned share is twinned in a unit and vice versa.
3. Registered twinned shares are registered in a register kept by the company. Registered Fortis N.V. shares with which the registered twinned shares are twinned in a unit are simultaneously registered in (a) register(s) kept by Fortis N.V.
4. The amendments relating to book-entry units will come into effect on the date of the coming into effect of the royal decree(s) to be issued by way of execution of Article 468 to 475 of the Company Code.

Article Nine — Issue of twinned shares

1. Any resolution by the General Meeting or the Board of Directors to issue twinned shares or any right to subscribe or acquire twinned shares (including, but not limited to, warrants and convertible bonds) shall only have its effect, once, and to the extent that, there is a corresponding resolution of the appropriate corporate body of Fortis N.V., both resolutions taking effect on the same time, to issue the same number of Fortis N.V. shares or, as the case may be, the same number of right to subscribe or acquire Fortis N.V. shares.
2. A twinned share may only be subscribed for by such a person who, at the same time, will subscribe for a Fortis N.V. share in the form of a unit and who will have the right to subscribe for such share.

In any case of capital increase, the board of directors has the option of adopting agreements, under the terms and conditions that it shall decide, to ensure the subscription of all or party of the twinned shares to be issued.

Article Ten — Authorized capital

1. The board of directors is authorized to increase the company capital, in observance with article 9, in one or more operations, for up to a maximum amount of 50,000,000 euro.
2. This authorization is not granted for capital increases to be undertaken principally in the form of non-cash contributions reserved exclusively for a shareholder in the company holding shares of the company to which are attached more than ten percent (10%) of voting rights, calculated in accordance with the provisions of Article 606 of the Company Code.
3. This authorization is granted to the board of directors for a period of three years starting after the General Meeting of Shareholders of 12 December 2001.
4. Furthermore, the board of directors is empowered to make use of the authorized capital under the conditions set out in 607 of the Company Code, in the event of a public takeover bid, for a period of three years starting after the General Meeting of Shareholders of 12 December 2001.
5. Any capital increase decided by the board of directors within the limits of the above mentioned authorization may take the form, inter alia, of contributions in cash or in kind, of the incorporation, with or without issue of new shares, of available and non-available reserves, issue premiums and claims, and of the issue of convertible debentures or debentures carrying subscription rights, as well as of subscription rights which may or may not be attached to another transferable security.
6. Any issue premium will be entered to a non-available account entitled “issue premium”. This will constitute, on an equal footing with capital, the guarantee towards third parties and may be reduced or withdrawn only by a decision of the general meeting under the conditions regarding quorum and majority laid down by article 612 of the Company Code and subject to the power of the board of directors to incorporate all of part of this issue premium into capital”.

Article Eleven — Preferential subscription right

In the event of a capital increase to be subscribed in cash, the general meeting may decide, in the interest of the company, in accordance with the conditions required for amending the articles of association and in observance with the provisions of Article 9, that all or part of the new twinned shares to be subscribed will not be offered to existing shareholders on a preferential basis.

The board of directors may equally, in connection with the authorized capital mentioned in article 10 of the articles of association, in the interest of the company and in observance with the provisions of Article 9 decide that the preferential subscription rights of existing shareholders are to be limited or cancelled, even if this limitation or cancellation is undertaken in favour of one or more specific persons, other than members of the company's or one or more of its subsidiaries' personnel.

Article Twelve — Capital reduction — Cancellation of shares

1. Any resolution to reduce the capital shall only have its effect, once, and to the extent that, there is a corresponding resolution of the appropriate corporate body of Fortis N.V., both resolutions taking effect on the same time, in which case the amount of the capital reduction must be equal to the amount of the capital reduction decided or to be decided by Fortis N.V. and, if such capital reduction involves the cancellation of shares, the number of twinned shares cancelled must be equal to the number of Fortis N.V. shares cancelled.
2. A resolution to cancel twinned shares shall only relate to twinned shares, which the company holds or will acquire.
3. Any resolution to cancel twinned shares shall only have its effect, once, and to the extent that, there is a corresponding resolution of the appropriate corporate body of Fortis N.V., both resolutions taking effect on the same time, in which case the number of twinned shares cancelled must be equal to the number of Fortis N.V. shares cancelled.

Article Thirteen — Acquisition and transfer by the company of its own shares

1. The company may only acquire units in which twinned shares are included or beneficiary stock, by means of purchase or exchange, whether directly or through a person acting in his own name but for the account of the company, following a decision by the General Meeting taken under the conditions of quorum and majority provided for in Article 559 of the Company Code.

The authorization of the General Meeting is not required when the acquisition of units in which twinned shares are included or beneficial stock is necessary in order to avoid serious and imminent damage to the company. In this event, the board of directors is authorized to acquire the units by way of purchase or exchange, in accordance with the legal provisions in force. This authorization is conferred for a period of three years starting after the General Meeting of Shareholders of 12 December 2001.

This authorization may be extended one or more times in accordance with the provisions of the Company Code.

2. Units in which twinned shares are included held by the company and which are listed on the primary market of a securities exchange, or which are officially listed on a stock market in a European Union member state, may be sold by the board of directors, without prior authorization from the General Meeting.

Similarly, this advance authorization from the General Meeting is not required when the transfer of units in which twinned shares are included is necessary in order to avoid serious and imminent damage to the company; in this case the Board of Directors must cede the units on the stock market or following an offer to sell made to all shareholders at the same conditions. This dispensation from authorization is granted for a period of three years starting after the General Meeting of 12 December 2001. This dispensation from authorization may be extended one or more times in accordance with the provisions of the Company Code.

3. Without prejudice to paragraph 2 of the present article, the company may:

- in the event it has acquired a unit, transfer the Fortis N.V. share which is part of the unit, separately from the twinned share which is part of the unit, to Fortis N.V., as a result whereof the company will only remain holder of former) twinned shares in its own capital;
- acquire only its own twinned share out of a unit, if such former twinned shares is acquired by Fortis N.V. or if Fortis N.V. simultaneously acquires the Fortis N.V. share included in the same unit.

Notwithstanding the provision of this paragraph, the company may, in the event it has acquired a unit, transfer this unit to any third parties in accordance with the rules applicable to such transfer.

Article Fourteen — Transfer of twinned shares — Pledge, usufruct and other rights on twinned shares

1. A twinned share can only be transferred or encumbered with a right of pledge simultaneously with and to the same person as a Fortis N.V. share comprised in the unit which includes the relevant share. The provision of this paragraph shall also apply to the granting of a right of usufruct and to any other kind of (limited) rights whatsoever having the twinned share as object.

2. The transfer of registered twinned shares or the conversion of twinned shares into another of the forms provided for in Article 8, paragraph 1 are suspended on the day of the General Meeting and for three working days preceding it.

Article Fifteen — Declarations

All natural or legal persons who possess or acquire rights or other securities in the meaning of the law of 2 March 1989 concerning the notification of major shareholdings in companies listed on the stock market and regulating public take-over bids, must declare to the board of directors and the Banking and Financial Commission the number of rights or securities directly or indirectly owned or owned in concert with one or

more other persons, when these rights or securities confer voting rights amounting to three per cent or more of the total voting rights in the company at the time when the situation giving rise to the declaration occurs.

All additional rights or securities acquired or transferred under the same conditions as those laid down in the previous paragraph must also be declared to the board of directors and to the Banking and Financial Commission if, as a result of this operation, the voting rights in the company attached to the rights or securities rise above, or drop below, a band respectively greater than or less than three per cent of the total voting rights in the company at the time when the operation giving rise to the declaration is implemented.

Declarations relating to the acquisition or transfer of rights or securities in accordance with the provisions of this article must be sent to the Banking and Financial Commission and, by registered letter, to the board of directors, at the latest on the second working day following the day on which the acquisition or transfer took place. Rights or securities acquired by means of an inheritance do not have to be declared until thirty days following the acceptance of the inheritance, made subject to the benefits of the inventory, as the case may be.

The company shall take the necessary steps to publicize any declarations it has received by posting these on public notice-boards and including them in the official listings of all Stock Exchanges on which the units are officially listed, no later than the working day following the receipt of the declaration.

No person may cast a greater number of votes at the General Meeting than those attached to the rights or securities he has, in accordance with the preceding paragraphs, declared to be in his possession at least twenty days before the date of the General Meeting.

Subject to the above provisions, this article is governed by the terms and conditions of articles 514, 515 and 516 of the Company Code and by the terms and conditions of the law of 2 March 1989 concerning the notification of major shareholdings in companies listed on the stock market and regulating public take-over bids, as well as its implementing Royal Decree of 10 May 1989.

Article Sixteen — Indivisibility

Twinned shares are indivisible towards the company. Where more than one person has rights to the same twinned share, the company may suspend the exercise of the rights pertaining to such twinned share until a single person is designated to exercise the rights attached to the twinned share vis-à-vis the company.

Article Seventeen — Debentures and subscription rights

The board of directors may decide to issue debentures on terms and conditions determined by itself.

Provided that a similar decision is taken simultaneously by the board of directors of Fortis N.V., the board of directors of the company may, within the limits of the authorized capital provided for in article 10, and in accordance with article 9, decide to issue convertible debentures or debentures with subscription rights as well as subscription rights which may or may not be attached to another transferable security.

At the time of issue of convertible debentures, it may, in the interest of the company, limit or remove the right of preferential subscription granted to owners of existing twinned shares, even if this limitation or removal is undertaken in favour of one or more specific persons other than members of the personnel of the company or of one of more of its subsidiaries.

At the time of issue of subscription rights, it may also, in the interest of the company, limit or remove the right of preferential subscription granted to owners of existing twinned shares, except where this issue is reserved principally for one or more specific persons other than members of the personnel of the company or of one of more of its subsidiaries.

SECTION THREE — ADMINISTRATION — MANAGEMENT — CONTROL

Article Eighteen — Composition — Delegations of powers — Duration of terms of office

The board of directors consists of maximum seventeen persons. With the exception of one of them, the board members are elected among candidates without permanent management function within the company, or in general, within the Fortis Group.

A number of board members equal to half of the board members without such functions, are elected among the candidates proposed by Fortis N.V. that will propose at least two candidates for each board member to be appointed.

The board members are appointed by the General Meeting of Shareholders for a period of maximum six years. Such appointment takes an end immediately after the relevant annual shareholders' meeting.

If a board member who is appointed, is not already a member of the board of directors of Fortis N.V., his/its appointment as a member of the Board of Directors shall not take effect until such member of the Board of Directors has been appointed a member of the board of directors of Fortis N.V. A board member shall vacate his office upon his ceasing to be a member of the board of directors of Fortis N.V.

The board members appointed upon nomination by Fortis N.V. are referred to as class A board members; the other board members elected among candidates without permanent management functions within the company, or in general, within the Fortis group, are referred to as class B board members. The board member with permanent management function within the company, or in general, within the Fortis Group is referred to as class C board member.

Where it comes to replace a director who was appointed upon proposal by Fortis N.V. and whose term of office has come to an end, the right to propose candidates to the General Meeting lies with Fortis N.V.. If, during the validity of a term of office of a director appointed upon proposal by Fortis N.V. this director is to be replaced by co-opting a new director, pursuant to article 519 of the Company Code, the right to present candidates lies with the group of directors appointed upon proposal by Fortis N.V.. In this case, the next general meeting will proceed to the definitive election.

The board of directors elects two chairmen among its members, one of which is a class A board member and one of which is a class B board member, and, as the case may be, two vice-chairmen, one of which is elected among the class A board members and one of which is elected among the class B board members.

The day-to-day management of the company is delegated to the class C board member. He will have the title of Chief Executive Officer (CEO). He is furthermore in charge of studying strategic options that may contribute to the development of Fortis, defining them and proposing them to the board.

The Chief Executive Officer presides the Executive Committee. The other members of the Executive Committee, who have permanent management functions within the Fortis group, are appointed by the board of directors upon proposal by the Chief Executive Officer.

The Chief Executive Officer may, within the limits of his mandate, delegate all special powers to all persons of his choice.

The board of directors may entrust, furthermore, any special power to any person of its choice.

The board determines the nature and duration of the functions, powers and remuneration of the Chairmen, the Chief Executive Officer and, as the case may be, the Vice-Chairmen and the special attorneys.

The board may establish amongst its members all committee it deems fit. The board determines the remuneration of the members of these committees.

If a legal entity is appointed as a director, it will be required to designate a physical person as its attorney for the exercise of its functions.

Article Nineteen — Internal rules of procedure

The board of directors is authorized to establish internal rules of procedure which rules are identical the rules of the board of directors of Fortis N.V., in which:

- (a) it sets the operating arrangements for the board, including the exercise of directors' voting rights, and the quorums and majorities needed for the deliberations and decisions of the board;
- (b) it determines the composition and the powers of every committee created within it;
- (c) it sets the operating arrangements for these committees, including the voting rights of their members and the quorums and majorities required for the deliberations and decisions of the committees.

An extract of the internal rules of procedure setting out the operating arrangements of the board may be consulted by any shareholder at the company's registered office.

Said rules may be amended by the Board of Directors, subject to the provisions in the rules in regard to such amendments.

Article Twenty — Deliberation and decisions

The board of directors deliberates and make decisions pursuant to the rules set out in the internal rules of procedure.

Any director may grant powers to one of his colleagues, by means of a signed document, sent by letter or fax, to represent him at a meeting of the board of directors and vote there in his place.

Pursuant to article 521 of the Company Code, in exceptional cases which are duly justified by the urgency of the matter and the interest of the company, decisions of the board may be taken by unanimous agreement of the directors expressed in writing. This procedure may not, however, be used for the establishing of the annual accounts or the use of the authorised capital.

Copies or extracts of the minutes of board meetings are signed, either by the Chairmen or by one of them, by the Chief Executive Officer or by the Secretary.

Article Twenty-one — Representation — Powers

The company is validly represented in judicial and all other matters, including in matters exceeding of day-to-day management, by both Chairmen of the board of directors, acting jointly, or by one of the Chairmen of the board of directors and by the Chief Executive Officer acting jointly.

Within the scope of day-to-day management, the company is validly represented in judicial and all other matters by the Chief Executive Officer, without prejudice to all other special powers delegated to him exceeding day-to-day management and without prejudice to the powers delegated by him, as the case may be.

It is also validly committed by the special attorneys, within the limits of their mandate.

Article Twenty-two — Remuneration

The General Meeting may grant Directors a fixed or variable sum to be charged to the income statement.

Article Twenty-three — Control

The control of the financial situation, the annual accounts and the verification of the regular nature of the operations in such accounts, is entrusted to one or more auditors, appointed amongst the members of the Institute of Company Auditors (*Institut des Réviseurs d'Entreprises*).

These auditors are appointed, remunerated and their mandates are revoked according to the rules provided for by the laws governing commercial companies.

SECTION FOUR — GENERAL MEETINGS

Article Twenty-four — Convening of meetings

For all General Meetings, the convening letters shall contain the agenda, together with an indication of the subjects to be examined and proposals for decisions. These convening letters shall take the form of announcements placed in the Belgian Official Gazette at least fifteen days before the Meeting, and twice, at eight days intervals at least and the second time at least eight days before the Meeting, in a national newspaper, in a Dutch national newspaper, in a nationally distributed newspapers in every country where the units, in which twinned shares are included, are admitted to the official listing of a stock exchange and in a regional newspaper in the region where the registered office is located.

Letters shall also be sent to the holders of registered twinned shares, the holders of registered bonds, the holders of registered subscription rights, the directors and the auditors fifteen days before the Meeting, without any need to prove that this formality has been accomplished.

Article Twenty-five — Lodging of securities

All holders of twinned shares are entitled to attend General Meetings, take part in the deliberations and, within the limits prescribed by the Company Code, to vote there provided that those holding bearer twinned shares have lodged these at the registered office or any other place indicated in the convening letters at least four working days before the date set for the meeting. Holders of registered twinned shares must within the same period have informed the company of their intention to take part in the meeting. Holders of book-entry twinned shares must lodge, at the registered office or any other place indicated in the convening letters and at least four working days before the date set for the meeting, an attestation, issued by the approved accountholder or the payment body, establishing the non-availability of the twinned shares until the date of the meeting.

Shareholders are entitled to one vote for each twinned share they possess, within the limits laid down in the companies' code.

Article Twenty-six — Representation

1. Any shareholder may be represented at the meeting by a mandatory — who may or may not be a shareholder — holding a special proxy, the form of which may be determined by the board of directors.
2. The Board of Directors may decide that a holder of a twinned share, who wish to attend the meeting of shareholders of Fortis N.V., will be given the opportunity to grant a power of attorney to a person appointed by the Board of Directors, to attend the general meeting of shareholders of the company on behalf of the holder of the twinned share, to address the meeting and to vote in a general meeting of shareholders. Such power of attorney shall only authorize to cast a similar vote in the general meeting of the Company and in the general meeting of Fortis N.V., insofar as the items on the agenda are identical. The convocation shall announce such arrangement.
3. The proxy must be lodged at the registered office of the company at least four working days before the meeting.

Article Twenty-seven — Meetings

1. The General Meeting of Shareholders meets on the last Wednesday of May of each year at the registered office, at 10.30 a.m., or at any other time, date or place mentioned in the convening letter. The meeting will hear the management and auditors' reports, discuss the balance sheet and, where appropriate, approve the annual accounts. It will deliberate on all the proposals submitted to it by the board of directors or by the Auditors.

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2. To be included on the agenda, any other proposals must be communicated to the company at least thirty days before the date of the meeting and be put forward by one or more shareholders together holding at least one-tenth of the subscribed capital.
 3. Any time that shareholders together holding one tenth of the shares present or represented at the meeting so request, a secret ballot will be held. This is compulsory for revoking officers' mandates.
 4. Whatever the items on the agenda, the officers of the meeting, supplemented in this case by the directors present, are entitled to adjourn any meeting, ordinary, special or extraordinary. It may avail itself of this right at any time, but only after the opening of discussions. Its decision must be notified to the meeting before the closing of the meeting and must be mentioned in the minutes. Such notification automatically cancels any decisions whatsoever adopted during the meeting. Shareholders must be reconvened within the three following weeks with the same agenda. The formalities fulfilled for taking part in the first meeting, including the lodging of bearer shares, and where applicable, proxies, will remain valid for the second meeting. New lodgings of shares and proxies will be permitted within the statutory deadlines.

Article Twenty-eight — Officers of the Meeting — Minutes

The General Meeting of Shareholders is chaired by one of the Chairmen of the board of directors, or in their absence, by a Vice-Chairman, or in their absence, by another director designated by the board to this effect. The Chairman appoints the Secretary. The Meeting selects two tellers from among the shareholders present.

Voting will take place in the manner determined by the Officers of the General Meeting.

The minutes of the General Meetings are signed by the Officers of the Meeting and by any shareholders who so request.

Copies or extracts of these minutes are signed, either by the Chairmen or by one of them, by the Chief Executive Officer or by the Secretary.

Article Twenty-nine — Deliberations

1. Except as provided by law or by these Articles of Association, all resolutions shall be adopted by the Shareholders by a simple majority of the votes cast, irrespective of the number of shares represented at the meeting. Blank and mutilated votes shall not be counted in the votes cast.
2. Any resolution to amend any provision of the articles which gives effect to the twinned shares principle as referred to in article 2 of these articles and any resolution which is inconsistent with that principle (whether or not so expressed) or any amendment to articles 18, 19, 20 and 21 must be passed by a majority of not less than seventy-five per cent (75%) of the votes validly cast at a meeting at which at least 50% of the issued capital is represented and, save where Fortis N.V. is in liquidation (other than a liquidation for the purposes of a reorganization, merger or demerger pursuant to which another company will become Fortis N.V. for the purposes of these articles as described in article 2, shall be conditional upon a resolution of substantially similar effect having been or being passed by the shareholders of Fortis N.V. within three months before or after the passing of such a resolution. If this quorum is not obtained, a new general meeting may be convened to deliberate and decide on matters listed in the agenda of the previous meeting. This second general meeting can validly deliberate, irrespective of the number of shares present or represented. For the purpose of this article a certificate of any member of the Board of Directors of Fortis N.V. to the effect that a resolution of substantially similar effect has been so passed by the shareholders meeting of Fortis N.V. shall for the purpose of this paragraph 4 be conclusive.
3. In any election, in the event of an equal number of votes being cast, the person with the greatest number of bearer twinned shares lodged before the Meeting and of registered twinned shares shall be given preference. If there is still equality as regards the fulfillment of these conditions, preference shall be given on the basis of age.

SECTION FIVE — COMPANY YEAR — DISTRIBUTIONS

Article Thirty — Company year

The company year begins on the 1st of January and ends on the 31st of December of each year.

Article Thirty-one — Appropriation of profit

The profit of the company available for appropriation is appropriated as follows:

1. A legal reserve will be constituted by an allocation of at least five percent of the profit of the year to be appropriated, less the amount of prior years' losses. This allocation ceases to be required once this reserve amounts to one tenth of the company's capital;
2. Any reserves or profit to be carried forward are constituted;
3. The balance, increased where applicable by an allocation from reserves available for distribution, is allocated to shareholders, with due respect for the principles set out in article 32 hereunder.

Article Thirty-two — Payment of dividends

1. For the purpose of this article:

— “Form” means the form, as prescribed by the Board of Directors, for the purposes of making an election pursuant to this article.

— “Gross Dividend Amount” means in relation to either the company or Fortis N.V. the amount of the dividend payable or proposed to be paid respectively by the company or Fortis N.V. on each of the twinned shares including, without limitation to the generality of the foregoing, the amount of any tax to be deducted or withheld from the dividend by or on behalf of the company paying the dividend, all such amounts being jointly determined by the board of directors of the company and the board of directors of Fortis N.V., expressed in Euros and on a per unit basis.

— “Fortis N.V. Dividend” means any dividend (whether interim or final) payable to the holder of a Fortis N.V. share by Fortis N.V. as a result of the election made by the shareholder pursuant to paragraph 3.

— “Fortis SA/NV Dividend” means any dividend (whether interim or final) payable to the holder of a twinned share by the company as a result of the election made by the shareholder pursuant to paragraph 3.

— “CSD” means Necigef in the Netherlands and CIK in Belgium or any other institution which would succeed Necigef and/or CIK.

— “CSD member” means an affiliate of CSD.

— “Necigef” means the central institute in the sense of the Act on securities transfer by giro (*Wet giraal effectenverkeer*).

— “CIK” means the central institute in the sense of Belgian Royal Decree no. 62 of 10 November 1967.

— “Custodian” means the financial institution holding the units for account of the shareholder or for account of another financial institution.

2. Subject to the provisions of this article and to the payment of any dividend not being unlawful, the board of directors shall recommend or pay dividends of such an amount so that the Gross Dividend Amount in respect of the proposed dividend payment on a twinned share is equal to the Gross Dividend Amount in respect of the proposed corresponding dividend payment on a Fortis N.V. Share. The amount of any Gross

Dividend Amount in relation to the twinned shares shall be determined contemporaneously with the determination by the board of Fortis N.V. of the Gross Dividend Amount in relation to the corresponding Fortis N.V. Shares.

3. Each holder of twinned shares shall be entitled in compliance with this article, for each of his units, to elect in accordance with the provisions of this article whether to accept either the Fortis SA/NV Dividend on the twinned shares comprised in such units or the Fortis N.V. Dividend on the Fortis N.V. shares comprised in such units. If a holder of a unit elects to accept the entitlement to the Fortis SA/NV Dividend, he will therefore not receive the Fortis N.V. Dividend and *vice versa*. No entitlement to both the Fortis SA/NV Dividend and the corresponding Fortis N.V. Dividend shall arise in relation to any unit.

4. No election shall be valid unless made on the Form and within the timeframe as determined by the board of directors together with the board of directors of Fortis N.V. or otherwise as the board of directors together with the board of directors of Fortis N.V. may determine. The board of directors may at any time declare a period during which elections may not be made.

5. Subject to the second sentence of paragraph 3 hereof a shareholder shall be deemed:

- a. in the event a shareholder according to Dutch law may not exercise his rights as shareholder, to have made an election for a Fortis N.V. Dividend;
- b. in the event a shareholder according to Belgian law may not exercise his rights as shareholder, to have made an election for a Fortis SA/NV Dividend;
- c. in the event a shareholder according to Dutch law as well as to Belgian law may not exercise his rights as shareholder, to have made an election for a Fortis N.V. Dividend;
- d. in the absence of making an election in respect of any such units:
 - in the event the unit is held through a Custodian having an account with a Dutch domiciled CSD member or the unit is owned by shareholder registered in the shareholders register as referred to in article 8.3 of the present articles having domicile in the Netherlands, to have made an election for the Fortis N.V. Dividend;
 - in the event the unit is held through a Custodian having an account with a Belgian domiciled CSD member or the unit is owned by shareholder registered in the shareholders register as referred to in article 8.3 of the present articles having domicile in Belgium, to have made an election for a Fortis SA/NV Dividend;
 - in the event units are held through a Custodian having an account with neither a Dutch nor a Belgian domiciled CSD member or the unit is owned by shareholder registered in the shareholders register as referred to in article 8.3 of the present articles having domicile neither in the Netherlands nor in Belgium, fifty per cent (50%) of the units will be allotted a Fortis SA/NV Dividend and fifty per cent (50%) a Fortis N.V. Dividend. Any odd number remaining will receive one hundred per cent (100%) Fortis SA/NV Dividend in the first year and each alternate year thereafter, and a one hundred per cent (100%) Fortis N.V. Dividend in the intervening years;
 - in the event a shareholder requested the issue of physical bearer units (“vif” units) and failing to elect for a Fortis N.V. Dividend, to have made an election for the Fortis SA/NV Dividend;
- e. in the event the company or Fortis Brussels is holder of one or more units, to have made an election for a Fortis SA/NV Dividend.

6. Where according to this article an election for either the NV Dividend or the Fortis SA/NV Dividend is deemed to have been made any member of the board of directors, or any other person designated by the board of directors, shall be authorized (and shall be the attorney of the shareholder concerned for the purpose) to execute a Form on behalf of such shareholder in respect of all the units in respect of which the election is deemed to have been made, or in respect of which no election has been made.

7. In the calculation of the distribution of profits the twinned shares which the company hold shall be disregarded unless these shares are subject to a pledge or a right of usufruct.

8. The board of directors may distribute, with due observance of what has been provided hereof, an advance payment to be deducted from the dividend to be distributed on the profit for the year increased by the amount carried forward.

9. Dividends are paid at the times and places indicated by the board of directors.

10. The company will announce in:

- a nationally distributed newspaper in the Netherlands;
- a nationally distributed newspaper in the French language distributed in Belgium;
- and a nationally distributed newspaper in the Dutch language distributed in Belgium,
- the conditions and the manner in which, depending on the election which has been made (or deemed been made), the dividends will be made payable.

SECTION SIX — LIQUIDATION

Article Thirty-three — Liquidation

1. Without prejudice to Articles 633 and 634 of the Company Code, any resolution to dissolve the company must be passed by a majority of not less than seventy-five per cent (75%) of the votes validly cast at a meeting at which at least 50% of the issued capital is represented and, save where Fortis N.V. is in liquidation (other than a liquidation for the purpose of a reorganization, merger or demerger pursuant to which another company will become Fortis N.V. for the purposes of these articles as described in article 2, shall be conditional upon a corresponding resolution having been or being passed by the shareholders of Fortis N.V. within three months before or after the passing of such a resolution, unless pursuant to a reorganisation the undertaking of or any substantial part of the assets of the company is transferred to another company in succession to it, the shareholders of which are the same as the holders of the shares and the shares of which carry in all material respects the same rights and restrictions as the shares, including provisions governing the twinning of such shares with Fortis N.V. shares in the form of units or, as the case may be, the shares of any subsequent successor company satisfying these conditions, applied *mutatis mutandis*. If the quorum referred to herein above is not obtained, a new general meeting may be convened to deliberate and decide on matters listed in the agenda of the previous meeting. This second general meeting can validly deliberate, irrespective of the number of shares present or represented.

2. Any liquidation surplus will be distributed to the shareholders of the company in proportion to the number of twinned shares that each party owns.

SECTION SEVEN — GENERAL PROVISIONS

Article Thirty-four — Election of domicile

For the purposes of the execution of the present articles of association, every holder of registered shares, director, proxy-holder, liquidator and auditor domiciled abroad is required to elect domicile in Belgium. Failing this, he will be deemed to have elected domicile at the registered office of the company.

Article Thirty-five — Common law

For every matter not provided for in the present Articles of Association, reference is made to the laws governing commercial companies.

Article Thirty-six — Temporary Clause

Those persons, who are, at the date the merger between the company, as acquiring company, and the company with limited liability incorporated under the laws of Belgium (société anonyme/naamloze vennootschap): Fortis (B), as the disappearing company, will become effective, holders of one or more registered shares, and registered as such in the shareholders' register of the disappearing company, are deemed to have elected the Fortis SA/NV Dividend, as mentioned in article 32 until they have informed the company in writing that they wish to change their election.

PROPOSED ARTICLES OF ASSOCIATION OF FORTIS NV

Definitions

Article 1.

In these articles of association the following expressions shall have the following meanings:

- a. the company: the company with limited liability (*naamloze vennootschap*) Fortis NV, with official seat in Utrecht;
- b. Fortis SA/NV: the company with limited liability incorporated under the laws of Belgium (*société anonyme/naamloze vennootschap*) Fortis SA/NV, with official seat in Brussels, Rue Royale, 20;
- c. the Board of Directors: the Board of Directors of the company;
- d. the shareholders meeting: the body of the company formed by shareholders and other persons entitled to attend and to vote;
- e. the general meeting of shareholders: the meeting of shareholders and other persons entitled to attend these meetings;
- f. twinned share: an ordinary share with a par value of forty-two eurocents (EUR 0.42) in the capital of the company twinned with a Fortis SA/NV share in a unit;
- g. Fortis SA/NV share: an share without a par value in the capital of Fortis SA/NV twinned with a twinned share in a unit;
- h. unit: a unit comprising one (1) twinned share and one (1) Fortis SA/NV share;
- i. depositary receipts: depositary receipts for shares;

Unless stated otherwise, this term includes depositary receipts for shares in the company issued without the company's concurrence;

- j. holders of depositary receipts: holders of depositary receipts for shares in the company issued with the company's concurrence.

Unless stated otherwise this term includes those who as a result of a right of usufruct or pledge created on a share, have the rights granted by law to holders of depositary receipts issued with a company's concurrence;

- k. subsidiary:

— a legal entity in which the company or one or more of its subsidiaries, whether or not by virtue of an agreement with other persons who may vote, can exercise alone or together more than half of the voting rights in the general meeting of shareholders;

— a legal entity in respect of which the company or one or more of its subsidiaries is a member or shareholder, whether or not by virtue of an agreement with other persons who may vote, alone or together can appoint or dismiss more than half of the members of the Board of Directors or members of the supervisory board, also in the event all persons who may vote, do so.

A company trading under its own name shall be regarded as a subsidiary, where the company or one or more subsidiaries is as partner fully liable to creditors for debts.

Twinned share principle

Article 2.

The twinned shares principle is used in these articles to the effect that:

- a twinned share shall only be capable of being (a) issued, (b) subscribed, (c) transferred by others than the company, and (d) encumbered with a right of pledge or usufruct or any other limited right *in rem* (*beperkt zakelijk recht*), together with a Fortis SA/NV share in the form of a unit, to intend that shareholders should be in the same position as if they held shares in a single company; and
- no issues of shares and no rights to acquire shares (other than shares issued in the form of a unit) shall be made respectively granted either by the company or Fortis SA/NV without a corresponding issue of shares in twinned form by the other, carrying substantially all the same rights and restrictions, *mutatis mutandis*.

The twinned shares principle will be cancelled if the shareholders meeting resolves to amend the articles of association, in accordance with article 33 paragraph 4, as a result whereof the clauses in these articles relating to such principle, as included in article 5 paragraphs 2 and 4, article 6 paragraph 1, article 7, article 8 paragraphs 4 and 7, article 9 paragraphs 2 and 3, article 10 paragraph 2, article 12 paragraphs 1 and 3, article 13, article 14, article 15, article 16, article 27 paragraph 3, article 32 paragraph 7 to 17 inclusive and 23 and article 33 paragraphs 4 and 5 are amended or deleted.

Name and registered office

Article 3.

1. The name of the company is: Fortis NV.
2. It has its official seat in Utrecht.

Objects

Article 4.

1. The objects of the company are:
 - the acquisition, ownership and transfer, by means of purchase, contribution, sale, exchange, assignment, merger, split, subscription, exercise of rights or otherwise, of any participating interest in any business or branch of activity, and in any company, whether public (*naamloos*) or private (*besloten*), partnership, enterprise, establishment or foundation, which does or may in the future exist, and carrying out financing, banking, insurance, re-insurance, industrial, commercial or civil, administrative or technical activities;
 - the purchase, subscription, exchange, assignment and sale of, and all other similar operations relating to, every kind of transferable security, share, stock, bond, warrant and government stock, and, in a general way, all rights on movable and immovable property, as well as all forms of intellectual rights;
 - administrative, commercial and financial management and the undertaking of every kind of study for third parties and in particular for companies, partnerships, enterprises, establishments and foundations in which it holds a participating interest, either directly or indirectly; the granting of loans, advances, guarantees or security in whatever form, and of technical, administrative and financial assistance in whatever form;
 - carrying out all financial, manufacturing, commercial and civil operations and operations relating to movable and immovable assets, including the acquisition, management, leasing out and disposal of all movable and immovable assets useful to achieve its purpose;

— achieving its company purpose, either alone or in partnership, directly or indirectly, on its own behalf or for the account of third parties, by concluding any agreements and carrying out any operations such as to promote said purpose or that of the companies, partnerships, enterprises, establishments and foundations in which it holds a participating interest.

2. Meeting the interests of those who are involved in the company and the related businesses, this to the extent possible and in a balanced manner, shall be taken as a guideline in the pursuit of the objects.

Capital and shares

Article 5.

1. The authorised capital of the company shall amount to one billion four hundred seventy million euro (EUR 1,470,000,000.-), divided into

- a. one billion seven hundred fifty million (1,750,000,000) cumulative preference A shares, each with a nominal value of forty-two eurocents (EUR 0.42);
- b. two hundred fifty million (250,000,000) cumulative preference B shares, each with a nominal value of forty-two eurocents (EUR 0.42); and
- c. one billion five hundred million (1,500,000,000) twinned shares, each with a nominal value of forty-two eurocents (EUR 0.42).

2. Twinned shares can only be issued twinned with one (1) Fortis SA/NV share so as to form a unit.

3. Any reference in these articles of association to the shares and shareholders shall include twinned shares as well as the cumulative preference A shares as well as the cumulative preference B shares, as well as the holders of twinned shares, the holders of cumulative preference A shares and the holders of cumulative preference B shares, respectively, unless expressly stated otherwise.

Where these articles refer to preference shares and holders of preference shares, this shall include both the cumulative preference A shares and the cumulative preference B shares, respectively, as well as the holders of cumulative preference A shares and the holders of cumulative preference B shares, unless expressly stated otherwise.

4. The twinned shares shall be either registered or bearer shares, such at the discretion of the shareholder.

Unit certificates ("unit certificate model I"), not being the certificate as referred to in article 13 of these articles, may be issued for the registered twinned shares, which unit certificate model I indicates that the holder of a twinned registered share is also holder of a registered Fortis SA/NV share.

Such certificates shall have the form and may be numbered in the manner to be determined by the Board of Directors.

The provisions of article 14 shall apply to the unit certificate model I.

Each twinned share shall have the same set of characteristics and form as the Fortis SA/NV share, with which such twinned share is twinned in a unit and *visé versa*.

5. The cumulative preference A shares and the cumulative preference B shares shall be registered.

The registered shares shall be numbered, per class, in such a manner, consecutively from 1 upwards, that they can be distinguished from each other at any time.

No share certificates shall be issued for the cumulative preference A shares and the cumulative preference B shares.

Issue of shares

Article 6.

1. The shareholders meeting, or the Board of Directors in the event that it has been designated to this end by the shareholders meeting, decides as to the further issue of shares; in the event that the Board of Directors has been designated to this end, the shareholders meeting can no longer decide upon further issues as long as the designation is effective.

A resolution to issue shares by the shareholders meeting requires the prior approval of the Board of Directors.

If the resolution to issue twinned shares is to be adopted by the shareholders meeting, the approval as referred to in this paragraph may only be granted if (i) Fortis SA/NV issues such a number of Fortis SA/NV shares equal to the number of twinned shares to be issued and (ii) the pre-emption right as mentioned in article 8 paragraph 1 under a. is restricted in such a way that the holder of twinned shares only has a pre-emptive right in accordance with article 8 provided that such holder of twinned shares also has a pre-emptive right with respect to Fortis SA/NV shares which are issued simultaneously with the twinned shares so as to create a unit, and exercises such right.

In the event of an issue of twinned shares, a resolution to issue such shares may only be issued by the Board of Directors, in case that it has been designated to this end by the shareholders meeting, if (i) Fortis SA/NV issues such a number of Fortis SA/NV shares equal to the number of twinned shares to be issued and (ii) the pre-emption right as mentioned in article 8 paragraph 1 under a. is restricted in such a way that the holder of twinned shares only has a pre-emptive right in accordance with article 8 provided that such holder of twinned shares also has a pre-emptive right with respect to Fortis SA/NV shares which are issued simultaneously with the twinned shares so as to create a unit, and exercises such right.

2. The shareholders meeting *casu quo* the Board of Directors, as the case may be, establishes the price and the further conditions of issue, subject to the other relevant provisions of these articles of association.

3. In the event that the Board of Directors is designated as authorised to decide as to the further issue of shares, the designation shall stipulate the number and class of shares which may be issued.

Such a designation shall also establish the term of the designation, which may be no more than a period of five years.

The designation may not be extended for a period of more than five years every time.

Unless the designation provides otherwise, it cannot be withdrawn.

4. A valid resolution of the shareholders meeting to issue or to designate the Board of Directors as referred to above, requires a prior or simultaneous approving resolution of each group of holders of shares of the same class as those whose rights are impaired by the issue.

5. Within eight days after a resolution of the shareholders meeting to issue shares or to designate the Board of Directors, as referred to above, the Board of Directors shall deposit a complete text thereof at the office of the Trade Registry.

Within eight days after each issue of shares, the Board of Directors shall submit a statement thereof to the office of the Trade Registry, stating the number and class.

If an issue of cumulative preference A shares is effected pursuant to a resolution of the Board of Directors, within four weeks after this issue a statement about the reasons for same shall be provided at a shareholders meeting.

In the event that a body other than the shareholders meeting resolves to issue cumulative preference A shares, such a resolution requires the prior approval of the shareholders meeting for the specific event, if as a result of the issue of the relevant cumulative preference A shares the amount of outstanding cumulative preference A

shares shall exceed the subscribed capital of twinned shares and cumulative preference B shares at the time of issue.

6. The provisions of paragraphs 1 through 5 of this article shall apply *mutatis mutandis* to granting rights to acquire shares, but do not apply to the issue of shares to a party exercising a previously obtained right to acquire shares.

7. Issue of shares shall never be below par, without prejudice to the provisions of article 2:80 paragraph 2 of the Dutch Civil Code.

8. Twinned shares and cumulative preference B shares shall be issued only against payment of at least the nominal amount; cumulative preference A shares may be issued against partial payment, on the understanding that at least one-fourth of the nominal amount must be paid upon the acquisition of the share.

9. Payment must be made in cash to the extent that no other contribution has been agreed, subject to the provisions of article 2:80b of the Dutch Civil Code.

Payment in foreign currency may only be made with the permission of the company and also subject to the provisions of article 2:80a paragraph 3 of the Dutch Civil Code.

10. The Board of Directors may determine at any time it desires, the day on which further payments on non-fully-paid-up cumulative preference A shares must be made, and in what amount.

The Board of Directors shall give the holders of cumulative preference A shares immediate notice of such a resolution; there must be at least thirty days between that notification and the day on which the payment must have occurred.

11. The Board of Directors is authorised, without any prior approval of the general meeting of shareholders, to perform legal acts within the meaning of article 2:94 paragraph 1 of the Dutch Civil Code.

Article 7.

1. At all times the number of twinned shares in issue and the number of Fortis SA/NV shares in issue must be equal.

2. In accordance with article 5 paragraph 2, the twinned shares and Fortis SA/NV shares shall only be issued in the form of units, while each twinned share and each Fortis SA/NV share comprised in any unit shall only be held by the same person/legal entity.

In accordance with article 5 paragraph 2, a twinned share may only be subscribed for by such a person/ legal entity, who, at the same time, will subscribe for a Fortis SA/NV share, and a twinned share may only be transferred to such a person to whom, at the same time, a Fortis SA/NV shares is transferred, as a result whereof such persons/ legal entities are shareholders who are also holder of an equal number of Fortis SA/NV shares.

3. In the event of a breach with the twinned share principle as defined in article 2, as a result whereof a holder of shares would no longer meet the requirements as mentioned under paragraph 2:

- a. the voting right, the rights to attend meetings of shareholders and the rights to acquire dividend attached to the twinned shares which are held by the shareholder outside of a unit, are suspended.
- b. the shareholder is obligated to transfer the twinned shares, which are held outside of a unit, within a period of three months to Fortis SA/NV, to which latter company the requirements as mentioned in paragraph 2, in accordance with the provision of this paragraph, will not apply.

The price to be paid for the shares to be transferred shall be determined by mutual agreement of the parties.

If the parties should fail to reach such agreement, such price will be determined in accordance with the provisions of paragraph 5 of this article.

4. The shareholder in respect of whom the provisions of paragraph 3 apply, shall be under the obligation to notify the Board of Directors thereof disclosing the number of twinned shares which are held outside a unit, within a period of thirty days.

5. In the event a shareholder that is under the obligation to dispose of such twinned shares (the “offeror”) fails to comply after having been notified by the Board of Directors of its obligations in time, the company shall be irrevocably empowered and, upon request of the offeror, obliged to dispose of as many twinned shares as referred to in this article at a price to be determined by a registered accountant appointed for that purpose by the chairman of the Chamber of Commerce in whose Trade Register the company is registered at the request of the Board of Directors, whilst the costs of the valuation and transfer shall be for the account of the offeror.

6. In the event the offeror fails to cooperate with the transfer of the referred twinned shares, within fourteen days after having been notified by registered letter by the Board of Directors of such disposal, the company shall be irrevocable empowered to sign the deed of transfer on behalf of the offeror in the event the twinned shares are registered, and, in the event the twinned shares are bearer shares, to undertake all (legal) actions on behalf of the offeror which are necessary to transfer such shares.

7. The company will ensure that the offeror will receive the purchase price less costs for the transferred shares without delay.

8. All communications, announcements, declarations and/or demands as referred to in the preceding paragraphs of this article shall be made in writing in exchange for a certificate of receipt or by registered letter.

Pre-emptive rights

Article 8.

1. Subject to the provisions of the third sentence of article 2:96a paragraph 1 of the Dutch Civil Code, upon the issue of:

- a. twinned shares, every holder of twinned shares has a pre-emptive right proportional to the combined amount of his twinned shares with respect to the shares to be issued;
- b. cumulative preference A shares, every holder of cumulative preference A shares has a pre-emptive right proportional to the combined amount of his cumulative preference A shares as to the shares to be issued; and,
- c. cumulative preference B shares, every holder of cumulative preference B shares has a pre-emptive right proportional to the combined amount of his cumulative preference B shares as to the shares to be issued.

Holders of preference shares with one type of letter designation have no pre-emptive right as to preference shares to be issued with another letter designation.

Holders of preference shares have no pre-emptive right to twinned shares to be issued.

Holders of twinned shares have no pre-emptive right to preference shares to be issued.

2. Upon the issue of shares, there is no pre-emptive right to shares, which are issued against payment other than in cash.

3. The shareholders meeting or the Board of Directors, as the case may be, shall determine the manner and the time frame within which the pre-emptive right may be exercised when passing a resolution to issue shares, subject to the provisions of this article.

4. In the event that twinned share are involved, the Board of Directors shall announce an issue with pre-emptive rights and the time frame within which same may be exercised in:

- a. the Government Gazette,
- b. the Official Price List of Euronext Amsterdam NV in Amsterdam,
- c. a nationally distributed newspaper in the Netherlands;
- d. a nationally distributed newspaper in the French language distributed in Belgium;
- e. a nationally distributed newspaper in the Dutch language distributed in Belgium; and
- f. one or more other daily papers and/or newspapers to be designated by the Board of Directors, including at any rate a nationally-distributed daily paper or newspaper in each country in which shares in the capital of the company have been admitted to the official listing of a stock exchange.

In the event that it involves preference A or B shares, the provisions of the previous sentence shall apply *mutatis mutandis*, unless the announcement to all holders of A or B shares, respectively, is made in writing and sent to the address referred to in article 11 paragraph 1.

5. The pre-emptive right may be exercised during a period of at least two weeks as of the day of the announcement in the Government Gazette.

In the event that preference A or B shares are involved and the announcement was made in writing, the pre-emptive right may be exercised two weeks as of the day of the mailing of the announcement.

6. The pre-emptive right may be restricted or excluded by resolution of the shareholders meeting, in observance with the provisions of article 6 paragraph 1 of these articles.

The proposal to that effect must provide a written explanation of the reasons for the proposal and the choice of the intended issue price.

7. The pre-emptive right may also be restricted or excluded, in observance with the provisions of article 6 paragraph 1 of these articles, by the Board of Directors in case that, by resolution of the shareholders meeting, the Board of Directors has been designated for a certain period of no more than five years as authorised to limit or exclude the pre-emptive right; such a designation may only be made in case that the Board of Directors also has been, or is, simultaneously designated as authorised to issue shares as to referred in article 6 paragraph 1.

The designation may be extended for a period of no more than five years every time; the related authority granted may only be exercised upon the issue of shares falling within the scope of authority of the Board of Directors. Unless otherwise provided upon designation, it cannot be withdrawn.

8. A resolution of the shareholders meeting to limit or exclude the pre-emptive right or to designate as referred to in the previous paragraph requires a majority of at least two-thirds of the votes cast, if less than half of the issued capital is represented at the meeting.

Within eight days after said resolution, the Board of Directors shall deposit a complete text thereof at the office of the Trade Registry.

9. In granting rights to take twinned shares or a specific class of preference shares, the holders of twinned shares or class of preference shares concerned, respectively, have a pre-emptive right; the above provisions of this article shall apply *mutatis mutandis*.

Shareholders shall have no pre-emptive right to shares that are issued to a party exercising a previously obtained right to acquire shares.

Purchase of own shares/right of pledge on own shares

Article 9.

1. Subject to authorisation by the shareholders meeting and notwithstanding the provisions of article 2:98d of the Dutch Civil Code concerning the acquisition of shares by a subsidiary, the Board of Directors may effect the acquisition by the company of fully paid-up shares in its own capital for valuable consideration.

However, such acquisition is only permitted if:

- a. the shareholders' equity of the company, less the acquisition price of the shares, is not less than the paid-up and called-up part of the capital, increased by the reserves which must be maintained by law;
- b. the nominal amount of the shares to be acquired in its own capital, which the company itself holds or holds in pledge, or which are held by a subsidiary is no more than one/tenth of the amount of the issued capital.

As to the requirement referred to under a., conclusive shall be the extent of the shareholders' equity according to the balance sheet most recently adopted and approved, less the acquisition price of shares in the capital of the company and distributions to others from the profits or reserves owed by it and its subsidiaries since the date of the balance sheet.

If more than six months of a financial year have elapsed without the annual accounts having been adopted, then acquisition in accordance with the provisions of this paragraph is not permitted.

Upon authorisation, which shall only be valid for a period of no more than eighteen months, the general meeting must establish the quantity and the class of shares, which may be acquired, the manner and the price range within which they must be acquired.

The authorisation referred to in this paragraph is not required to the extent the company obtains its own shares listed in the price gazette of a stock exchange, in order to transfer them to employees of the company or of a group company pursuant to a stock option plan/scheme, if any.

2. Without prejudice to any legal provisions and the provisions as mentioned in paragraph 1 on the acquisition of the company's own shares and paragraph 3 hereof, the company can acquire units in which twinned shares are included.

3. Without prejudice to the provisions of article 12, the company may:

- a. in the event it has acquired a unit, transfer the Fortis SA/NV share which is part of the unit, separately from the twinned share which is part of the unit, to Fortis SA/NV, as a result whereof the company will only remain holder of former twinned shares in its own capital;
- b. acquire only its own twinned share out of a unit, if such former twinned shares is acquired by Fortis SA/NV or if Fortis SA/NV simultaneously acquires the Fortis SA/NV share included in the same unit.

Notwithstanding the provisions of this paragraph the company may, in the event it has acquired a unit, transfer such unit to any third party.

4. The Board of Directors shall decide upon alienation of shares in its own capital acquired by the company.

5. In the event that depositary receipts for shares in the company have been issued, such depositary receipts shall be considered equivalent to shares for the purposes of the application of the provisions of the previous paragraphs.

6. The company may only subscribe for its own shares or depositary receipts for same in pledge if:

- a. the shares involved have been fully paid up;

b. the nominal amount of the own shares to be taken in pledge and those already held or held in pledge and depositary receipts for same jointly is no more than one/tenth part of the issued capital, and

c. the shareholders meeting has approved the pledge agreement.

7. The company cannot derive any right to distributions from shares in its own capital; nor does it derive any right to such a distribution from shares of which it holds the depositary receipts.

In the calculation of the distribution of profits, the shares referred to in the previous sentence are not counted unless there is a right of usufruct right or pledge on such shares for the benefit of a party other than the company.

8. No vote may be cast at the general meeting for shares belonging to the company or to a subsidiary; nor for shares for which one of these holds the depositary receipt.

Usufructuaries and pledgees of shares that belong to the company or a subsidiary are, however, not excluded from exercising their right to vote if the right of usufruct or the pledge was created before the share belonged to the company or a subsidiary.

The company or a subsidiary cannot cast a vote for a share on which it has a right of usufruct or a pledge.

In determining the extent to which the shareholders vote, are present or represented, or the extent to which the share capital is provided or represented, the shares on which, by law, no vote may be cast shall not be taken into account.

Capital reduction

Article 10.

1. The shareholders meeting may only decide to reduce the issued capital upon proposal by the Board of Directors and subject to the provisions of article 2:99 of the Dutch Civil Code by cancellation of shares or reducing the amount of shares by amendment of the articles.

In said resolution, the shares to which the resolution pertains must be designated and the implementation of the resolution must be regulated.

Cancellation with repayment on shares or partial repayment on shares may also be effected only with respect to cumulative preference A shares and/or with respect to cumulative preference B shares.

Discharge of the obligation to pay, as referred to in article 2:99 of the Dutch Civil Code, may also be effected only with respect to cumulative preference A shares.

A partial repayment or discharge must be effected in proportion to all the shares involved.

2. A resolution as referred to in paragraph 1, first and second sentence, shall only have its effect, once there is a corresponding resolution of the appropriate corporate body of Fortis SA/NV, having effect.

3. Notwithstanding the provisions of paragraph 2, a resolution cancellation of twinned shares shall only relate to (former) twinned shares, which the company holds or will acquire, in accordance with the provisions of article 9 paragraph 3 of these articles, in which case the number of shares cancelled must be equal to the number of Fortis SA/NV shares cancelled.

4. If less than half of the issued capital is represented at the meeting, the general meeting of shareholders may only pass a resolution to reduce capital by at least a two-thirds majority of the votes cast.

In addition, a resolution to reduce the capital requires the prior or simultaneous approval of the meeting of each group of holders of shares of the same class of which the rights are impaired; the stipulation of the previous sentence applies *mutatis mutandis* to the decision-making process at such a meeting, on the

understanding that the meeting of holders of cumulative preference A shares may only approve if the resolution to that effect is passed unanimously at a meeting at which the entire subscribed capital in the form of cumulative preference A shares is represented.

The convocation to a meeting at which a resolution referred to in this article will be passed shall state the object of the capital reduction and how it is to be implemented; the second, third and fourth paragraphs of article 2:123 of the Dutch Civil Code shall apply *mutatis mutandis*.

Shareholders' register

Article 11.

1. The Board of Directors shall keep a register(s) in which the names and addresses of all holders of registered shares are recorded, indicating the date on which they acquired the shares, the date of the acknowledgement or service as well as the amount paid-up on each share.

The Board of Directors of Fortis SA/NV shall keep (a) similar register(s) with regard to the registered Fortis SA/NV share with which share the registered twinned share is twinned in a unit.

2. The names and addresses of those with a right of usufruct or pledge on those shares shall also be recorded in the register, stating the date on which the parties acquired the right, the date of acknowledgement or service, as well as stating those rights to which they are entitled in connection with the shares pursuant to paragraphs 2 and 4 of articles 2:88 and 2:89 of the Dutch Civil Code.

3. The register may exist of several separate parts, which parts, entirely or partially, may be kept at different locations.

The register may be kept entirely or partially in more than one copy.

4. The register shall be up-dated regularly; it shall also record any discharge of liability for payments not yet made.

5. If so requested, the Board of Directors shall provide, free of charge, an extract from the register to a holder of registered shares, a usufructuary or a pledgee of registered shares pertaining to his right to such shares.

The Board of Directors shall also provide, at the request of a holder of (registered) twinned shares, a unit certificate model I as mentioned in article 5 paragraph 4.

If a registered share is subject to a right of usufruct or a pledge then the extract shall state who is entitled to the rights referred to in paragraphs 2 and 4 of the articles 2:88 and 2:89 of the Dutch Civil Code.

6. The Board of Directors shall make the register available at the offices of the company for inspection by the holders of registered shares, as well as the usufructuaries and pledgees of registered shares entitled to the rights referred to in paragraph 4 of articles 2:88 and 2:89 of the Dutch Civil Code.

The previous sentence does not apply to the part of the register that is kept outside the Netherlands in order to comply with legislation applicable abroad or pursuant to stock exchange regulations.

The information in the register regarding shares which are not fully paid up may be inspected by anyone; a copy or extract of this information shall be supplied at a charge of no more than cost price

7. Each holder of registered shares, as well as anyone with a right of usufruct or pledge on registered shares is obliged to notify the company in writing of his place of residence and address.

In the event it changes, the Board of Directors shall be notified immediately and record the change in the register.

8. If registered shares are part of a community of property, the combined joint owners may only have themselves represented vis-à-vis the company by a person who has been appointed by them jointly in writing.

Manner of delivery and allocation of registered shares

Article 12.

1. Notwithstanding the provisions of article 9 paragraph 3, a twinned share can only be transferred or pledged simultaneously with and to the same person/legal entity as a Fortis SA/NV share comprised in the unit which includes the relevant share.

The provision of this paragraph shall also apply to the granting of a right of usufruct and to any other kind of (limited) rights whatsoever having a twinned share as object.

2. The transfer of registered shares or the delivery of a limited right to same requires a deed for that purpose, as well as, except in the case that the company itself is a party to the legal transaction, the company's written acknowledgement of the delivery.

The acknowledgement shall be in the deed, or by a dated statement of acknowledgement on the deed or on a copy or extract thereof certified by a notary or by the alienating party.

Acknowledgement is the equivalent of service on the company of that deed or that copy or extract.

3. If unit certificates model I are issued, the transfer of a twinned registered share for which a unit certificate model I has been issued, furthermore requires the delivery of such unit certificate model I to the company.

The acknowledgement shall be either on the unit certificate model I by means of a note stating such acknowledgement, or by transfer of a new unit certificate model I to the acquirer.

In the event such unit certificate model I is delivered to Fortis SA/NV, Fortis SA/NV is empowered to acknowledge the transfer of such twinned registered share on behalf of the company.

4. If the delivery pertains to non-fully paid-up preference A shares, the acknowledgement may be made if the deed of transfer has a fixed date.

5. The transfer shall be recorded in the register referred to in article 11.

In the event of transfer of non-fully paid-up preference A shares, the date of the transfer shall be recorded as well.

6. A pledge may also be created without acknowledgement by or service on the company.

In that case article 3:239 of the Dutch Civil Code shall apply *mutatis mutandis*, in which regard the acknowledgement by or service on the company shall take the place of the notification referred to in paragraph 3 of that article.

Bearer shares, K-stukken

Article 13.

Unit certificates shall be issued for twinned bearer shares ("unit certificates model II"), which certificates bear a dividend coupon sheet consisting of separate dividend coupons and talon.

Such unit certificates model II are also to be indicated hereinafter as: *K-stukken*, which unit certificate model II indicates that the holder of a twinned bearer share is also holder of a bearer Fortis SA/NV share.

They shall have the form and be numbered in the manner to be determined by the Board of Directors.

The provisions of article 14 shall apply to the unit certificate model II.

Collective certificates

Article 14.

1. Upon request of a shareholder, collective certificates of unit certificates model I and model II shall be issued for such quantities of shares as the Board of Directors shall determine.

At the request of the holder, a collective certificate shall be converted into an equal nominal amount in single certificates.

2. The collective certificates shall bear the signatures of two members of the Board of Directors, and of two members of the board of directors of Fortis SA/NV.

The signatures may be applied in facsimile.

The signatures may also be replaced by a verification stamp characteristic to the company, applied by or under the supervision of the company, and by a verification stamp characteristic to Fortis SA/NV, applied by or under the supervision of Fortis SA/NV.

If at least one signature of a member of the Board of Directors or a member of the board of directors of Fortis SA/NV has not been applied by hand in pen, a verification stamp as described above must be applied.

3. The company shall charge the cost price of the issue and conversion of collective certificates.

Conversion

Article 15.

1. At the holder's request, twinned registered shares may be converted to twinned bearer shares, and *vice versa*, subject to procedures to be set by the Board of Directors.

2. Conversion of twinned bearer shares to twinned registered shares will occur by submitting the unit certificates model II to the company and the simultaneous entry in the register as mentioned in article 11, as well as a corresponding entry in the shareholders' register of Fortis SA/NV.

Besides the unit certificates, the dividend coupon sheet with the non-payable dividend coupons and talon have to be submitted.

3. Conversion of twinned registered shares to twinned bearer shares will occur, upon a written request by the shareholder, by issue of the unit certificates model II and the simultaneous cancellation of the entry in the register, as well as, if issued, by submitting unit certificates model I belonging to the twinned registered shares.

If a right of usufruct or right of pledge has been created on such shares, in accordance with the provisions of article 12 paragraph 1, the cooperation of the usufructuary or the pledgee is required.

No transfer of twinned registered shares and conversion of twinned registered shares to twinned bearer sharer may be effected during the period commencing on the day of deposit as referred to in article 27, before a general meeting of shareholders and ending on the day after said meeting.

With regard to the conversion of twinned registered shares to twinned bearer shares in order to participate with the securities transfer by giro (*giraal effecten verkeer*) and *vice versa*, article 16 of these articles shall apply.

4. In the event of the loss, theft or destruction of the unit certificates model I and model II or dividend sheets or dividend coupons pertaining to twinned shares, the Board of Directors may issue duplicates.

The Board of Directors may attach conditions to said issue, including the giving guarantees and reimbursement of costs by the party making the request.

By issuing a duplicate, the original document is rendered worthless vis-à-vis the company.

It must be apparent from the new document that it is a duplicate.

Article 16.

1. Furthermore, twinned bearer shares, for the purpose of the entry in the giro system (*giraal effectenverkeer*), may be combined in one or more global unit certificate model III (the “global”) for such number of shares as to be determined by the Board of Directors.

2. The company may deposit the globals with Necigef or CIK (both authorities are defined hereafter in article 32) or their legal successors.

3. The Board of Directors of the company shall determine the manner and the conditions twinned shares may be entered in the giro system (*giraal effectenverkeer*) and be removed from such system.

The Board of Directors shall announce such possibility and any significant change thereof in the manner provided by article 25 paragraph 1.

Transfer restriction cumulative preference A and B shares

Article 17.

1. Each transfer of cumulative preference A and B shares requires the approval of the Board of Directors.

2. The transfer must be effected within three months after approval has been granted.

Approval shall be deemed to have been granted, if no decision on the application for approval has been made within one month.

Approval shall also be deemed to have been granted, if the Board of Directors fails to inform the applicant of one or more interested parties which are willing and able to purchase all shares to which the application pertains at the same time as denying the requested approval.

3. The price at which the shares referred to in the last sentence of the preceding paragraph can be purchased by the interested parties accepted by the applicant shall be established by the applicant and the Board of Directors.

If they fail to reach agreement, the price shall be established by the chartered accountant as referred to in Article 31.

4. The applicant is authorised to withdraw within one month after being definitively informed of the price.

5. The company may only be designated as an interested party with the applicant's approval.

6. If, within one month after being informed of the definite price, the applicant has not withdrawn the transfer, the cumulative preference A and B shares, to which the application pertained, must be transferred to the interested party (parties) against payment within one month after the aforementioned period elapses.

If the seller remains in default as to transferring the cumulative preference A and B shares within this period, the company shall be irrevocably authorised to proceed to deliver the cumulative preference shares A and B, subject to the obligation of paying the purchase price to the seller.

7. If a legal person, which holds cumulative preference A and B shares, is dissolved, if a holder of cumulative preference A and B shares is declared bankrupt or has been granted suspension of payments and in the event of a transfer of cumulative preference A and B shares under universal title, the holder of cumulative preference A and B shares, or its successors in title is/are obliged to transfer the cumulative preference A and B

shares to one or more persons designated by the Board of Directors in accordance with the provisions of this article.

If the Board of Directors remains in default as to designating one or more persons, who are willing and able to purchase all cumulative preference A and B shares the holder, respectively, his successor(s) in title is/are allowed to keep these shares.

In the event of non-compliance with this obligation within three months after the obligation has arisen, the company shall be irrevocably authorised to effect the transfer, provided that it involves all shares, on behalf of the holder of the cumulative preference A and B shares in default, or its successor(s) in title, in accordance with the provisions of this article and the provisions of paragraph 6, second sentence of this article shall apply *mutatis mutandis*.

Article 18.

In the event of issue of cumulative preference A shares, a general meeting of shareholders shall be convened which will take place no later than two years after the day on which the cumulative preference A shares have been issued.

This meeting places on its agenda a resolution on the purchase or cancellation of the cumulative preference A shares.

If the resolution to be passed in accordance with this item on the agenda does not entail the purchase or cancellation of the cumulative preference A shares, a general meeting of shareholders shall be convened and held every time within two years after the last one was held; these meetings shall continue to place on the agenda a resolution on the purchase or cancellation of the cumulative preference A shares, such until there are no longer any cumulative preference A shares outstanding.

The provisions in the previous paragraph shall not apply to cumulative preference A shares which have been issued pursuant to a resolution of the general meeting.

Management

Article 19.

1. The company shall be managed by a Board of Directors consisting of A members, B members and one C member.

The maximum number of members of the Board of Directors shall be seventeen, the actual number to be determined by the Board of Directors.

The Board of Directors determines the number of members on the understanding that there shall be a maximum of eight A members, eight B members and one C member.

2. The Board of Directors appoints two chairmen from amongst its members, one of whom is a class A member and one of whom is a class B member and, as the case may be two vice chairmen one of whom is elected from among the class A members and one of whom is elected from among the class B members.

3. The Board of Directors draws up rules to establish the internal allocation of tasks and the decision-making process of the Board of Directors, which rules are identical to the rules of the board of directors of Fortis SA/NV.

Said rules may be amended by the Board of Directors, subject to the provisions in the rules with respect to such amendments.

4. The scope of activity of the A members and B members involves in particular the general course of affairs and that of the C member, who bears the title of Chief Executive Officer (CEO), the daily management.

5. A member of the Board of Directors may give a power-of-attorney to one of the other members of the Board of Directors by means of a signed document, sent by post or by fax, to represent him at Board of Directors meetings and to vote in his place.

6. The Board of Directors may institute from amongst its members all committees it considers useful.

On proposal by the Chief Executive Officer, the Board of Directors appoints the members of an executive committee. Except from the Chief Executive Officer, who is a member and chairman of the committee, no members of the Board of Directors may be appointed as member of the committee; only those persons who do hold a management position in the group to which the company belongs, Fortis group.

Appointment, suspension and dismissal of members of the board of directors

Article 20.

1. The members of the Board of Directors shall be appointed by the general meeting from a binding nomination of at least two persons to be made by the Board of Directors.

The first nominee must be a member of the Board of Directors of Fortis SA/NV or someone who is nominated for such office.

If the first nominee is appointed and is not already a member of the board of directors of Fortis SA/NV, his/its appointment as a member of the Board of Directors shall not take effect until such member of the Board of Directors has been appointed a member of the board of directors of Fortis SA/NV.

2. The shareholders meeting may deprive the nomination of its binding character by virtue of a resolution passed by a majority of at least two thirds of the votes cast, representing more than half of the issued capital.

3. Members of the Board of Directors can be suspended or dismissed by the shareholders meeting at any time.

The shareholders meeting may only pass a resolution on the suspension or dismissal of a member of the Board of Directors with a majority of at least two thirds of the votes cast, representing more than half the issued capital, unless the proposal in question has been made by the Board of Directors itself.

4. Even in the event the suspension has been renewed one or more times, a suspension may not exceed of period of three months, unless it is decided to dismiss the member.

5. A suspended member of the Board of Directors is given the opportunity to answer for himself at the shareholders meeting and to have himself assisted by counsel for these purposes.

6. In the event of the prolonged absence or prevention of one or more members of the Board of Directors, the remaining members or the remaining member shall be temporarily charged with the management.

Article 21.

1. A member of the Board of Directors, who is appointed from a binding nomination as referred to in article 20, shall vacate his office upon his ceasing to be a member of the board of directors of Fortis SA/NV.

2. Each A member and each B member of the Board of Directors shall resign no later than at the time the annual general meeting of shareholders held in the year the member reaches the age of seventy is closed. Furthermore, each A member and each B member of the Board of Directors shall resign no later than upon the close of the annual general meeting of shareholders held in the year four years after his last appointment.

Without prejudice to the provisions in the first sentence, he can then be re-appointed immediately.

The Board of Directors shall draw up a roster of resignation for its A and B members.

3. The A members and the B members and the Chief Executive Officer of the Board of Directors receive remuneration which is to determined by the Board of Directors.

Representation

Article 22.

1. The Board of Directors shall represent the company.

The authority of representation is also assigned to the two chairmen of the Board of Directors acting jointly, or to one of the chairmen of the Board of Directors acting jointly with the Chief Executive Officer.

2. Without prejudice specific delegations of authority, the Board of Directors shall grant the Chief Executive Officer a continuous authorisation to represent the company independently, subject to the limitations set out in that authorisation.

3. In all cases in which the company's interest is in conflict with the interest of one or more members of the Board of Directors, the provisions of paragraph 1 shall remain in full force on the understanding that if a member of the Board of Directors concludes an agreement with the company in private or conducts proceedings against the company in any form whatsoever in private, the company can be represented in this matter only by two A or B members of the Board of Directors appointed by the Board of Directors.

General meeting of shareholders

Article 23.

1. The annual general meeting of shareholders shall be held before one July.

2. In this meeting:

- a. the written report issued by the Board of Directors pertaining to the business of the company and the management conducted shall be discussed;
- b. the adoption of the annual accounts and, subject to article 29, the determination of the allocation of profits;
- c. discussions are held and resolutions are passed with regard to proposals of:
 - A. the Board of Directors, as well as
 - B. of shareholders, however, to the extent that it involves these proposals under B, only if the Board of Directors is of the opinion that there are no substantial interests of the company opposing these proposals and, furthermore, if the proposals have been submitted to the Board of Directors at the offices of the company in writing, at least forty-five days preceding the day the annual general meeting of shareholders is held.

The subjects referred to under a and b need not be placed on the agenda, if the period for drawing up the annual accounts and submitting the annual report and accounts is extended or a proposal for extension has been placed on the agenda.

3. Within three months after the Board of Directors has had good reason to assume that the shareholders' capital of the company has decreased to an amount equal to or less than half of the paid-up and called-up part of the capital, a general meeting of shareholders is held to discuss the measures to be taken, if any.

Article 24.

1. Without prejudice to the provisions of paragraph 4 of this article, extraordinary general meetings of shareholders are held as often as convened by the Board of Directors.

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2. Shareholders representing at least one-tenth part of the issued capital, may address the Board of Directors in writing with the request to convene a general meeting of shareholders.
 3. The request shall include the exact items to be discussed.
 4. If the Board of Directors convenes the meeting in such a way that the meeting cannot be held within six weeks after the request, those making the request are authorised to convene the meeting, subject to the statutory provisions and the provisions in the articles of association.

Article 25.

1. The general meeting of shareholders will be held in Utrecht or Amsterdam. Without prejudice to the provisions of article 8 paragraph 4, all convocations and notifications to shareholders and persons referred to in paragraph 2, will be placed in:
 - a. a nationally distributed newspaper in the Netherlands,
 - b. the Official Price List of Euronext Amsterdam NV in Amsterdam,
 - c. a nationally distributed newspaper in the French language distributed in Belgium;
 - d. a nationally distributed newspaper in the Dutch language distributed in Belgium; and
 - e. in nationally distributed newspapers in every country where the shares held in the capital of the company are admitted to the official listing of a stock exchange.
2. Shareholders and others persons entitled to attend the meeting by virtue of the law are convened to the general meeting by the Board of Directors or by two members of the Board of Directors.

The convocation shall be effected no later than on the fifteenth day before the meeting.

Furthermore a second convocation may be effected, no later than on the eighth day before the meeting.

Any reference in these articles of association made to convocation shall mean the first convocation.

3. The convocation shall state the items to be discussed, unless the agenda is made available at the company's offices and at such locations as to be announced in the convocation, including in any case a location in Amsterdam, for inspection by the shareholders and any other persons as referred to in paragraph 2, a copy of which can be obtained by these free of charge, and if the availability is announced in the convocation itself; however, a proposal to amend the articles of association or to dissolve the company must always be announced in the convocation.

No valid resolutions can be passed on items with regard to which the provisions of the previous sentence have not been observed and the discussion of which has not been announced accordingly, after all, and subject to the period set for the convocation.

Article 26.

1. The general meeting of shareholders will be chaired by one of the two chairmen of the Board of Directors, or, in their absence by the member of the Board of Directors appointed thereto by the Board of Directors.

If no chairmen is present and no other member of the Board of Directors has been appointed by the Board of Directors, the meeting shall appoint its chairman itself.

2. Minutes shall be kept of the items dealt with at the general meeting of shareholders, which minutes shall be adopted and signed by a shareholder to be appointed by the chairman immediately after the meeting is opened.

3. The chairman of the meeting as well as any other member of the Board of Directors may at all times commission the drawing up of a notarial record of the meeting at the company's expense.

4. The chairman shall decide on all disputes with regard to voting, admitting people and, in general the procedure at the meeting, insofar as this is not provided for by law or the articles of association.

Article 27.

1. Any persons with rights attributed by law to holders of depositary receipts issued with the co-operation of the company, pursuant to, *inter alia*, the provisions of article 2:88 paragraph 4 and article 2:89 paragraph 4 of the Dutch Civil Code, hereinafter referred to as: those with meeting rights, are authorised to attend and address the general meeting, but may not vote.

2. Shareholders and those with meeting rights may have themselves represented at the meeting by persons who have been authorised in writing.

3. Before being admitted to a meeting, a shareholder, a person holding meeting rights or their authorised agents are required to sign an attendance list, stating his name and, insofar as applicable, the number of votes to which he is entitled.

If it concerns an authorised agent of a shareholder or of a person with meeting rights, the name (names) on behalf of whom the authorised person acts is (are) also stated.

Notwithstanding the provisions of paragraph 5, the Board of Directors may decide that a holder of a unit, who attends the meeting of shareholders of Fortis SA/NV, will be given the opportunity to grant a power of attorney to a person appointed by the Board of Directors, to attend the general meeting of shareholders of the company on behalf of the holder of such unit, to address the meeting and to vote in a general meeting of shareholders notwithstanding the provisions of article 2:117 of the Dutch Civil Code.

Such power of attorney shall only authorize to cast a similar vote in the general meeting of shareholders of the company and in the general meeting of shareholders of Fortis SA/NV, insofar as the items on the agenda are identical.

The convocation shall announce such arrangement.

4. A holder of shares or a usufructuary of registered shares to which the right to vote has been attributed, or the authorised agent of such shares is only admitted to the general meeting of shareholders if he, or the person he is acting for, has been registered as such in the register referred to in article 11, and with regard to a holder of twinned registered shares and a holder of preference B shares, provided the company has been sent written notification of his intention to attend the meeting at its location and no later than on the day described in paragraph 6 of this article.

5. The powers-of-attorney of holders of shares and of usufructuaries and pledgees of shares must be deposited, notwithstanding the powers of attorney as mentioned in the third sentence of paragraph 3 of this article.

With regard to the place and time of depositing and the notification thereof in the convocation, the provisions in the following paragraph shall apply *mutatis mutandis*.

6. Holders of twinned bearer shares or their authorised agents are only admitted to the general meeting of shareholders if the unit certificates model II have been deposited prior to the meeting at the places to be indicated by the Board of Directors in the convocation.

Valid depositing may also occur by a written notice of a banking institution stating that the unit certificates model II described in this notice shall be kept in custody until after the meeting, or a statement of a banking institution, stating that the number of twinned shares referred to in this notice is part of a community of property of which community the person referred to in the notice is and shall remain a participant for the number of shares stated until after the meeting.

With regard to the right to vote and the entitlement to attend meetings, the company will consider as shareholders those persons mentioned in such statement.

The convocation shall announce the ultimate day on which this stock deposit may be made.

This day may not be set earlier than the seventh day prior to the meeting.

If a power-of-attorney pertains to unit certificates model II, such power-of-attorney must be deposited in accordance with the provisions of paragraph 5 of this article.

7. Announcements to the general meeting of shareholders which must be made by virtue of the law or these articles of association, may be made either in the convocation to the meeting or in a document which has been filed at the offices of the company and at a location in Amsterdam and at a location in Brussels for the purpose of notification, provided this is stated in the convocation.

Article 28.

1. Each share shall confer the right to cast one vote.
2. Insofar as the law or these articles of association do not prescribe a larger majority, resolutions shall be passed by an absolute majority of votes cast.
3. The chairman of the meeting shall determine the method of voting. Votes pertaining to individuals shall be effected in writing, unless the general meeting of shareholders unanimously approves of oral voting.
4. In the event the votes tie, the issue shall be decided by drawing lots, if it involves a proposal pertaining to individuals, and if it concerns matters, the proposal shall be rejected.
5. Blank votes and invalid votes shall be considered as not having been cast.

Meetings of holders of a special class of shares

Article 29.

1. A meeting of holders of a special class of shares shall be held as often as a resolution of the meeting of holders of this special class shares is required, and, furthermore, as soon as such a meeting is considered desirable by either the Board of Directors or one or more holders of a special of class shares, in total representing at least forty percent (40%) of the capital issued as shares of this class.
2. If one or more holders of special class of shares as referred to at the end of paragraph 1 wish to convene a meeting of holders of a special of class shares, they shall inform the Board of Directors of same.

If the Board of Directors does not convene a meeting of holders of a special class of shares, in such a way that it is held within fourteen days after the request was received, each one of those requesting the meeting shall be authorised to convene a meeting themselves, subject to the provisions of these articles of association.

3. With regard to the meeting of holders of a special class of shares, articles 24 through 28 apply *mutatis mutandis*, with the exceptions that if it involves a meeting of holders of preference shares, (i) the convocation shall be effected by means of letters sent to the addresses stated in the shareholders' register, (ii) the convocation shall be effected no later than on the eighth day preceding the meeting, (iii) the meeting of holders of cumulative preference A shares arrange the chairmanship itself and (iv) with regard to the meetings referred to under (iii), article 27, paragraphs 5 and 6 shall not apply.

Financial year, annual accounts

Article 30.

1. The financial year coincides with the calendar year.

2. Every year within a period of five months after the close of the financial year, the Board of Directors draws up the annual accounts, except in the event this period has been extended by a maximum period of six months by the general meeting of shareholders on the basis of extraordinary circumstances.

The annual accounts shall include the audit report of the annual report, as referred to in article 31, and other data referred to in article 2:392 paragraph 1 of the Dutch Civil Code; however, with regard to the other data, only to the extent that these provisions apply to the company.

The annual accounts shall be signed by all members of the Board of Directors; if one or more of their signatures is lacking, this will be indicated, stating reasons.

3. The company shall ensure that the drawn up annual accounts and the annual report and the other data referred to in paragraph 2, will be available at the company's offices and at a location in Amsterdam and at a location in Brussels announced in the convocation as from the day of convocation of the general meeting of shareholders designed to discuss these documents.

The shareholders can inspect the documents there and obtain a copy free of charge.

At the aforementioned locations, third parties can obtain a copy at cost price.

4. The annual accounts cannot be adopted, if the general meeting of shareholders has not had the opportunity of consulting the audit report as referred to in article 31.

In the absence of the aforesaid report, the annual accounts can still be adopted provided that the absence of the report and the reasons are stated.

5. After the proposal to adopt the annual accounts has been dealt with, the general meeting of shareholders shall be invited to discharge the members of the Board of Directors for actions in respect of its management during the previous financial year in connection with the annual accounts and the matters announced in connection with same at the general meeting of shareholders.

Chartered accountant

Article 31.

1. The company shall commission an accountant, as referred to in article 2:393 of the Dutch Civil Code, to audit the annual accounts as drawn up by the Board of Directors pursuant to the provisions of paragraph 3 of this article.

The shareholders meeting is authorised to commission this accountant. If the meeting fails doing so, the Board of Directors shall be authorised.

The commission of the accountant may be withdrawn at all times by the general meeting of shareholders, as well as by the person who commissioned the accountant.

The accountant shall report to the Board of Directors with regard to his audit and present the findings of his audit in a statement.

2. The commission referred to in the preceding paragraph may be granted to an organisation in which accountants eligible for appointment co-operate.

Profit and loss

Article 32.

1. The company may only make distributions to its shareholders insofar as its shareholder's capital exceeds the amount of the paid-up and called-up part of the capital increased by the statutory reserves.

2. Distribution of profit shall be effected after the adoption of the annual accounts which show that this is permitted.

3. The Board of Directors shall determine which part of the profit remaining after application of paragraphs 4 and 5 shall be reserved.

4. First, from the profit, if possible, the percentage of the obligatory amount paid on the cumulative preference A shares to be referred to below is distributed.

The aforementioned percentage shall equal the average European Interbank Offered Rate (EURIBOR (rate*)) for a term of one year, as publicised by the European Central Bank (*Europese Centrale Bank*), calculated according to the number of days the rate applied, during the financial year to which the distribution relates, increased by one and a half.

If in the financial year to which the said distribution relates, the obligatory amount paid on the cumulative preference A shares has been decreased or pursuant to a resolution for further payment, has been increased, the distribution will be decreased, if possible, increased by an amount equal to the aforementioned percentage of the amount of the decrease or increase, calculated as from the moment of the decrease or from the moment further payment has become obligatory.

If and insofar as the profit does not suffice to fully distribute the payment referred to in the first sentence, the deficit shall be distributed to the debit of the reserves, if this is not in conflict with the provisions in paragraph 1 of this article.

If and insofar as the payment referred to in the first sentence cannot be distributed from the reserves, the profits made in the following years will be used first to distribute such payment to the holders of cumulative preference A shares until the deficit is fully cleared before the provisions in the next paragraphs of this article can be applied.

No payments shall be distributed on the cumulative preference A shares other than as determined in this article and article 33.

If the profit in a financial year has been determined and one or more cumulative preference A shares subject to repayment have been cancelled, those who at the time of said withdrawal held these cumulative preference A shares as appears from the register referred to in article 11 shall have a non-transferable right on distribution of payment as described below.

The profit which will be distributed to said holder(s), if possible, shall equal the amount of the distribution to which the party would have been entitled pursuant to the above, if the party were still a holder of the aforementioned cumulative preference A shares at the time of the profit determination, calculated over the period that he held these cumulative preference A shares in the financial year in question, which payment will be reduced by the amount of the payment distributed pursuant to the provisions in paragraph 21 of this article.

If in the course of any financial year, the issue of cumulative preference A shares has taken place, the dividend on these cumulative preference A shares with respect to this financial year shall be decreased pro rata up to the day of issue.

5. Subsequently, a dividend will be distributed on the cumulative preference B shares equal to a percentage calculated over an amount equal to four times the nominal value, and this percentage shall be linked to the average effective yield on the five longest running state loans, calculated according to the method described below.

For the first time as per the first of January of the calendar year following the day on which ten years have elapsed since the day the cumulative preference B shares were issued and from then on every ten years afterwards, the dividend percentage of all cumulative preference B shares shall be adjusted to the then applicable average effective yield of the five longest running state loans at that time, calculated according to method described below.

The calculation of the dividend percentage for cumulative preference B shares shall be effected by taking the arithmetic average of the average effective yield of the aforementioned loans, as established by the Central Bureau of Statistics and published in the Official Price List of Euronext Amsterdam NV in Amsterdam, over the last twenty days at the stock exchange preceding the day at which the cumulative preference B shares are first issued or the day at which the dividend percentage is adjusted, possibly increased or decreased by a maximum of half a point dependent on the conditions on the market applicable at that time, said decision being at the Board of Directors' discretion.

If and insofar as the profit does not suffice to distribute the payment as referred to in the first sentence, the profits made in the following years and remaining after application of the provisions in paragraph 3 of this article, will first be used to distribute such payment to the holders of cumulative preference B shares until the deficit is fully cleared, before the provisions in the next paragraphs of this article can be applied.

If, in a financial year over which the aforesaid distribution takes place, the compulsory amount paid on the cumulative preference B shares is reduced, the distribution shall be reduced by an amount equal to the percentage of the amount of the reduction referred to above, calculated from the time of the reduction.

No payments shall be distributed on the cumulative preference B shares other than as determined in this article and article 33.

If the profit in a financial year has been determined and one or more cumulative preference A shares subject to repayment have been cancelled, those who at the time of said withdrawal held these cumulative preference A shares as appears from the register referred to in article 11, shall have a non-transferable right on distribution of payment as described below.

The profit which will be distributed to said holder(s), if possible, shall equal the amount of the distribution to which the party would have been entitled pursuant to the above, if the party were still a holder of the aforementioned cumulative preference B shares at the time of the profit determination, calculated over the period that he held these cumulative preference B shares in the financial year in question, which payment will be reduced by the amount of the payment distributed pursuant to the provisions in paragraph 21 of this article.

If in the course of any financial year, the issue of cumulative preference B shares has taken place, the dividend on these cumulative preference A shares with respect to this financial year shall be decreased pro rata up to the day of issue.

6. The part of the profit remaining after application of the provisions of paragraphs 4 and 5 and not reserved by the Board of Directors by applying paragraph 3, shall be at the disposal of the general meeting of shareholders, regarding the distribution of the NV Dividend (as defined hereunder), without prejudice to the provisions of paragraph 20 of this article.

7. For the purpose of this article:

- a. "Form" means the form, as prescribed by the Board of Directors from time to time, for the purposes of making an election pursuant to this article.
- b. "Gross Dividend Amount" means in relation to either the company or Fortis SA/NV the amount of the dividend payable or proposed to be paid by the company or Fortis SA/NV (as the case may be) on each of the twinned shares including, without limitation to the generality of the foregoing, the amount of any tax to be deducted or withheld from the dividend by or on behalf of the company paying the dividend; all such amounts being expressed in Euro's on such basis as the Board of Directors and the board of directors of Fortis SA/NV may jointly determine and on a per unit basis by the company as a result of the election made by the shareholder pursuant to paragraph 9.
- c. "NV Dividend" means any dividend (whether interim or final) payable to the holder of a twinned share by the company as a result of the election made by the shareholder pursuant to paragraph 9.

d. “Fortis SA/NV Dividend” means any dividend (whether interim or final) payable to the holder of a Fortis SA/NV share by Fortis SA/NV as a result of the election made by the shareholder pursuant to paragraph 9.

e. “CSD” means Necigef in the Netherlands and CIK in Belgium or any other institution which would succeed Necigef and/or CIK.

f. “CSD member” means an affiliate of CSD.

g. “Necigef” means the central institute in the sense of the Act on securities transfer by giro (*Wet giraal effectenverkeer*);

h. “CIK” means the central institute in the sense of Belgian Royal Decree number 62 of 10 November 1967;

i. “Custodian” means the financial institution holding the units for account of the shareholder or for account of another financial institution.

8. Subject to the provisions of this article and to the payment of any dividend not being unlawful, the Board of Directors shall recommend or pay dividends of such an amount so that the Gross Dividend Amount in respect of the proposed dividend payment on a twinned share is equal to the Gross Dividend Amount in respect of the proposed corresponding dividend payment on a Fortis SA/NV Share.

The amount of any Gross Dividend Amount in relation to the twinned shares shall be determined contemporaneously with the determination by the board of Fortis SA/NV of the Gross Dividend Amount in relation to the corresponding Fortis SA/NV Dividend.

9. Each holder of twinned shares shall be entitled in compliance with this article, for each of his units, to elect in accordance with the provisions of this article whether to accept either the Fortis SA/NV Dividend on the Fortis SA/NV shares comprised in such units or the NV Dividend on the twinned shares comprised in such units.

If a holder of a unit elects to accept the entitlement to the Fortis SA/NV Dividend, he will therefore not receive the NV Dividend and *vice versa*.

No entitlement to both the Fortis SA/NV Dividend and the corresponding NV Dividend shall arise in relation to any unit.

10. No election shall be valid unless made on the Form and within the timeframe as determined by Board of Directors or otherwise as the Board of Directors may determine.

11. Subject to the second sentence of paragraph 9 hereof a shareholder shall be deemed:

a. in the event a shareholder according to Dutch law may not exercise his rights as shareholder, to have made an election for a NV Dividend;

b. in the event a shareholder according to Belgian law may not exercise his rights as shareholder, to have made an election for a Fortis SA/NV Dividend;

c. in the event a shareholder according to Dutch law as well as to Belgian law may not exercise his rights as shareholder, to have made an election for a NV Dividend;

d. in the absence of making an election in respect of any such units:

— in the event the unit is held through a Custodian having an account with a Dutch domiciled CSD member or the unit is owned by a shareholder registered in the shareholders register as referred to in article 11 of the present articles having domicile in the Netherlands, to have made an election for the NV Dividend;

— in the event the unit is held through a Custodian having an account with a Belgian domiciled CSD member or the unit is owned by a shareholder registered in the shareholders register as referred to in article 11 of the present articles having domicile in Belgium, to have made an election for a Fortis SA/NV Dividend;

— in the event units are held through a Custodian having an account with neither a Dutch nor a Belgian domiciled CSD member or the unit is owned by a shareholder registered in the shareholders register as referred to in article 11 of the present articles having domicile neither in the Netherlands nor in Belgium, fifty per cent (50%) of the units will be allotted a Fortis SA/NV Dividend and fifty per cent (50%) a NV Dividend; any odd number remaining will receive one hundred per cent (100%) Fortis SA/NV Dividend in the first year and each alternate year thereafter, and a one hundred per cent (100%) NV Dividend in the intervening years.

— in the event a shareholder requested the issue of physical shares and failing to elect for a NV Dividend, to have made an election for the Fortis SA/NV Dividend;

e. in the event the company is holder of one or more units, to have made an election for a NV Dividend.

12. Where according to this article an election for either the NV Dividend or the Fortis SA/NV Dividend is deemed to have been made any member of the Board of Directors, or any other person designated by the Board of Directors, shall be authorized (and shall be the attorney of the shareholder concerned for the purpose) to execute a Form on behalf of such shareholder in respect of all the units in respect of which the election is deemed to have been made, or in respect of which no election has been made.

13. All dividends shall be declared and paid according only to the amounts paid up on the nominal value of the twinned shares.

14. In the calculation of the distribution of profits the shares which the company holds shall be disregarded unless these shares are subject to a pledge or a right of usufruct.

15. Except in the case of interim dividends, distribution of profits shall take place after confirmation and adoption of the annual accounts showing that this is allowed.

16. The Board of Directors shall have power, with due observance of what has been provided in paragraph 1 hereof, to declare one or more interim dividends.

A distribution of an interim dividend is possible only if the requirements of paragraph 1 of this article have been met, as apparent from an interim financial statement drawn up in accordance with the statutory regulations.

The provisions of paragraph 7 to 12 inclusive of this articles shall apply accordingly regarding the distribution of interim dividends

17. Notwithstanding any other provisions of these articles, the shareholders meeting or the Board of Directors may fix any date as the record date for any distribution or issue.

18. Dividends that have not been collected within five years after they have become payable shall be forfeited to the company.

19. With due observance of what has been provided in paragraph 1 hereof, the Board of Directors may resolve to make distributions to the shareholders from the reserves.

20. In the event of cancellation with repayment of cumulative preference A shares or cumulative preference B shares, on the day of repayment a distribution shall be made on the cancelled cumulative preference A shares or cumulative preference B shares, which payment shall be calculated as much a possible in accordance with the provisions of paragraph 4 or paragraph 5 of this article and, to be precise, over the period over which no previous distribution within the meaning of the first sentence of paragraph 4 of this article or paragraph 5 of this article had been made until the day of repayment, all this subject to the requirements of paragraph 1 of

this article as apparent from an (interim) financial statement drawn up in accordance with the statutory regulations have been met.

In the event of cancellation with repayment of cumulative preference B shares, on the day of repayment a distribution shall be made of three times the nominal amount on each cancelled preference B share, in addition to the repayment of the nominal amount, all this as long the requirements of paragraph 1 of this article as apparent from an (interim) financial statement drawn up in accordance with the statutory regulations have been met.

21. Distributions are receivable and payable effective as from the day set by the Board of Directors, which may vary as to distributions on twinned shares, distributions on cumulative preference A shares, for distributions on cumulative preference B shares.

22. The company will announce in:

- a. the Official Price List of Euronext Amsterdam NV in Amsterdam;
- b. a nationally distributed newspaper in the Netherlands;
- c. a nationally distributed newspaper in the French language distributed in Belgium; and
- d. a nationally distributed newspaper in the Dutch language distributed in Belgium, the conditions and the manner in which, depending on the election which has been made (or deemed been made), the dividends will be made payable.

Amendment of the articles of association, dissolution, liquidation

Article 33.

1. A resolution to amend the articles or to dissolve of the company may only be passed upon a proposal of the Board of Directors.

2. The full proposal shall be available at the offices of the company from the day of the convocation to the general meeting of shareholders until the close of same for inspection by the shareholders and other persons having meeting rights as referred to in article 27 paragraph 1; the copies of this proposal shall be made available free of charge to the shareholders and other persons having meeting rights as referred to in article 27 paragraph 1.

This shall be stated in the convocation advertisement.

3. The resolution to dissolve or to amend the articles of association may only be passed at a general meeting of shareholders at which more than half of the authorised capital is represented and by at least three-quarters of the votes cast; if the required capital is not represented at a meeting convened for this purpose, then a new meeting shall be convened and held within four weeks, which meeting may pass the resolution to dissolve or to amend the articles of association regardless of the represented capital, but by at least three-quarters of the votes cast.

4. Notwithstanding the provisions of paragraph 3 of this article, save where Fortis SA/NV is in liquidation (other than a solvent liquidation for the purposes of a reorganisation, merger or demerger (*splitsing*) pursuant to which another company will become Fortis SA/NV), any resolution to amend any provision of the articles which gives effect to the twinned share principle as referred to in article 2 of these articles and any resolution which is inconsistent with that principle (whether or not so expressed) or any amendment of article 19, 20, 21 and 22 shall be conditional upon a resolution of substantially similar effect having been or being passed by the shareholders of Fortis SA/NV within three months before or after the passing of such a resolution.

For the purpose of this article a certificate of any member of the Board of Directors of Fortis SA/NV to the effect that a resolution of substantially similar effect has been so passed by the shareholders meeting of Fortis SA/NV shall for the purpose of this paragraph 4 be conclusive.

5. Notwithstanding the provisions of paragraph 3 of this article, save where Fortis SA/NV is in liquidation (other than a solvent liquidation for the purpose of a reorganisation, merger or demerger pursuant to which another company will become Fortis SA/NV), any resolution to dissolve the company shall be conditional upon a corresponding resolution having been or being passed by the shareholders of Fortis SA/NV within three months before or after the passing of such a resolution, unless pursuant to a reorganisation the undertaking of or any substantial part of the assets of the company is transferred to another company in succession to it, the shareholders of which are the same as the holders of the shares and the shares of which carry in all material respects the same rights and restrictions as the shares, including provisions governing the twinning of such shares with Fortis SA/NV shares in the form of units or, as the case may be, the shares of any subsequent successor company satisfying these conditions, *applied mutatis mutandis*.

6. Upon dissolution, the liquidation of the company shall be effected by the Board of Directors, unless the general meeting has designated other liquidators.

7. The remainder of the company's assets after payment of all debts and the costs of the liquidation shall be distributed as follows:

a. first the holders of cumulative preference A shares shall be paid the nominal amount paid on their cumulative preference A shares, increased by an amount equal to the percentage referred to in paragraph 4 of article 32 of the compulsory amount paid on the cumulative preference A shares, calculated over each year or part thereof in the period which commences on the day following on the period over which the last dividend has been paid on the cumulative preference A shares and which ends on the day of the payment on cumulative preference A shares as referred to in this article;

b. subsequently, the holders of cumulative preference B shares shall be paid for each preference share held, insofar as possible, an amount of four times the nominal amount of the share increased by an amount equal to the percentage as referred to in paragraph 5 of article 32 (if need be as adjusted on the basis of the provisions of the provisions of that paragraph of the article) of four times the nominal amount, calculated over each year or part thereof in the period which commences on the first day of the last full calendar year which elapsed prior to the dissolution and which ends on the day of the payment on cumulative preference B shares as referred to in this article, on the understanding that all dividends paid over this period on the cumulative preference B shares are deducted from the payment pursuant to this part; whereupon

c. the remainder shall be paid to the holders of twinned shares in proportion to the number of twinned shares that each party owns.

8. During the liquidation, the provisions of the articles of association shall remain in force in as much as possible.

Temporary clause

Article 34.

Those persons, who are, at the date the merger between the company, as acquiring company, and the company with limited liability (*naamloze vennootschap*); Fortis (NL) NV, as the disappearing company, will become effective, holders of one or more registered shares, and registered as such in the shareholders' register of the disappearing company, are deemed to have elected the NV Dividend, as mentioned in article 32, until they have informed the company in writing that they wish to change their election.

Article 35.

Notwithstanding the provisions of article 21 paragraph 2, the age limit, with respect to the member A of the Board of Directors, Johann Martin Schröder, should be read seventy-two (72) years in stead of seventy (70) years.

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