



FORTIS

Solid partners, flexible solutions

FORTIS FINANCE N.V.

(INCORPORATED WITH LIMITED LIABILITY IN THE NETHERLANDS
WITH CORPORATE SEAT IN UTRECHT)

Jointly and Severally Guaranteed by

FORTIS SA/NV

(INCORPORATED WITH LIMITED LIABILITY IN BELGIUM)

FORTIS N.V.

(INCORPORATED WITH LIMITED LIABILITY IN THE NETHERLANDS
WITH CORPORATE SEAT IN UTRECHT)

EUR 15,000,000,000

EURO MEDIUM-TERM NOTE PROGRAMME

Under this EUR 15,000,000,000 Euro Medium Term Note Programme (the "Programme"), Fortis Finance N.V. (the "Issuer") may from time to time issue notes (the "Notes") denominated in any currency agreed with the relevant Dealer (as defined below). Notes may be issued as unsubordinated obligations, dated subordinated obligations or undated subordinated obligations of the Issuer.

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed EUR 15,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuous basis to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). References in this Offering Circular to the "relevant Dealer" shall, in relation to any issue of Notes, be to the Dealer or Dealers agreeing to purchase such Notes.

Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange. Details of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined herein) of Notes will be set forth in a pricing supplement (the "Pricing Supplement") which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Notes have not been and will not be registered under the United States Securities Act 1933, as amended, (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "Subscription and Sale" below).

The Notes of each Tranche will be in bearer form and (unless otherwise specified in the applicable Pricing Supplement) will initially be represented by a temporary global Note which will be deposited on the issue date thereof with a common depository on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and/or any other agreed clearance system and which will be exchangeable, as specified in the applicable Pricing Supplement, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Pricing Supplement will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined on page 37) all as further described in "Provisions Relating to the Notes whilst in Global Form" and "Form of the Pricing Supplement" below.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary offering circular will be prepared.

Arrangers

LEHMAN BROTHERS

FORTIS BANK

Dealers

ABN AMRO

BNP PARIBAS

CREDIT SUISSE FIRST BOSTON

DEUTSCHE BANK

FORTIS BANK

JPMORGAN

LEHMAN BROTHERS

MERRILL LYNCH INTERNATIONAL

MORGAN STANLEY

SCHRODER SALOMON SMITH BARNEY

SG INVESTMENT BANKING

RABOBANK INTERNATIONAL

UBS WARBURG

The date of this Offering Circular is 3 September 2002 and this Offering Circular replaces the offering circular dated 17 August 2001.

This Offering Circular is valid for a period of 12 months only from the date hereof.

For purposes of the Dutch market/Euronext Amsterdam N.V., this Offering Circular is a Prospectus.

INTRODUCTION

Each of the Issuer and Fortis SA/NV, a “*société anonyme/naamloze vennootschap*” under Belgian law, and Fortis N.V. (the “*Guarantors*”) accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer and the Guarantors (each of which has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular should be read and construed with any amendment or supplement hereto and with any other documents incorporated by reference herein and, in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Pricing Supplement(s) (as defined herein).

Each of the Issuer and the Guarantors has confirmed to the Dealers that this Offering Circular is true, accurate and complete in all material respects and is not misleading; that the opinions and intentions expressed therein are honestly held and based on reasonable assumptions; that there are no other facts in relation to the information contained or incorporated by reference in this Offering Circular the omission of which would, in the context of the Programme or the issue of the Notes, make any statement therein or opinions or intentions expressed therein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. Each of the Issuer and the Guarantors has further confirmed to the Dealers that this Offering Circular (together with the relevant Pricing Supplement) contains all such information as may be required by all applicable laws, rules and regulations.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any supplement hereto or any information supplied by the Issuer or the Guarantors or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantors or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer or a Guarantor since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any Pricing Supplement comes are required by the Issuer, the Guarantors and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Offering Circular or any Pricing Supplement and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) and will be in bearer form and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

In addition, the Issuer has not authorised any offer of Notes to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) (the “*Regulations*”). Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantors, the Dealers or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantors.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 15,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euros at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealership Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under “*Subscription and Sale*”.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (1) the most recently published audited annual financial statements and any interim quarterly financial statements (whether audited or unaudited) published subsequently to such annual financial statements, of the Issuer from time to time; and
- (2) the most recently published audited consolidated annual financial statements and any consolidated interim quarterly financial statements (whether audited or unaudited) published subsequently to such annual financial statements, of the Guarantors from time to time; and
- (3) all amendments and supplements to this Offering Circular prepared by the Issuer from time to time,

save that any statement contained in this Offering Circular or in any of the documents incorporated by reference in, and forming part of, this Offering Circular shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Each of the Issuer and the Guarantors has undertaken, in connection with the listing of the Notes on the Luxembourg Stock Exchange, that if there shall occur any adverse change in the business or financial position of the Issuer or a Guarantor or any change in the information set out under “Terms and Conditions of the Notes”, that is material in the context of issuance under the Programme the Issuer will prepare or procure the preparation of an amendment or supplement to this Offering Circular or, as the case may be, publish a new Offering Circular, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the Luxembourg Stock Exchange.

The Issuer will, at the specified offices of the Paying Agents, provide, free of charge, upon the oral or written request therefor, a copy of this Offering Circular (or any document incorporated by reference in this Offering Circular). Written or oral requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the Listing Agent in Luxembourg.

TABLE OF CONTENTS

Summary of the Programme	4
Form of Pricing Supplement	8
Terms and Conditions of the Notes	15
Provisions relating to the Notes whilst in Global Form	37
Use of Proceeds	40
Description of the Issuer and Guarantors	41
Recent Developments	51
Capitalisation	52
Consolidated Financial Information	53
Taxation	60
Subscription and Sale	62
General Information	66

In connection with the issue of any Tranche of Notes under the Programme, the Dealer (if any) which is specified in the relevant Pricing Supplement as the Stabilising Manager (or any person acting for the Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

SUMMARY OF THE PROGRAMME

The following is a brief summary only and should be read in conjunction with the rest of this document and, in relation to any Notes, in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Notes set out herein.

Issuer:	Fortis Finance N.V.
Guarantors:	Fortis SA/NV and Fortis N.V.
Arrangers:	Lehman Brothers International (Europe) and Fortis Bank.
Dealers:	ABN AMRO Bank N.V., BNP Paribas, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, Fortis Bank nv-sa, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Merrill Lynch International, Morgan Stanley & Co. International Limited, Salomon Brothers International Limited,* Société Générale and UBS AG, acting through its business group UBS Warburg and any other dealer appointed from time to time by the Issuer or the Guarantors either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Notes.
Fiscal Agent and Principal Paying Agent:	JP Morgan Chase Bank
Alternative Principal Paying Agents:	Fortis Bank nv-sa and Banque Générale du Luxembourg, S.A.
Paying Agents:	Fortis Bank nv-sa, JPMorgan Chase Bank Luxembourg, Banque Générale du Luxembourg, S.A. and Fortis Bank (Nederland) N.V.
Luxembourg Listing Agent:	Banque Générale du Luxembourg, S.A.
Programme Amount:	EUR 15,000,000,000 (and, for this purpose, any Notes denominated in another currency shall be translated into euros at the date of the agreement to issue such Notes using the spot rate of exchange for the purchase of such currency against payment of euros being quoted by the Fiscal Agent on the date on which the relevant agreement in respect of the relevant Tranche (as defined below) was made (or such other rate as the Issuer and the relevant Dealer may agree) outstanding at any time. The maximum aggregate principal amount of Notes permitted to be outstanding at any one time under the Programme is EUR 15,000,000,000 (or its equivalent in other currencies). The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under “ <i>Subscription and Sale</i> ”.
Issuance in Series:	Notes will be issued in series (each, a “ <i>Series</i> ”). Each Series may comprise one or more tranches (“ <i>Tranches</i> ” and each, a “ <i>Tranche</i> ”) issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

*Schroder is a trademark of Schroders Holdings plc and is used under licence by Salomon Brothers International Limited.

Form of Notes:

Notes will be issued in bearer form only.

In respect of each Tranche of Notes, the Issuer will deliver a temporary global note (a “*Temporary Global Note*”) or (if so specified in the relevant Pricing Supplement in respect of Notes to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “*TEFRA C Rules*”) applies (as so specified in such Pricing Supplement)) a permanent global note (a “*Permanent Global Note*”). Such global Note will be deposited on or before the relevant issue date therefor with a depositary or a common depositary for Euroclear Bank S.A./N.V., as operator of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Notes in definitive form (“*Definitive Notes*”). Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. (See further under “*Provisions Relating to the Notes whilst in Global Form*” below). Definitive Notes will, if interest-bearing, either have interest coupons (“*Coupons*”) attached and, if appropriate, a talon (“*Talon*”) for further Coupons and will, if the principal thereof is repayable by instalments, have payment receipts (“*Receipts*”) attached.

Currencies:

Notes may be denominated in any currency or currencies, including Australian Dollars, Canadian Dollars, Danish Kroner, euro, Hong Kong Dollars, Japanese Yen, New Zealand Dollars, Norwegian Kroner, Sterling, Swedish Kroner, Swiss Francs and United States Dollars, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Redenomination and Exchange:

The relevant Pricing Supplement may provide that, in certain circumstances, Notes denominated in currencies of countries that subsequently participate in the third stage of European Economic and Monetary Union (“*EMU*”) may be redenominated in euro and/or exchanged for other Series of Notes denominated in euro.

The relevant provisions applicable to any such payments, redenomination and exchange are contained in Conditions 9(j) and 9(k) of the “*Terms and Conditions of the Notes*”.

Status:

Notes may be issued on an unsubordinated, dated subordinated and undated subordinated basis, as specified in the relevant Pricing Supplement.

Issue Price:

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Pricing Supplement.

Maturities:

Any maturity or with no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Where Notes have a maturity of less than one year from the date of issue and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances

which do not constitute a contravention of section 19 of the FSMA by the Issuer.

Redemption: Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement.

Early Redemption: Early redemption will be permitted for taxation reasons as mentioned in “*Terms and Conditions of the Notes – Redemption and Purchase – Early Redemption for Taxation Reasons*”, but will otherwise be permitted only to the extent specified in the relevant Pricing Supplement.

Interest: Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series.

Denominations: Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Taxation: Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Notes or Coupons receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.

Cross Default: The Unsubordinated Notes will contain a cross default in respect of indebtedness for borrowed money of the Issuer and the Guarantor as more fully set out in “*Terms and Conditions of the Notes – Events of Default*”.

Governing Law: The Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.

Negative Pledge: A negative pledge will be contained in the Notes in respect of any Unsubordinated Note or Coupon which remains outstanding as more fully set out in “*Terms and Conditions of the Notes – Negative Pledge*”.

Listing: Each Series may be listed on the Luxembourg Stock Exchange and/or any other stock exchange as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement or may be unlisted.

Terms and Conditions: A Pricing Supplement will be prepared in respect of each Tranche of Notes a copy of which will, in the case of Notes to be listed on the Luxembourg Stock Exchange be delivered to the Luxembourg Stock Exchange on or before the date of issue (the closing date) of such Notes. The terms and conditions applicable to each Tranche will be those set out herein under “*Terms and Conditions of the Notes*” as supplemented, modified or replaced by the relevant Pricing Supplement.

Enforcement of Notes in Global Form: In the case of Notes in global form, individual investors’ rights will be governed by a Deed of Covenant dated 3 September 2002, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

Clearing Systems: Euroclear, Clearstream, Luxembourg and/or, in relation to any Notes, any other clearing system as may be specified in the relevant Pricing Supplement.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, The Netherlands, Belgium, the Federal Republic of Germany, the Republic of France, Japan and Luxembourg see under “*Subscription and Sale*”.

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated ●

Fortis Finance N.V.

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by Fortis SA/NV and Fortis N.V.
under the EUR 15,000,000,000
Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 3 September 2002 [and the supplemental Offering Circular dated ●]. This Pricing Supplement must be read in conjunction with such Offering Circular [as so supplemented].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1. (i) Issuer: Fortis Finance N.V.
(ii) Guarantors: Fortis SA/NV and Fortis N.V.
2. [(i)] Series Number: []
[(ii)] Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] []
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
[(i)] Series: []
[(ii)] Tranche: []
5. [(i)] Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]

[(ii)] Net proceeds []
6. Specified Denominations: []
[]
7. [(i)] Issue Date: []
[(ii)] Interest Commencement Date (if different from the Issue Date): []
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year]

If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.

9. Interest Basis: [●% Fixed Rate]
 [[specify reference rate] +/- ●%
 Floating Rate]
 [Zero Coupon]
 [Index Linked Interest]
 [Other (specify)]
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
 [Index Linked Redemption]
 [Dual Currency]
 [Partly Paid]
 [Instalment]
 [Other (specify)]
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for
 convertibility of Notes into another
 interest or redemption/payment
 basis]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified
 below)]
13. [(i)] Status of the Notes: [Senior/[Dated/Perpetual]/
 Subordinated]
 [(ii) Status of the Guarantee: [Senior/[Dated/Perpetual]/
 Subordinated]]
14. Listing: [Application has been made for the
 Notes to be listed on the
 Luxembourg Stock Exchange/
 Euronext Amsterdam N.V./other/
 (specify)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
*(If not applicable, delete the
 remaining sub-paragraphs of this
 paragraph)*
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable
 [annually/semi-annually/quarterly/
 monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
- (iii) Fixed Coupon Amount[(s)]: [] per [] in Nominal
 Amount
- (iv) Day Count Fraction [30/360]/[Actual/Actual (ISMA)]/
*[If neither of these options applies,
 give details]*
- (v) Broken Amount(s): *[Insert particulars of any initial or
 final broken interest amounts which
 do not correspond with the Fixed
 Coupon Amount[(s)]]*
- (vi) Other terms relating to the method of calculating
 interest for Fixed Rate Notes: [Not Applicable/give details]
*(Consider if day count fraction,
 particularly for Euro denominated
 issues, should be on an Actual/
 Actual basis)*

17. Floating Rate Note Provisions

- [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/
Following Business Day
Convention/ Modified Following
Business Day Convention/
Preceding Business Day
Convention/ other (give details)]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA
Determination/other (give details)]
- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent]): []
- (vi) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]
 - Interest Determination Date(s): []
 - Relevant Screen Page: [For example, Moneyline Telerate page 3750/243]
 - Relevant Time: [For example, 11.00 a.m. London time/Brussels time]
 - Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Margin(s): [+/-][] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Day Count Fraction: []
- (xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []

18. Zero Coupon Note Provisions

- [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) [Amortisation/Accrual] Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []

19. Index-Linked Interest Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: []
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention: [Floating Rate Convention/
Following Business Day
Convention/Modified Following
Business Day
Convention/Preceding Business
Day Convention/other (give
details)]
- (vi) Additional Business Centre(s): []
- (vii) Minimum Rate of Interest: [] per cent. per annum
- (viii) Maximum Rate of Interest: [] per cent. per annum
- (ix) Day Count Fraction: []

20. Dual Currency Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. Call Option

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): []
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: []
 - (b) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []

22. Put Option

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): []
- (iii) Notice period (if other than as set out the Conditions): []

23. **Final Redemption Amount** [Par/other/see Appendix]

24. **Early Redemption Amount**
Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].

26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates].

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]

29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]

30. Redenomination, renominalisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 9] [annexed to this Pricing Supplement] apply]

31. Consolidation provisions: [Not Applicable/The provisions [in Condition 9] [annexed to this Pricing Supplement] apply]

32. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/give names]

(ii) Stabilising Manager (if any): [Not Applicable/give name]

34. If non-syndicated, name of Dealer: [Not Applicable/give name]

35. Additional selling restrictions: [Not Applicable/give details]

36. Applicable TEFRA exemption for the Notes whilst in Global Form: [C Rules/D Rules/*not applicable*]

OPERATIONAL INFORMATION

37. ISIN Code: []
38. Common Code: []
39. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
40. Delivery: Delivery [against/free of] payment
41. Additional Paying Agent(s) (if any): []
42. Principal Paying Agent [Fiscal Agent (JP Morgan Chase Bank) or Alternative Principal Paying Agent (Banque Générale du Luxembourg S.A. or Fortis Bank nv-sa)]

[PROVISIONS REQUIRED FOR EURONEXT AMSTERDAM N.V. LISTINGS]

- [Insert if applicable]
43. Effective yield on basis of Issue Price or explanation why not applicable [See Schedule B Article 2.1.13 of the Listing & Issuing Rules of Euronext Amsterdam N.V.]

This issue of Notes has been approved by a resolution of the managing board of the Issuer on 17 July 2002. The Issuer will comply with article 2.1.20 of Schedule B of the Listing and Issuing Rules of Euronext Amsterdam N.V.

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Fortis Finance N.V.:

By:
Duly authorised

By:
Duly authorised

Title:.....

Title:.....
(Managing director)

[Signed on behalf of Fortis SA/NV]

By:
Duly authorised

Title:.....

[Signed on behalf of Fortis N.V.]

By:
Duly authorised

Title:.....

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which, as supplemented, modified or replaced in relation to any Notes by the relevant Pricing Supplement, will be applicable to each Series of Notes. The Pricing Supplement in relation to any Tranche of Notes will include the definitions of certain terms used in the following Terms and Conditions:

The Notes are issued pursuant to and in accordance with the amended and restated fiscal agency agreement dated 3 September 2002 (the “*Fiscal Agency Agreement*” as amended, supplemented or replaced) and made between Fortis Finance N.V. (the “*Issuer*”), Fortis SA/NV a “*société anonyme/naamloze vennootschap*” under Belgian law and Fortis N.V. (the “*Guarantors*”), JPMorgan Chase Bank in its capacity as fiscal agent (the “*Fiscal Agent*”, which expression shall include any successor to JPMorgan Chase Bank in its capacity as such) and principal paying agent (the “*Principal Paying Agent*”), Fortis Bank nv-sa and Banque Générale du Luxembourg S.A. as alternative principal paying agents (each, an “*Alternative Principal Paying Agent*”) and Banque Générale du Luxembourg S.A., JP Morgan Chase Bank Luxembourg S.A., Fortis Bank nv-sa and Fortis Bank (Nederland) N.V., as paying agents (together with the Principal Paying Agent and any Alternative Principal Paying Agent, the “*Paying Agents*”, which expression shall include any successor or additional paying agents appointed in accordance with the Fiscal Agency Agreement). For the purposes of making determinations or calculations of rates of interest, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series of Notes (as defined below), the Issuer may appoint a calculation agent (the “*Calculation Agent*”) for the purposes of such Notes, in accordance with the provisions of the Fiscal Agency Agreement, and such Calculation Agent shall be specified in the applicable Pricing Supplement. The Notes have the benefit of a deed of covenant dated 3 September 2002 (the “*Deed of Covenant*” as amended, supplemented or replaced) executed by the Issuer in relation to the Notes. The Guarantors have, for the benefit of the Noteholders from time to time, executed and delivered a deed of guarantee dated 3 September 2002 (the “*Deed of Guarantee*” as amended, supplemented or replaced) under which they have jointly and severally guaranteed the due and punctual payment of all amounts due by the Issuer under the Notes and the Deed of Covenant as and when the same shall become due and payable. Copies of the Fiscal Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection during normal business hours at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Fiscal Agency Agreement, the Deed of Covenant and the Deed of Guarantee insofar as they relate to the relevant Notes.

The Notes are issued in series (each, a “*Series*”), and each Series may comprise one or more tranches (“*Tranches*” and each, a “*Tranche*”) of Notes. Each Tranche will be the subject of a pricing supplement (each, a “*Pricing Supplement*”), a copy of which will be available for inspection during normal business hours at the specified office of the Fiscal Agent and obtainable from the Paying Agent in Luxembourg. In the case of a Tranche of Notes in relation to which application has not been made for listing on any stock exchange, copies of the Pricing Supplement will only be available for inspection by a Holder of or, as the case may be, a Beneficiary (as defined in the Deed of Covenant) in respect of, such Notes.

References in these Terms and Conditions to Notes are to Notes of the relevant Series and any references to Coupons (as defined in Condition 1(a)) and Receipts (as defined in Condition 1(a)) are to Coupons and Receipts relating to Notes of the relevant Series.

References in these Terms and Conditions to the Pricing Supplement are to the Pricing Supplement or Pricing Supplement(s) prepared in relation to the Notes of the relevant Tranche or Series.

In respect of any Notes, references herein to these Terms and Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Pricing Supplement.

1. Form and Denomination

(a) *Form:* Notes are issued in bearer form and are serially numbered.

Interest-bearing Notes have attached thereto at the time of their initial delivery coupons (“*Coupons*”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, if so specified in the Pricing Supplement, such Notes have

attached thereto at the time of their initial delivery a talon (“*Talon*”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons.

Notes, the principal amount of which is repayable by instalments (“*Instalment Notes*”), have attached thereto at the time of their initial delivery payment receipts (“*Receipts*”) in respect of the instalments of principal.

(b) *Denomination:*

Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Pricing Supplement. Notes of one denomination may not be exchanged for Notes of any other denomination.

(c) *Currency of Notes:*

The Notes are denominated in such currency as may be specified in the Pricing Supplement. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

(d) *Partly Paid Notes:*

Notes may be issued on a partly paid basis (“*Partly Paid Notes*”) if so specified in the Pricing Supplement. The subscription moneys therefore shall be paid in such number of instalments (“*Partly Paid Instalments*”) in such amounts, on such dates and in such manner as may be specified in the Pricing Supplement. The first such instalment shall be due and payable on the date of issue of the Notes. For the purposes of these Terms and Conditions, in respect of any Partly Paid Note, “*Paid Up Amount*” means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with the Terms and Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 14 stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Notes with effect from such date (“*Forfeiture Date*”) as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Notes subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Rate of Interest (in the case of non-interest bearing Notes, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Notes for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 5(b)).

Unless an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Notes in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Notes and shall be discharged from any obligation to repay such amount or to pay interest thereon.

2. Title and Transfer

(a) Title to Notes, Receipts and Coupons passes by delivery. References herein to the “*Holders*” of Notes or of Receipts or Coupons are to the bearers of such Notes or such Receipts or Coupons.

(b) The Holder of any Note or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing on the relevant Note, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

3. Status and Guarantee

(1) Status – Unsubordinated Notes

(a) This Condition 3(1) is applicable in relation to Notes specified in the Pricing Supplement as being unsubordinated or not specified as being subordinated (“*Unsubordinated Notes*”).

(b) The Unsubordinated Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for certain mandatory exceptions provided by law).

(2) Status – Dated Subordinated Notes

(a) This Condition 3(2) is applicable only in relation to Notes specified in the Pricing Supplement as being dated subordinated notes (“*Dated Subordinated Notes*”).

(b) The Dated Subordinated Notes constitute unconditional and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least equally with all other present and future Subordinated Indebtedness of the Issuer. References in these conditions to “*Subordinated Indebtedness*” shall, unless otherwise specified, include both Dated Subordinated Indebtedness and Undated Subordinated Indebtedness (as defined in Condition 3(3)).

(c) The claims of the Noteholders against the Issuer in respect of Dated Subordinated Notes are, in the event of bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, dissolution or liquidation of the Issuer subordinated to all other current and future unsubordinated and unprivileged claims on the Issuer.

By virtue of such subordination, payments to Noteholders will, in the event of the bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, dissolution or liquidation of the Issuer only be made after, and any set-off by any Noteholder shall be excluded until, all preferred and non-preferred unsubordinated obligations admissible in any such insolvency, dissolution, liquidation, bankruptcy or moratorium of payments (“*surséance van betaling*”) of the Issuer have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

In the event of bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, winding-up or liquidation of the Issuer the competent regulatory authority is authorised to make public these terms and conditions, the Notes and the agreements relating to the Notes.

(d) The Issuer undertakes that, while any Dated Subordinated Note is outstanding, it will not create or permit to be outstanding any Subordinated Indebtedness which is not by its terms expressed to rank *pari passu* with, or junior to, the Dated Subordinated Notes.

(3) Status – Undated Subordinated Notes

(a) This Condition 3(3) is applicable in relation to Notes specified in the Pricing Supplement as being undated subordinated notes (“*Undated Subordinated Notes*”).

(b) The Undated Subordinated Notes constitute unconditional and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and junior to all present and future Dated Subordinated Indebtedness of the Issuer save for those obligations preferred by mandatory provisions of law. For the purposes of these Conditions, (i) “*Dated Subordinated Indebtedness*” means any indebtedness of an entity with a fixed maturity date, the right to repayment of which is, or is expressed to be, or is required by any present or future agreement of such entity to be, subordinated only to all other current and future unsubordinated and unprivileged claims on such entity in the event of the bankruptcy, insolvency, moratorium of payments (“*surséance van betaling*”), winding-up, dissolution or liquidation of such entity (meaning, in relation to an entity incorporated under the laws of Belgium, any event creating a “*conours de créanciers*”, of all creditors of such entity on the entire assets of such entity, including bankruptcy (“*faillite*”), moratorium (“*concordat judiciaire*”) and judicial and voluntary liquidation (“*liquidation judiciaire ou volontaire*”) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of such entity)) and (ii) “*Undated Subordinated Indebtedness*” means any indebtedness of an entity without a fixed maturity date, the right to repayment of which is, or is expressed to be, or is required by any present or future agreement of such entity to be, subordinated only to all other current and future unsubordinated and unprivileged claims on such entity and to Dated Subordinated Indebtedness and claims subordinated in the same manner as Dated Subordinated Indebtedness in the event of the

bankruptcy, insolvency, moratorium of payments (“*surséance van betaling*”), winding-up or liquidation of such entity (meaning, in relation to an entity incorporated under the laws of Belgium, any event creating a “*concours de créanciers*”, of all creditors of such entity on the entire assets of such entity, including bankruptcy (“*faillite*”), moratorium (“*concordat judiciaire*”) and judicial and voluntary liquidation (“*liquidation judiciaire ou volontaire*”) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of such entity)).

(c) The claims of the Noteholders against the Issuer in respect of Undated Subordinated Notes are, in the event of bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, dissolution or liquidation of the Issuer, *pari passu* with (other) Undated Subordinated Indebtedness subordinated only to all other current and future unsubordinated and unprivileged claims on the Issuer and to Dated Subordinated Indebtedness and claims subordinated in the same manner as Dated Subordinated Indebtedness.

By virtue of such subordination, payments to Noteholders will, in the event of the bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, dissolution or liquidation of the Issuer only be made after, and any set-off by any Noteholder shall be excluded until, all preferred and non-preferred obligations admissible in any such insolvency, dissolution, liquidation, bankruptcy or moratorium of payments (“*surséance van betaling*”) of the Issuer have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

In the event of bankruptcy, moratorium of payments (“*surséance van betaling*”), insolvency, winding-up or liquidation of the Issuer the competent regulatory authority is authorised to make public these terms and conditions, the Notes and the agreements relating to the Notes.

(d) The Issuer undertakes that, while any Undated Subordinated Note is outstanding, it will not create or permit to be outstanding any Undated Subordinated Indebtedness of the Issuer which is not by its terms expressed to rank *pari passu* with, or junior to, the Undated Subordinated Notes.

(4) Guarantee

(a) Senior Guarantee

The Guarantors have in the Deed of Guarantee unconditionally and irrevocably jointly and severally guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Unsubordinated Notes. This guarantee (the “*Senior Guarantee*”) constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of mandatory law.

(b) Subordinated Guarantee

The Guarantors have in the Deed of Guarantee unconditionally and irrevocably jointly and severally guaranteed on a subordinated basis the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Dated Subordinated Notes as well as the Undated Subordinated Notes (the “*Subordinated Guarantee*”). In the event of insolvency, dissolution or liquidation of a Guarantor (meaning, in relation to Fortis N.V. bankruptcy, moratorium of payments (“*surséance van betaling*”), dissolution or liquidation and in relation to Fortis SA/NV any event creating a “*concours de créanciers*” of all creditors of Fortis SA/NV on the entire assets of such entity, including bankruptcy (“*faillite*”), moratorium (“*concordat judiciaire*”) and judicial or voluntary liquidation (“*liquidation judiciaire ou volontaire*”) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the relevant Guarantor)), the holders of Dated Subordinated Notes irrevocably waive their rights to equal treatment with unsecured and unsubordinated unprivileged creditors of each Guarantor and the holders of any Undated Subordinated Notes irrevocably waive their rights to equal treatment with all other unsecured creditors of each Guarantor, whether subordinated or unsubordinated, except in respect of Undated Subordinated Indebtedness of each Guarantor. Consequently (i) the holders of Dated Subordinated Notes agree that upon the occurrence of any of the events described in the preceding sentence, the relevant Guarantor will not have any obligation to pay any principal or interest due to them until all the unsubordinated creditors of the relevant Guarantor have been paid, or the funds necessary to satisfy all such unsubordinated creditors have been put in escrow and (ii) the holders of Undated Subordinated Notes agree that upon the

occurrence of any of the events described in the preceding sentence, the relevant Guarantor will not have any obligation to pay any principal or interest due to them until all creditors, whether subordinated in the same manner as Dated Subordinated Indebtedness or unsubordinated, except in respect of Undated Subordinated Indebtedness of each Guarantor, have been paid, or the funds necessary to satisfy all such creditors have been put in escrow.

In the event of insolvency, dissolution or liquidation of a Guarantor, as described above, (i) the claims of holders of Dated Subordinated Notes will rank at least *pari passu* with claims of other creditors in respect of Subordinated Indebtedness of each Guarantor, if any, whether their claims were due before or after the issue of the Dated Subordinated Notes and (ii) the claims of holders of Undated Subordinated Notes will rank at least *pari passu* with claims of other creditors in respect of Undated Subordinated Indebtedness of each Guarantor, if any, whether their claims were due before or after the issue of the Undated Subordinated Notes.

(5) References in these Conditions to “*Subordinated Notes*” shall, unless otherwise specified, include both Dated Subordinated Notes and Undated Subordinated Notes.

4. Negative Pledge

So long as any Unsubordinated Note or Coupon remains outstanding and with the exception of any Permitted Encumbrances as defined below, the Issuer and the Guarantors will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (the “*Security*”) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Unsubordinated Notes and the Coupons or, as the case may be, the Guarantors’ obligations under the Senior Guarantee (aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (bb) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Holders.

For the purposes of this Condition:

“*Permitted Encumbrances*” means

- (i) Liens arising by operation of law in the ordinary course of business.
- (ii) Security over an asset existing before that asset is acquired if that Security was not created in contemplation of the acquisition of that asset.
- (iii) Security granted to finance the acquisition of an asset. This sub-paragraph only applies if:
 - (a) the acquisition is at fair market value and on an arm’s length basis; and
 - (b) the amount secured does not exceed the market value of the asset.
- (iv) Other Security securing Relevant Debt which does not in the aggregate (that is, taking into account all such Security created, or allowed to exist by each Relevant Group Company) exceed an amount equal to 5 per cent. of the total consolidated assets of Fortis for the time being as set out in the audited consolidated balance sheet contained in the then latest financial statements of Fortis.”

“*Relevant Debt*” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities; and

“*Relevant Group Company*” means the Issuer or either Guarantor and any other company which is a subsidiary of either or both Guarantors (“*Group Company*”).

5. Interest

(a) Interest on Fixed Rate Notes

(i) Each Note specified as being a Fixed Rate Note in the applicable Pricing Supplement (each a “*Fixed Rate Note*”) bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the date(s) specified in the applicable Pricing Supplement (each a “*Fixed Interest Date*”) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest

Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

(ii) If, in respect of a Fixed Rate Note payable in United States Dollars, interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

(iii) If, in respect of a Fixed Rate Note which is payable in a currency other than United States Dollars, interest is required to be calculated for a period (the "*Calculation Period*") of other than a full year, such interest shall be calculated on the basis of either (A) the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (I) the number of those days falling in a leap year divided by 366 and (II) the number of those days falling in a non-leap year divided by 365) ("*Actual/365* or "*Actual/Actual (ISDA)*") or (B) a 360-day year consisting of 12 months of 30 days each ("*30/360*"), or (C) if "*Actual/Actual (ISMA)*" is specified, on the following basis: (I) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods normally ending in any year and (II) where the Calculation Period is longer than one Regular Period, the sum of: (x) the actual number of days in such Calculation period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year and (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year, where "*Regular Period*" means: (1) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date (2) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "*Regular Date*" means the day and month (but not the year) on which any Interest Payment Date falls and (3) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "*Regular Date*" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period or (D) on such other basis as may be agreed, as specified in the applicable Pricing Supplement.

(iv) For the purposes of these Terms and Conditions, "*euro*" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended (the "*Treaty*").

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Date*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(B) if no express Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an "*Interest Payment Date*") which (save as otherwise mentioned in these Terms and Conditions or the applicable Pricing Supplement) falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) and Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a business day convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or

(y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the business day convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

“*Business Day*” means (unless otherwise stated in the applicable Pricing Supplement) either:

(A) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in London and any Additional Business Centre specified in the applicable Pricing Supplement and on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre);

(B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (“TARGET”) system is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(iii) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (iii), “*ISDA Rate*” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Pricing Supplement under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions as amended, supplemented and updated as at the date specified in the applicable Pricing Supplement, as published by the International Swaps and Derivatives Association, Inc. (the “*ISDA Definitions*”) and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

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

Where this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Agent will be deemed to have discharged its obligations under paragraph (vi) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time or, if so specified in the Pricing Supplement, Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing supplement) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Fiscal Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than the London inter-bank offered rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(v) *Minimum and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) *Determination of Rate of Interest and Calculation of Interest Amount*

The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. The Fiscal Agent will calculate the amount of interest (the “*Interest Amount*”) payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest cent (or its approximate equivalent sub-unit of the relevant Specified Currency, half of any sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the “Calculation Period”) such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement, and:

(A) if “*Actual/Actual (ISMA)*” is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

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

(B) if “Actual/365” or “Actual/Actual (ISDA)” is so specified means, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(C) if “Actual/365 Fixed” is so specified, means the actual number of days in the Calculation Period divided by 365;

(D) if “Actual/360” is so specified, means the actual number of days in the Calculation Period divided by 360;

(E) if “30/360”, “360/365” or “Bond basis” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(F) if “30E/360” or “Eurobond Basis” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or the last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vii) *Notification of Rate of Interest and Interest Amount*

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Paying Agents and to any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed, and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantors, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the relevant Pricing Supplement until whichever is the earlier of (1) the date on which all amounts due in respect of such Note have been paid, and (2) date on which the Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 14 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder).

(f) *Non-Interest Bearing Notes*

If any Redemption Amount (as defined in Condition 6(h)(ii)) or Instalment Amount in respect of any Note which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield defined in, or determined in accordance with the provisions of, the Pricing Supplement or at such other rate as may be specified for this purpose in the Pricing Supplement until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Principal Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 14 that the Principal Paying Agent (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder) has received the required funds. The amount of any such interest shall be calculated in accordance with the provisions of Condition 5(b)(vi) as if the Rate of Interest was the Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Pricing Supplement or, if not so specified, 30E/360 (as defined in Condition 5(b)(vi)).

6. Redemption and Purchase

(a) *Redemption at Maturity*

Unless previously redeemed, or purchased and cancelled or unless such Note is stated in the Pricing Supplement as having no fixed maturity date, each Note shall be redeemed at its final redemption amount (the "*Final Redemption Amount*") (which shall be its Outstanding Principal Amount or such other redemption amount as may be specified in or determined in accordance with the Pricing Supplement) (or, in the case of Instalment Notes, in such number of instalments and in such amounts ("*Instalment Amounts*") as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Pricing Supplement.

(b) *Early Redemption for Taxation Reasons*

If, in relation to any Series of Notes, (i) as a result of any change in the laws, regulations or rulings of The Netherlands or Belgium or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of such Notes or any other date specified in the Pricing Supplement, the Issuer or (if a payment were then due under the Guarantee) the Guarantor would be required to pay additional amounts as provided in Condition 8, (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer (or the Guarantor, as the case may be) to the Fiscal Agent of a certificate signed by two directors of the Issuer (or the Guarantor, as the case may be) stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option (but, in the case of Subordinated Notes, subject to consent thereto having been obtained from De Nederlandsche Bank N.V. (the "*Dutch Central Bank*") and/or the Belgian

Banking and Finance Commission (the “*Belgian Banking and Finance Commission*”), and/or the Dutch Pensioen- en Verzekeringskamer and/or the Belgian Office de Contrôle des Assurances as the case may be, and having given no less than thirty nor more than sixty days’ notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Notes in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the “*Early Redemption Amount (Tax)*”) (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6(h)(iii) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with accrued interest (if any) thereon Provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6(e).

(c) *Optional Early Redemption (Call)*

If this Condition 6(c) is specified in the Pricing Supplement as being applicable, then the Issuer (or, in the case of Undated Subordinated Notes each of the Issuer and Fortis SA/NV) may subject, in the case of Subordinated Notes to the prior consent of the Dutch Central Bank and/or the Belgian Banking and Finance Commission, and/or the Dutch Pensioen- en Verzekeringskamer and/or the Belgian Office de Contrôle des Assurances as the case may be, having given the appropriate notice and subject to such conditions as may be specified in the Pricing Supplement, redeem (or, in the case of Fortis SA/NV, purchase and arrange for cancellation) all (but not, unless and to the extent that the Pricing Supplement specifies otherwise, some only) of the Notes of the relevant Series at their call early redemption amount (the “*Early Redemption Amount (Call)*”) (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6(h)(iii) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6(e).

The appropriate notice referred to in this Condition 6(c) is a notice given by the Issuer to the Holders of the Notes of the relevant Series in accordance with Condition 14, which notice shall be irrevocable and shall specify:

- the Series of Notes subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note or Permanent Global Note) the serial numbers of the Notes of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given and which shall be such date or the next of such dates (“*Call Option Date(s)*”) or a day falling within such period (“*Call Option Period*”), as may be specified in the Pricing Supplement and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- the Early Redemption Amount (Call) at which such Notes are to be redeemed.

(d) *Partial Redemption*

If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 6(c), the Notes to be redeemed shall be drawn by lot in such European city as the Principal Paying Agent may specify, or identified in such other manner or in such other place as the Principal Paying Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Notes may be listed.

(e) *Optional Early Redemption (Put)*

If this Condition 6(e) is specified in the Pricing Supplement as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Unsubordinated Note of the relevant Series, redeem such Unsubordinated Note on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the “*Early Redemption Amount (Put)*”) (which shall be its Outstanding Principal Amount or, if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates (“*Put Date(s)*”) or a day falling within such period (“*Put Period*”) as may be specified in the Pricing Supplement), deposit the relevant Unsubordinated Note (together, in the case of an interest-bearing Unsubordinated Note in bearer form, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 9(e) apply)) during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice (“*Put Notice*”) in the form which is available from the specified office of any of the Paying Agents. No Unsubordinated Note so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency Agreement).

The holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 6(b) or 6(c).

(f) *Purchase of Notes*

Either the Issuer or a Guarantor or any of their respective subsidiaries may (but, in the case of Subordinated Notes, subject to consent thereto having been obtained from the Dutch Central Bank and/or the Belgian Banking and Finance Commission, and/or the Dutch Pensioen- en Verzekeringskamer and/or the Belgian Office de Contrôle des Assurances as the case may be, at any time purchase Notes in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of Notes alike.

(g) *Cancellation of Redeemed and Purchased Notes*

All unmatured Notes and Coupons and unexchanged Talons redeemed or purchased, otherwise than in the ordinary course of business of dealing in securities or as a nominee in accordance with this Condition 6 will be cancelled forthwith and may not be reissued or resold.

(h) *Further Provisions applicable to Redemption Amount and Instalment Amounts*

(i) The provisions of Conditions 5(b)(vi), (vii) and (viii) shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Pricing Supplement to be made by the Calculation Agent.

(ii) References herein to “*Redemption Amount*” shall mean, as appropriate, the Final Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement.

(iii) In the case of any Note which is non-interest bearing, the “*Amortised Face Amount*” shall be an amount equal to the sum of:

(aa) the Issue Price specified in the Pricing Supplement; and

(bb) the product of the Amortisation Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5(b)(vi)) specified in the Pricing Supplement for the purposes of this Condition 6(h).

In the case of any Note which is non-interest bearing, if any Redemption Amount (other than the Final Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 6(h)(iii) but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Note becomes due and repayable were replaced by references to the earlier of:

- (i) the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made; and
- (ii) (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Principal Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

7. Events of Default and Subordination Events

(a) *Events of Default*

The following events or circumstances as modified by, and/or such other events as may be specified in, the Pricing Supplement (each an “*Event of Default*”) shall be acceleration events in relation to the Unsubordinated Notes of any Series, namely:

(i) The Issuer fails to pay for a period of five (5) days or more any interest on any of the Notes when due and, if such non-payment is due to technical reasons or administrative error (and only in that case) such default has not been remedied within 5 Business Days (in London) of such non-payment; or

(ii) the Issuer or either Guarantor does not perform or comply with any one or more of its other obligations in the Notes of the relevant Series, the Deed of Covenant, the Deed of Guarantee or the Fiscal Agency Agreement which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the relevant Guarantor at the specified office of the Fiscal Agent by the Holder of any such Note; or

(iii) (aa) any other present or future indebtedness of the Issuer or either Guarantor or any Material Group Company for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or, as the case may be, the relevant Guarantor, or

(bb) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or

(cc) the Issuer or either Guarantor or any Material Group Company fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised

provided that it shall not constitute an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred is less than U.S.\$50,000,000 (or its equivalent in any other currency or currencies); or

(iv) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or either Guarantor or any Material Group Company and is not discharged or stayed within 30 days; or

(v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or either Guarantor or any Material Group Company becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and not retracted, cancelled or stayed within 30 days; or

(vi) the Issuer or either Guarantor or any Material Group Company is (or is deemed by law or a court to be) insolvent, applies for its own bankruptcy, is declared bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any part which it will otherwise be unable to pay when due), proposes or makes a

general assignment, or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Issuer, either Guarantor or any Material Group Company, or, in the case of the Issuer, a Guarantor or any Material Group Company which is incorporated in The Netherlands, a “*surséance van betaling*” under Dutch law is agreed, applied for or declared in respect of or affecting all or any part of its debts or an application is filed for a declaration; or

(vii) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or either Guarantor or any Material Group Company, or the Issuer or either Guarantor ceases or threatens to cease to carry on all or a material part of its business or operations, except, in either case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) in the case of any Material Group Company, whereby the whole or substantially the whole of the undertaking and the assets of the Material Group Company are transferred to or otherwise vested in the Issuer or either Guarantor (as the case may be) or any other Group Company (as defined in Condition 4), or (ii) in the case of the Issuer or a Guarantor, pursuant to which the whole or substantially the whole of the undertaking and the assets of the Issuer or the relevant Guarantor are transferred to the surviving company and the surviving company has assumed all of the obligations of the Issuer or relevant Guarantor; or

(viii) the Guarantee is not (or is claimed by either Guarantor not to be) in full force and effect; or

(ix) either of the Guarantors disposes or threatens to dispose of the whole or a material part of its business, or of the whole or a material part of its assets, whether by a single transaction or a series of transactions whether related or not (except (a) for the purpose of a reorganisation, merger or consolidation pursuant to the terms of which the surviving company (to which such business and/or assets have been transferred) has assumed all of the obligations of such Guarantor under the Guarantee or (b), in the case of a disposal by either or both Guarantors of a material part of its or their assets, for consideration in money or money’s worth at least equal to the lower of the book value and the full market value of the assets so disposed of which consideration is paid in full on normal commercial terms and applied for the acquisition of additional assets in the ordinary course of such Guarantor’s business.

For the purposes of this condition:

“*Material Group Company*” means any Group Company (i) whose net profit after tax and minority interests but before extraordinary items or (ii) whose net assets in each case as shown by the latest audited non-consolidated financial statements (or, where the Group Company in question itself prepares consolidated financial statements, consolidated financial statements), of such Group Company used for the purpose of the latest audited consolidated financial statements of Fortis represent at least 5 per cent. of the consolidated net profit after tax and minority interests but before extraordinary items or 3 per cent. of the net assets, respectively, of Fortis as shown by such consolidated financial statements. A report of the Auditors that in their opinion a Group Company is or is not or was or was not at any particular time a Material Group Company shall be conclusive and binding on all parties; and

“*Fortis*” means the group of companies consisting of all of the Group Companies.

If any Event of Default shall occur in relation to any Series of Unsubordinated Notes, any Holder of an Unsubordinated Note of the relevant Series may, by written notice to the Issuer, at the specified office of the Fiscal Agent declare that such Unsubordinated Note and (if the Unsubordinated Note is interest-bearing) all interest then accrued on such Unsubordinated Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the “*Early Termination Amount*”) (which shall be its Outstanding Principal Amount or, if such Unsubordinated Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Unsubordinated Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Unsubordinated Notes of the relevant Series shall have been cured.

(b) *Subordination Events:*

If (i) an order is made or an effective resolution is passed for the dissolution or liquidation of the Issuer or Fortis N.V.; or

- (ii) an order is made or an effective resolution is passed for the winding-up or judicial or voluntary liquidation of Fortis SA/NV;

each (a “*Subordination Event*”) any Holder of a Subordinated Note may by written notice to the Issuer, declare that such Subordinated Note and all interest then accrued on such Note to be forthwith due and payable, whereupon the same shall, subject to the approval of the Dutch Central Bank, (if required) become immediately due and payable at its early termination amount (the “*Early Termination Amount*”) (which shall be its Outstanding Principal Amount or, if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior thereto, such Subordination Event in respect of the Notes shall have been cured.

8. Taxation

(a) All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(i) by a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with The Netherlands or Belgium other than the mere holding of such Note or Coupon; or

(ii) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts if it had presented the relevant Note or Coupon for payment on the last day of such period of 30 days; or

(iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU.

(b) For the purposes of these Terms and Conditions, the “*Relevant Date*” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Principal Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 14.

(c) If the Issuer or the Guarantor (as the case may be) becomes subject generally at any time to any taxing jurisdiction other than or in addition to The Netherlands or Belgium references in Condition 6(b) and Condition 8(a) to The Netherlands or Belgium shall be read and construed as references to The Netherlands or Belgium and/or to such other jurisdiction(s).

(d) Any reference in these Terms and Conditions to “*principal*” and/or “*interest*” in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to “*principal*” shall include any premium payable in respect of a Note, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and “*interest*” shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

9. Payments

(a) *Payments*: Payment of amounts (other than interest) due in respect of Notes will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Notes at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note will be made against presentation of the Note together with (where applicable) the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

(b) Payment of amounts in respect of interest on Notes will be made:

(i) in the case of Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Notes at the specified office of any of the Paying Agents outside (unless Condition 9(c) applies) the United States; and

(ii) in the case of Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 9(c) applies) the United States.

(c) Payments of amounts due in respect of interest on the Notes and exchanges of Talons for Coupon sheets in accordance with Condition 9(f) will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

(d) If the due date for payment of any amount due in respect of any Note is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 9(h)), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, (or as otherwise specified in the Pricing Supplement) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5(e) (or, if appropriate, Condition 5(f)).

(e) Each Note initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

(i) if the Pricing Supplement specifies that this paragraph (i) of Condition 9(e) is applicable (and, in the absence of specification, this paragraph (i) shall apply to Notes which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;

(ii) if the Pricing Supplement specifies that this paragraph (ii) of Condition 9(e) is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Notes which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;

(iii) in the case of Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and

(iv) in the case of Notes initially delivered with Receipts attached thereto, all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 9(e) notwithstanding, if any Notes should be issued with a maturity date and a Rate of Interest or Rates of Interest such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

(f) In relation to Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9(c) applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

(g) Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

(h) For the purposes of these Terms and Conditions:

(i) “*Relevant Financial Centre Day*” means (unless otherwise stated in the applicable Pricing Supplement) (aa) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other Relevant Financial Centre specified in the Pricing Supplement or (bb) in relation to any sum payable in euro, a day on which the TARGET system is open; and

(ii) “*Local Banking Day*” means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Note or, as the case may be, Coupon.

(i) No commissions or expenses shall be charged to the holders of Notes or Coupons in respect of such payments.

(j) *Redenomination:*

(i) If so specified in the relevant Pricing Supplement, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, after consultation with the Fiscal Agent and the Principal Paying Agent and after giving at least 30 days’ prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date

specified in the notice, Notes denominated in the currency of a participating member state of the European Union that adopts a single currency in accordance with the Treaty shall be redenominated in euro.

(ii) The election will have effect as follows:

(aa) each Specified Denomination and, in the case of Fixed Rate Notes, each amount of interest specified in the Coupons will be deemed to be such amount of euro as is equivalent to its denomination or the amount of interest so specified in the Specified Currency at the Established Rate, rounded down to the nearest euro 0.01 (any fraction arising therefrom shall be paid on the Redenomination Date to the Noteholders in addition to the payment of interest otherwise payable on such Redenomination Date);

(bb) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(cc) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (i) the number of those days falling in a leap year divided by 366 and (ii) the number of those days falling in a non-leap year divided by 365); and

(dd) if the Notes are Floating Rate Notes the relevant Pricing Supplement will specify any relevant changes to the provisions relating to interest; and

(ee) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Fiscal Agent and the Principal Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of Other Notes, whether or not originally denominated in the Specified Currency or euro. Any such other changes will not take effect until after they have been notified to the Noteholders in accordance with Condition 14.

(iii) For the purposes of these Terms and Conditions:

(aa) “*Established Rate*” means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 1091(4) of the Treaty;

(bb) “*Other Notes*” means, at any time, any one or more Series of other Notes of the Issuer which have the same or substantially the same terms and conditions (as then in effect and which have not lapsed and/or the rights in respect of which have not been exercised) as the Notes (other than in relation to the currency or original denomination and/or denominations and/or the terms and conditions relating to business days or interest accrual bases and/or the stock exchange(s) if any on which such Other Notes are listed and/or the clearing system(s) on which such Other Notes are cleared and settled and/or redenomination into euros and/or notices);

(cc) “*Redenomination Date*” means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (i) above and which falls after the start of the third stage of European economic and monetary union pursuant to the Treaty or, if the country of the Specified Currency is not one of the countries participating in such third stage, which falls on or after such later date as it does so participate;

(dd) “*Specified Currency*” means the currency (of a participating member state of the European Union that adopts a single currency) specified in the relevant Pricing Supplement;

(ee) “*Specified Denomination*” means the denomination (of a participating member state of the European Union that adopts a single currency) specified in the relevant Pricing Supplement; and

(ff) “*Treaty*” means the Treaty establishing the European Communities, as amended.

(k) *Exchange*: If so specified in the relevant Pricing Supplement, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, after consultation with the Fiscal Agent and the Principal Paying Agent and after giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be exchangeable for Notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide, after consultation with the Fiscal Agent, and as may be specified in the notice, including arrangements under which Receipts and Coupons unmatured at the date so specified become void.

10. Prescription

(a) Claims against the Issuer for payment of principal and interest in respect of Notes will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 8(b)) for payment thereof.

(b) In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 9(e) or the due date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 10 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Note.

11. The Paying Agents and the Calculation Agent

(a) The initial Paying Agents and their respective initial specified offices are specified below. The Calculation Agent in respect of any Notes shall be specified in the Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent and Principal Paying Agent) or the Calculation Agent and to appoint additional or other Paying Agents or another Calculation Agent Provided that it will at all times maintain (i) a Principal Paying Agent, (ii) a Paying Agent with a specified office in a continental European city, (iii) so long as the Notes are listed on the Luxembourg Stock Exchange and/or any other stock exchange, a Paying Agent with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange, (iv) in the circumstances described in Condition 9(c), a Paying Agent with a specified office in New York City, (v) any Paying Agent introduced following an order to conform with the ECOFIN Council Meeting of 26–27 November 2000, and (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Notes (in the case of (i), (ii), (iii), (iv), (v) and (vi) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Paying Agents and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 14.

(b) The Paying Agents and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Fiscal Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Fiscal Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

12. Replacement of Notes

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or any Paying Agent (each a “*Replacement Agent*”), subject to all applicable laws and the requirements of any stock exchange on which the Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Notes, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

13. Meetings of Holders and Modification

The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Terms and Conditions and the Deed of Covenant insofar as the same may apply to such Notes. An Extraordinary Resolution passed at any meeting of the Holders of Notes of any Series will be binding on all Holders of the Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Notes of such Series.

The Issuer may, with the consent of the Fiscal Agent but without the consent of the Holders of the Notes of any Series or Coupons, amend these Terms and Conditions and the Deed of Covenant insofar as they may apply to such Notes to correct a manifest error. Subject as aforesaid, no other modification may be made to these Terms and Conditions or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

14. Notices

Notices will, save where another means of effective communication has been specified herein or in the Pricing Supplement, be deemed to be validly given if (i) published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*), (ii) in the case of any Notes which are listed on the Luxembourg Stock Exchange (so long as such Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require), in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*), if such publication is not practicable, (in the case of (i) or (ii)) if published in a leading English language daily newspaper having general circulation in Europe, (iii) in the case of any Notes which are listed on Euronext Amsterdam N.V., in the *Officiële Prijscourant* (Euronext Amsterdam Daily Official List) and at least one newspaper with daily circulation in The Netherlands. The Issuer shall also ensure that notices are duly published in compliance with the rules and regulations of each stock exchange on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Notes in accordance with this Condition.

15. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Notes or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Notes of any particular Series.

16. Currency Indemnity

The currency in which the Notes are denominated or, if different, payable, as specified in the Pricing Supplement (the “*Contractual Currency*”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

17. Substitution of the Issuer

(a) The Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any other body corporate as the debtor in respect of the Notes, any Coupons, the Deed of Covenant and the Fiscal Agency Agreement (the “*Substituted Debtor*”) upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 14, *provided that*:

(i) the Issuer is not in default in respect of any amount payable under the Notes;

(ii) the Issuer and the Substituted Debtor have entered into such documents (the “*Documents*”) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Fiscal Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 17);

(iii) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Notes then represented by a global Note on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;

(iv) if the Substituted Debtor is resident for tax purposes in a territory (the “*New Residence*”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “*Former Residence*”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of an undertaking in terms corresponding to the provisions of Condition 8, with the substitution of references to the Former Residence with references to the New Residence;

(v) The Guarantors guarantee the obligations of the Substituted Debtor in relation to the Notes (i) in the case of Unsubordinated Notes, on a basis equivalent to that set out in Condition 3(4)(a), and (ii) in the case of Subordinated Notes, on a basis equivalent to that set out in Condition 3(4)(b);

(vi) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and for the performance by the Guarantors of their obligations under the Deed of Guarantee as they relate to the obligations of the Substituted Debtor under the Documents;

(vii) legal opinions shall have been delivered to the Fiscal Agent from lawyers of recognised standing in the jurisdiction of each territory referred to in (iv) above, as to the fulfilment of the requirements of this Condition 17 and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor;

(viii) if Notes issued or to be issued under the Programme have been assigned a credit rating by Standard & Poor’s and/or Moody’s, Standard & Poor’s and/or Moody’s as the case may be, shall have confirmed that following the proposed substitution of the Substituted Debtor, the credit rating of the Notes will not be adversely affected;

(ix) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed on such stock exchange; and

(x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and any Coupons.

(b) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, any Coupons, the Deed of Covenant and the Fiscal Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Coupons, the Deed of Covenant and the Fiscal Agency Agreement.

(c) After a substitution pursuant to Condition 17(a) the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 17(a) and 17(b) shall apply *mutatis mutandis*, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

(d) After a substitution pursuant to Condition 17(a) or 17(c) any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatus mutandis*.

(e) The Documents shall be delivered to, and kept by, the Fiscal Agent. Copies of the Documents will be available free of charge at the specified office of each of the Paying Agents.

18. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

19. Governing Law and Jurisdiction

(a) *Governing Law*: The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law.

(b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with the Notes.

(c) *Appropriate forum*: The Issuer and each of the Guarantors agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England*: Condition 19(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 19 (*Governing law and jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Service of process*: The Issuer and the Guarantors agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Fortis (UK) Limited at Bishopsgate House, Tollgate, Eastleigh, Hampshire SO5 3YA or at any address of Fortis (UK) Limited in Great Britain at which service of process may be served on them in accordance with Part XXIII of the Companies Act 1985. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

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

PROVISIONS RELATING TO THE NOTES WHILST IN GLOBAL FORM

1. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note (which expression includes a Temporary Global Note and a Permanent Global Note) must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for such person's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid. References in these provisions relating to the Notes in global form to "holder" or "accountholder" are to those persons shown in the records of the relevant clearing system as a holder of a Note.

2. Form and Exchange

(1) *TEFRA D or TEFRA C*: The Pricing Supplement shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "*TEFRA D Rules*") or U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "*TEFRA C Rules*") shall apply. Each Tranche of Notes is represented upon issue by a temporary global Note (a "*Temporary Global Note*"), unless the Pricing Supplement specifies otherwise and the TEFRA C Rules apply.

Where the Pricing Supplement applicable to a Tranche of Notes specifies that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Pricing Supplement) represented upon issue by a Permanent Global Note.

Interests in a Temporary Global Note may be exchanged for:

- (i) interests in a permanent global Note (a "*Permanent Global Note*"); or
- (ii) if so specified in the Pricing Supplement, definitive Notes in bearer form ("*Definitive Notes*").

Exchanges of interests in a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made only on or after the Exchange Date (as specified in the Pricing Supplement) and (unless the Pricing Supplement specifies that the TEFRA C Rules are applicable to the Notes) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received.

(2) *Limitation on entitlement under a Temporary Global Note after Exchange Date*: Holders of interests in any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole but not in part only) for a Permanent Global Note or for delivery of Definitive Notes such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

(3) *Certification of non-U.S. beneficial ownership*: Unless the Pricing Supplement specifies that the TEFRA C Rules are applicable to the Notes and subject to paragraph (2) above, if any date on which a payment of interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear Bank S.A./N.V., as operator of Euroclear or Clearstream, Luxembourg or any other relevant clearing system which may be specified in the Pricing Supplement. Payments of amounts due in respect of a Permanent Global Note or (subject to paragraph (2) above) a Temporary Global Note (if the Pricing Supplement specifies that the TEFRA C Rules are applicable to the Notes) will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

(4) *Exchange for Definitive Notes:* Interests in a Permanent Global Note will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of the Holder of such Global Note, for Definitive Notes (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 7 occurs or, (c) at any time on the request of the bearer, if so specified in the Pricing Supplement (each an “Exchange Event”). Whenever a Permanent Global Note is to be exchanged for Definitive Notes the Issuer shall procure the prompt delivery of such Definitive Notes, duly authenticated and where and to the extent applicable, with Receipts, Coupons and Talons attached (each as defined in Condition 1(a), in an aggregate principal amount equal to the principal amount of such Permanent Global Note to the Holder of the Permanent Global Note against its surrender at the specified office of the Fiscal Agent within 30 days of the Holder requesting such exchange. Furthermore, if,

(i) Definitive Notes have not been delivered in accordance with the foregoing by 5.00 p.m. (London time) on the thirtieth day after the Holder has requested exchange, or

(ii) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of the Redemption Amount (as defined in Condition 6(h)(ii) together with all accrued interest thereon has not been made to the Holder in accordance with the Conditions on the due date for payment,

then such Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the Holder of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the such Holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system as being entitled to interests in the Notes will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the Holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg or other relevant clearing system (as the case may be).

3. Amendment to Conditions

The Temporary Global Notes and Permanent Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

(1) *Meetings:* The Holder of a Global Note shall (unless such Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, the Holder of a Global Note shall be treated as having one vote in respect of each minimum Denomination of Notes for which such Global Note may be exchanged.

(2) *Cancellation:* Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note.

(3) *Purchase:* Notes represented by a Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

(4) *Issuer's Option:* Any option of the Issuer provided for in the Conditions of the Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

Holder's Options: Any option of the holders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the Holder of the Permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

(6) *Notices:* So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the Holder of the Global Note except that so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notice shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

4. Partly Paid Notes

While any Partly Paid Instalments due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes. If any holder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to such holder in respect of them.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer to meet part of its general financing requirements.

DESCRIPTION OF THE ISSUER AND THE GUARANTORS

Overview

Fortis is an international financial services provider active in the fields of insurance, banking and asset management. Fortis has strong roots in the Benelux countries (Belgium, The Netherlands and Luxembourg) and has particular strength in delivering insurance products through its banking distribution network of bancassurance. Outside its home market, Fortis concentrates on selected market segments in Europe, Asia and the United States. In the United States Fortis has operations through Fortis, Inc., primarily in specialty insurance.

Fortis ranks as one of the two largest providers of integrated financial services in the Benelux countries in terms of total assets catering to approximately seven million customers through an extensive branch network worldwide and 8,500 insurance brokers. Management believes Fortis is ranked number one in private banking and number two in asset management in the Benelux based on assets under management as of 31 December 2001. In addition, Fortis was Europe's 18th largest financial institution in terms of market capitalisation as of 31 December 2001 and was Europe's 18th largest bank in terms of assets as of 31 December 2000.

Fortis' insurance operations contributed approximately 61 per cent. to consolidated net profit for 2001 and Fortis' banking operations, which include its asset management operations, contributed approximately 46 per cent. to Fortis' consolidated net profit for 2001. The general segment reduced net profit by 7 per cent.

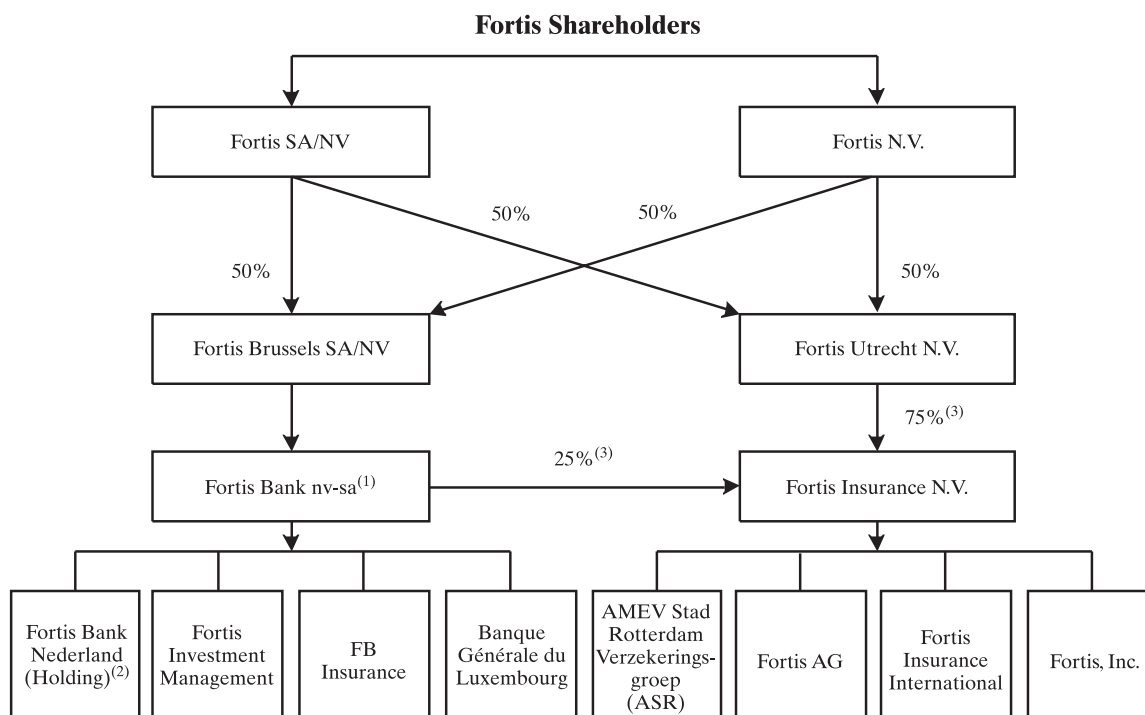
Listing and legal structure

On 14 December 2001, the Extraordinary General Meetings of Fortis (B) and Fortis (NL) approved the unification of 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 N.V., the legal successors to Fortis (B) and of Fortis (NL) after the unification respectively. In other words, one Fortis Share comprises one ordinary share in each of the Fortis parent companies including the rights attached thereto such as voting rights and dividend rights.

In the context of the restructuring necessary to implement the unification, Fortis (B) was merged into and absorbed by Fortis SA/NV (former direct subsidiary of Fortis (B) and Fortis (NL)) and Fortis (NL) was merged into and absorbed by Fortis N.V. (also former direct subsidiary of Fortis (B) and Fortis (NL)). Both mergers took effect on 15 December 2001. By effect of Belgian and Dutch law, Fortis (B) and Fortis (NL) were dissolved and all their assets and liabilities, including their liabilities as guarantors under the then EUR 10,000,000,000 Euro Medium Term Note Programme of Fortis Finance N.V. were automatically transferred, without any further action being required, to the surviving companies Fortis SA/NV and Fortis N.V., respectively. Fortis SA/NV and Fortis N.V., the new Fortis parent companies and successor guarantors under the then EUR 10,000,000,000 Euro Medium Term Note Programme of Fortis Finance N.V. will remain two separate legal entities established under Belgian and Dutch law, respectively.

The Fortis Share is 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 is maintained on the Luxembourg Stock Exchange. Fortis also has a sponsored over-the-counter ADR programme for Fortis Shares in the United States.

The diagram below summarises the legal structure of Fortis as of 31 December 2001.



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

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

⁽³⁾ Fortis Bank nv-sa holds preference shares in Fortis Insurance N.V. Fortis Utrecht N.V. holds 100% of the ordinary shares in Fortis Insurance N.V. The percentage interests included in the table represent voting interest.

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

Businesses

Businesses are organised within two distinct pools of activity: one for insurance and the other for banking and asset management. These groupings reflect in part the use of two primary channels for distributing Fortis' products, intermediaries (brokers and agents), and proprietary distribution networks (bank branches). All insurance activities worldwide (other than bancassurance, which will remain under the banking group), have been aggregated to form the building blocks of a single, Netherlands-based, insurance group, headed by Fortis Insurance N.V.

- *Insurance Belgium and International:* this business serves independent insurance intermediaries in Belgium and insurance intermediaries/bancassurance internationally (other than The Netherlands, Belgium and the United States);
- *Insurance Netherlands:* this business serves independent insurance intermediaries in The Netherlands; and
- *Insurance United States:* this business primarily serves insurance customers in the United States.

Substantially all of Fortis' banking and asset management activities have been integrated into Fortis Bank. Fortis Bank is now at the head of Fortis' combined banking operations and the separate banks are managed as an integrated banking group.

- *Network Banking:* this business serves retail customers including individuals, professionals and small enterprises, as well as medium-size and large enterprises. As an integrated bancassurer FB Insurance forms part of the business line Network Banking although for financial reporting purposes FB Insurance's results are included in the insurance segment;

- *Merchant Banking*: this business serves institutional and professional customers as well as large enterprises; and
- *Private Banking and Asset Management*: this business serves individuals, institutional investors and institutions as well as the insurance and banking arms of Fortis.

The brand name for substantially all of Fortis' banking activities, Fortis Bank, was introduced in 30 June 2000. The integration of the banking activities is scheduled for completion in 2003.

Fortis believes that this structure ensures the greatest management efficiency, the widest development of commercial opportunities, the most effective integration of businesses and the optimal use of available skills and best practices within Fortis.

Insurance

Fortis offers a comprehensive range of life and non-life insurance products in Belgium and The Netherlands. Fortis' group of Belgian insurance companies is the leading group of insurance companies in Belgium based on 2001 gross premiums written, the most recent year for which such information is available. Fortis believes that its group of Dutch insurance companies, which includes ASR acquired at the end of 2000, ranks as the second largest insurer in The Netherlands based on 2001 gross premiums written based on Fortis' analysis of publicly available information.

Fortis, through Fortis, Inc., also offers a range of life and non-life products in the United States with an emphasis on pre-need, health and credit-related insurance and other specialty markets in which Fortis believes it can achieve leading market shares. Fortis' acquisition of ABI in 1999 significantly increased its operations in the United States.

In addition, Fortis offers life and non-life products in a number of other countries around the world, including Spain, the United Kingdom and Luxembourg. In Spain, Fortis offers a broad range of products and is the leading provider of life insurance to individuals based on technical provisions as of 31 December 2001.

Fortis' product offerings are more specialised in other countries. In February 2001, Fortis announced a joint venture in bancassurance with Maybank, the largest financial services group in Malaysia. In July 2001 Fortis sold its operations in Australia. In December 2001 Fortis began a life business in China through a 24.9 per cent. stake in Tai Ping Life. In February 2002 Swiss Life (France) and Fortis announced they had concluded an agreement on the transfer by Fortis of the holding company Fortis France S.A. to Swiss Life. The main asset of Fortis France S.A. is the life insurance company Fortis Assurances. The transaction is expected to close in the third quarter of 2002.

Banking

Fortis offers a wide range of retail banking, corporate banking, private banking, investment banking and asset management services in the Benelux countries (Belgium, The Netherlands and Luxembourg). Fortis offers a more selective range of financial products outside the Benelux. As of March 2000, Fortis began offering most of its banking services under the core brand name Fortis Bank.

In June 1999 Fortis merged ASLK-CGER Bank with Generale Bank to form Fortis Bank and Generale Bank Nederland with VSB Bank to form Fortis Bank (Nederland). MeesPierson merged with Fortis Bank (Nederland) in June 2000.

In Luxembourg, Fortis completed the integration of Banque Générale du Luxembourg (BGL) with Fortis Bank Luxembourg during 2001, and on 26 November 2001 the legal merger between both banks was completed. Fortis had previously increased its stake in BGL from 53.0 per cent. to 97.7 per cent. in 2000.

As part of its strategic emphasis on customer segments and the structure of Fortis' executive committee where executive committee members are responsible for customer segments, Fortis' banking operations are now organised by businesses serving particular customer segments.

Asset Management

Fortis' third party asset management activities are now part of its private banking and asset management business within its banking operations. Through the integration of Fortis' and Generale Bank's asset management business Fortis created Fortis Investment Management (Fortis IM). Fortis IM is an internationally organised fund management group – managing mutual funds for retail distributors,

mandates for institutional investors and a portion of the insurance assets of Fortis. Fortis believes that the Benelux asset management operations are the number two asset manager in the Benelux based on assets under management at 31 December 2001 and ranks among the top 10 asset managers in Europe. Fortis IM also has separate asset management activities in the United States and in Asia.

History of Fortis

Fortis was created in 1990 when AG Group (now Fortis SA/NV), a large Belgian insurer, and AMEV/VSB (now Fortis N.V.), a large Dutch insurer, merged their respective operations. The parent companies, Fortis SA/NV and Fortis N.V., remain separate legal entities. At the time of the merger, Fortis SA/NV 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, while Fortis N.V. held a relatively strong position in the Dutch insurance market and enjoyed a fairly strong international insurance position. Since the merger, the operating businesses of Fortis have been managed together. Fortis is not a legal entity but collectively refers to Fortis SA/NV and Fortis N.V. and the group of companies owned and/or controlled by Fortis SA/NV and Fortis N.V.

Since its formation, Fortis has grown significantly through both organic development and acquisitions. In 1991, Fortis acquired the Mutual Benefit Life group disability and life portfolio in the United States, which strengthened its position in these sectors. Fortis also acquired Interloyd, a Dutch insurance company, in 1991. The following year, Fortis entered into a joint venture with one of Spain's leading banks, La Caixa. The subsidiaries of this joint venture (known as CAIFOR) are SegurCaixa, a non-life insurer in which Fortis holds a 60 per cent. interest, and VidaCaixa, a life insurer in which Fortis holds a 40 per cent. interest, which distribute their products through the bank branches of La Caixa.

In 1997, Fortis acquired three insurance companies in the United States in specific market segments, and one insurance broker in the United Kingdom. In 1998, Fortis completed the acquisition of John Alden, an independent provider of health insurance and services for small businesses in the United States. In 1998, Fortis also completed the acquisition of Pierce National Life Insurance Company, a U.S. pre-arranged funeral insurance company. In May 1999 Fortis strengthened its personal line product offering in the UK with the purchase of Northern Star and in August 1999, Fortis acquired ABI, a leading U.S. credit-related insurer. In July 2000, Fortis acquired American Memorial Life Insurance Company and remains one of the largest providers of prepaid funeral insurance in the United States. At the end of December 2000, Fortis made its most significant acquisition in The Netherlands with the purchase of ASR. In January 2001, Fortis announced the sale of FFG in the United States, which sale was completed 1 April 2001. In July 2001, Fortis agreed to acquire Protective Life Corporation's dental benefits division and acquired CORE, Inc., a leading provider of employee absence management in the United States and a provider of disability reinsurance and management services to insurance carriers. In April 2001 ASR and AMEV Nederland were merged to form AMEV Stad Rotterdam Verzekeringsgroep (ASR) N.V. In October 2001, Fortis announced its acquisition of 24.9 per cent. of 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.

As a result of the foregoing developments, Fortis is now the largest insurer in the Benelux region and the second largest insurer through intermediaries in The Netherlands (based on consolidating each insurer's 2001 activities and our comparing the consolidated activities to other insurers' publicly available information for 2001).

Fortis has also strengthened its Benelux banking activities since 1990 through acquisitions. In 1993, Fortis acquired a controlling interest in ASLK-CGER Bank, thus substantially broadening and strengthening Fortis' banking and bancassurance activities and expertise in Belgium. Fortis increased its stake in ASLK-CGER Bank in 1997 through the acquisition of an additional 25 per cent. interest in 1997 and acquired the remaining approximately 25 per cent. of ASLK-CGER Bank from the Belgian government in January 1999. In 1995, Fortis, through ASLK-CGER Bank, acquired CI-KN Bank, a Belgian retail bank, which was fully merged into ASLK-CGER 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 asset management activities.

In July 1998, Fortis acquired Generale Bank. This acquisition, which was the most significant in Fortis' history, is given effect under GAAP in accordance with Belgian law as if it had been completed on 1 January 1998. ASLK/CGER and Generale Bank were merged to formally create Fortis Bank in June

1999. In 2000, Fortis strengthened its position in the Benelux by increasing its stake in BGL from 53.0 per cent. to 97.7 per cent..

In April 2000, Fortis Bank exercised its option to buy the remaining 70 per cent. of the shares in the Spanish bank Beta Capital, of which it had owned 30 per cent. since 1999. Beta Capital, whose 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 per cent. to almost 100 per cent. after a successful public offer. In February 2001, Fortis entered into a bancassurance joint venture with Maybank, Malaysia's largest bank. In November 2001, Fortis and Haitong Securities, one of the largest securities companies in China signed a Strategic Alliance Agreement in investment management.

Fortis expects that in the near term the European financial services sector will consist of fewer and larger institutions operating on a Europe-wide basis with strong positions in banking, insurance and asset management. The management of Fortis believes that Fortis remains at the forefront of this consolidation process. Fortis believes that its position as the leading provider of integrated financial services in its Benelux home base provides Fortis with a strong foundation for expansion outside the Benelux. As such, Fortis has a solid platform for further international growth, particularly in Europe, the United States and Asia.

To leverage the Asia strategy, a CEO has been appointed for Fortis Asia. He is responsible for the development and management of Fortis banking and insurance operations in Asia.

Fortis also made a number of divestitures during this period of companies that did not meet its investment criteria, including its Hong Kong insurance operations, U.S. motor insurance, U.S. variable life insurance and annuity business, its Australian insurance operations, life insurance in the United Kingdom and Denmark, non-life insurance in France and Ireland and its operational car lease business.

Strategic Direction

Goals

Since Fortis' formation in 1990, Fortis 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 acquisition of ASR in December 2000, Fortis' primary attention has shifted from consolidating its position in its Benelux 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 is given substantial autonomy to develop its own strategy and growth.

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.
- 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 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 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 Generale Bank acquisitions have contributed to the expanded scope of Fortis' international banking activities.

Fortis' stated strategic objectives consist of improving significantly its home market performance, exploring European leadership opportunities and expanding Fortis' presence in selected regions around the world.

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 serving 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 the United States.

Achieve Financial Targets

Fortis has pursued and will continue to pursue its stated strategic objectives within the overall context of providing sustainable high value creation for its shareholders. In this regard, Fortis has stated minimum financial targets relating to annual earnings growth and returns on equity.

Fortis' minimum financial targets include at least a 12 per cent. growth in net operating profit per share and at least 15 per cent. return on equity.

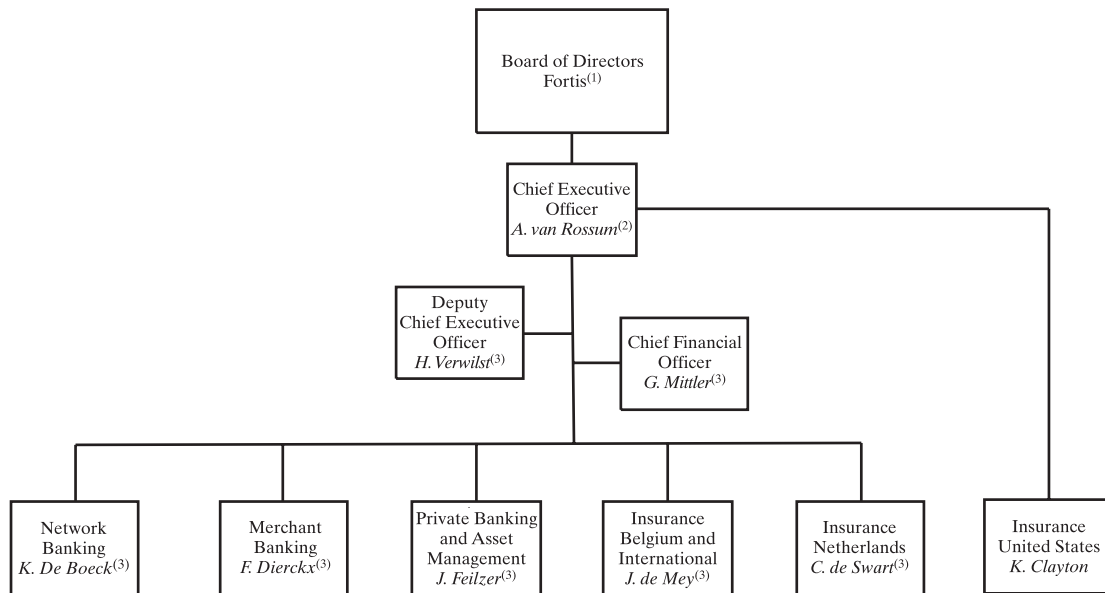
Corporate governance

Management

Since 1 January 1999, Fortis has been managed with a structure intended to provide full unity of management, create greater transparency throughout Fortis and to allow more efficient decision-making. To achieve this goal, the following measures were implemented between January 1999 and August 2000:

- the number of members of the Fortis Board of Directors was reduced to a maximum of 17 (currently there are 15 board members), and the boards of directors of Fortis SA/NV and Fortis N.V. are now comprised of the same members;
- the Executive Committee members are no longer members of the Fortis Board of Directors, with the exception of the Chief Executive Officer;
- one Chief Executive Officer, Anton van Rossum, was appointed (effective as of September 2000), and the CEO function has been separated from the function of chairman of the Fortis Board of Directors; and
- the composition of the Executive Committee is no longer equally divided between Belgian and Dutch members.

The diagram below outlines Fortis' operating and management structure.



⁽¹⁾ Members of the Board of Directors of Fortis are also directors of Fortis N.V. and Fortis SA/NV and the sub-holding companies, Fortis Utrecht N.V. and Fortis Brussels SA/NV, through which Fortis operates its insurance and banking and asset management businesses.

⁽²⁾ Mr. van Rossum is a member of the Fortis Board of Directors and Chairman of the Executive Committee.

⁽³⁾ Member of the Executive Committee.

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

The Fortis Boards of Directors

The boards of directors of Fortis SA/NV and Fortis N.V. (the "Fortis Board of Directors") 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 17 members: one executive member, being the Chief Executive Officer, and a maximum of 16 non-executive members. The scope of activity of the non-executive members of the Fortis Board of Directors involves the general course of affairs. There are currently 15 directors.

The Fortis Board of Directors is responsible for the general business of the Group and for monitoring and checking the Group's financial status. 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.

Following the resignation of Hans Bartelds as member and Co-Chairman of the Fortis Board of Directors on 1 February 2002, the composition of the Fortis Board of Directors, Fortis N.V. and Fortis SA/NV currently is as follows:

Name	Position	Director Since	Term Expires
Count M. Lippens	Director Fortis (Chairman)	1981	2005
J.R. Glasz	Director Fortis (Chairman)	1989	2004
Viscount E. Davignon	Director Fortis (Vice Chairman)	1989	2005
J.J. Slechte	Director Fortis (Vice Chairman)	1996	2003
A. van Rossum	Director Fortis (Chief Executive Officer)	2000	2003
Baron V. Croes	Director Fortis	1987	2003
H.J. Hielkema	Director Fortis	1988	2003
Baron D. Janssen	Director Fortis	1999	2005
C. Morin-Postel	Director Fortis	1998	2003
Ms. A.J.M. Roobeek	Director Fortis	1994	2005
P. Speeckaert	Director Fortis	1989	2004
Baron P. Van Waeyenberge	Director Fortis	1988	2004
N.J. Westdijk	Director Fortis	1996	2003
J-M. Hessels	Director Fortis	2001	2004
J.M. Schröder	Director Fortis	2001	2003

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. Currently, the Fortis Board of Directors has established four committees: the Compensation and Nominating Committee, the Audit Committee, the Capital Committee and the Chairmen's Committee. Each committee is chaired by both chairmen of the Fortis Board of Directors.

- 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, Fortis Brussels SA/NV and Fortis Utrecht N.V., are composed of the same members as the Boards of Directors of the parent companies Fortis SA/NV and Fortis N.V., and are responsible for strategic and financial development and control, capital allocation and the representation of Fortis with external constituencies.

The Fortis Executive Committee

Fortis' Chief Executive Officer is responsible for the day-to-day management of Fortis and for formulating the strategic direction for the Group. The Chief Executive Officer is Chairman of the Executive Committee.

Fortis' Executive Committee is responsible for the daily management of Fortis and implements Fortis' strategy, proposes options for further development of Fortis to the Fortis Board of Directors, including acquisitions and dispositions, stimulates the cross transfer of best practices and implements synergies within Fortis and manages capital allocation and target setting. Except for the Chief Executive Officer, none of the members of the Executive Committee are also members of the Board of Directors.

The Fortis Executive Committee consists of the following members who, with the exception of the CEO, Deputy CEO and the CFO are responsible for individual businesses. The CEO of Fortis, Inc. reports directly to Anton van Rossum, the Chief Executive Officer.

A. van Rossum	Chief Executive Officer
H. Verwilt	Deputy Chief Executive Officer
G. Mittler	Chief Financial Officer
K. De Boeck	CEO Network Banking
F. Dierckx	CEO Merchant Banking
B. J. H. S. Feilzer	CEO Private Banking and Asset Management
J. De Mey	CEO Insurance Intermediaries: Belgium & International
C. de Swart	CEO Insurance Intermediaries: The Netherlands (succeeded by J. van Ek as from 1 January 2003)

Regulation

Fortis Audit Services reports to the Audit Committee and twice a year issues an opinion regarding Fortis internal audit systems. In addition to the regular audits, specific topics are also audited every year.

External auditing is done jointly by KPMG and PricewaterhouseCoopers.

Once a year Fortis Compliance reports on legal compliance to the Audit Committee.

Fortis's combined banking and insurance activities are subject to the supervision of the Belgian and Dutch banking and insurance regulatory authorities. The coordination of these regulatory bodies' respective scope is laid down in an agreement. The regulatory body that monitors the largest volume of Fortis activities, the Banking and Finance Commission (CBF) in Brussels, act as coordinator. Each country in which Fortis has operations also has, of course, its own national body for the regulation of local activities.

Fortis Finance N.V.

Fortis Finance N.V. is a wholly owned indirect subsidiary of Fortis SA/NV and Fortis N.V., each controlling indirectly 50 per cent. of the voting rights.

Fortis Finance N.V. was incorporated under the laws of The Netherlands on 28 June 1977. Its registered and principal office is at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands. Its issued and paid up share capital amounts to EUR 125,000 divided into 250 fully paid up shares of EUR 500 each. Fortis Finance N.V. is registered with the Trade Register of the Chamber of Commerce and Industry at Utrecht with the file number 30055940.

The principal object of Fortis Finance N.V. is to provide financial services to companies of Fortis, including the Guarantors.

Fortis N.V.

Fortis N.V. (formerly AMEV/VSB) is incorporated as a public limited liability company ("naamloze vennootschap") under Dutch law. Fortis N.V. has its corporate seat in Utrecht, The Netherlands, with its head office at Archimedeslaan 6, 3584 BA Utrecht, The Netherlands, and is registered under number 30072145 with the Trade Register at the Chamber of Commerce of Utrecht, The Netherlands.

Fortis N.V. is one of the two Fortis listed companies (the other being Fortis SA/NV). The corporate object of Fortis N.V. is mainly to acquire interests in enterprises and to manage and finance the same.

Fortis N.V. holds 50 per cent. of the shares and voting rights in Fortis through its 50 per cent. shareholding in Fortis Brussels (which controls the vast majority of the group's banking interests) and in Fortis Utrecht N.V. (which controls the vast majority of the group's insurance interests).

The authorised share capital of Fortis N.V. amounts to EUR 1,470,000,000 and is divided into 1,500 million ordinary shares with a nominal value of EUR 0,42 per ordinary share, 1,750 million Cumulative Preference A Shares with a nominal value of EUR 0,42 per Cumulative Preference A Share, and 250 million Cumulative Preference B Shares with a nominal value of EUR 0,42 per Cumulative Preference B Share. The Cumulative Preference A Shares and Cumulative Preference B 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 30 June 2002, 1,293,627,059 ordinary shares (twinned with an equal number of Fortis SA/NV shares) were issued and outstanding (upon economical withdrawal of shares issued under the FRESH-

agreement). All issued and outstanding ordinary shares are fully paid up. No Cumulative Preference A Shares or Cumulative Preference B Shares are currently outstanding.

The Board of Directors of Fortis N.V. consists of the same persons as the Fortis Board of Directors.

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 has its registered office at Rue Royale 20, 1000 Brussels, Belgium. The company is registered with the Commercial Register of Brussels under number 577615.

Fortis SA/NV is one of the two Fortis listed companies (the other being Fortis N.V.). The corporate object of Fortis SA/NV is mainly to acquire interests in enterprises and to manage and finance the same.

Fortis SA/NV holds 50 per cent. of the shares and voting rights in Fortis through its 50 per cent. shareholding in Fortis Brussels (which controls the vast majority of the group’s banking interests) and in Fortis Utrecht N.V. (which controls the vast majority of the group’s insurance interests).

On 30 June 2002, the share capital of Fortis SA/NV was represented by 1,293,627,059 ordinary shares (upon economical withdrawal of shares issued under the FRESH-agreement), without indication of nominal value (twinned with an equal number of Fortis N.V. shares). Shares are in bearer or registered form.

The Board of Directors is authorised to increase Fortis SA/NV’s capital, in one or more transactions, for up to a maximum amount of EUR 500 million. This authorisation is granted to the Board of Directors for a period of 3 years starting after the General Meeting of Shareholders of 12 December 2001. On 23 August 2002, this authorisation has been used by the Board of Directors for a total amount of EUR 177,348,981.2, bringing the authorised capital to EUR 322,651,018.8.

The Board of Directors of Fortis SA/NV consists of the same persons as the Fortis Board of Directors.

RECENT DEVELOPMENTS

In February 2002, Fortis and Swiss Life concluded an agreement on the transfer by Fortis of its French insurance activities to Swiss Life. On the date of this Offering Circular, the transaction is still subject to approval by the French supervisory authorities.

In April 2002, Fortis AG and Security Capital European Realty signed an agreement concerning the acquisition by Fortis AG of real estate company Bernheim Comofi. The transaction was closed on 12 July 2002 at the price of EUR 525 million paid in cash.

In May 2002 and consistent with its strategy of divesting non-core activities, Fortis sold its subsidiary TOP Lease to ING Lease, thereby withdrawing from the operational car leasing market in the Benelux.

In July 2002 Fortis acquired 100 per cent. of the shares in Intertrust Group, an international trust and corporate management organisation, which will be merged with the trust activities of MeesPierson, the Private Banking business line of Fortis.

On 28 August 2002, Fortis published its 2002 half-year results, reporting 8 per cent. higher net operating profit, excluding realised capital gains, relative to the first half of 2001 (including realised capital gains, net operating profit decreased by 4 per cent. relative to the first half of 2001). Net profit decreased by 18 per cent. compared to the first half of 2001. In this context, Fortis also announced that, on 30 June 2002, the market value of the equity investments was higher than their original cost price. Based on share prices of 23 August, these investments would have necessitated a writedown of EUR 0.6 billion after taxation, to be charged to the net operating profit, comparable to the amount of EUR 0.9 billion published on 23 July. However, based on these figures, the solvency position would nevertheless be EUR 8.1 billion above the legally required minimum.

CAPITALISATION⁽¹⁾

(in EUR million)

	30 June	31 December
	2002	2001
Net equity	12,701	13,844
Minority interest	2,205	2,133
Fund for general banking risks	2,209	2,217
Tier 1 loan Fortis Bank	1,000	1,000
Subordinated Convertible Notes (Fresh capital)	1,250	–
Total net core capital	19,365	19,194
Subordinated liabilities	8,791	9,209
Total risk bearing capital	28,156	28,403

The above table sets forth the capitalisation of Fortis. This table should be read in conjunction with the Consolidated Financial Information in respect of Fortis included on page 56 in this Offering Circular.

(1) There has been no material change since 30 June 2002, other than that which is disclosed in “Recent Developments” on page 51.

CONSOLIDATED FINANCIAL INFORMATION

Fortis has opted for consortium accounting following the 7th European Directive. This implies a consolidation of Fortis including its two listed parent companies. Fortis SA/NV and Fortis N.V.

The consolidated financial statements of Fortis included on pages 54 and 55 have been derived from the audited annual accounts for the year 2001 which have been prepared in accordance with applicable legal and regulatory requirements in Belgium.

The consolidated first half-year 2002 statements of Fortis, included on pages 56 and 57 have been derived from the unaudited interim results as of 30 June 2002.

The financial information of Fortis Finance N.V. included on pages 58 and 59 has been derived from the audited annual accounts for the year 2001.

The consolidated annual accounts of Fortis include the figures for Fortis SA/NV and Fortis N.V., as well as the companies in which they have a direct or indirect right to cast more than 50% of the votes at the General Meeting of Shareholders. Joint ventures whose activities are closely related to those of Fortis are consolidated on a proportional basis. Special Purpose Vehicles (SPV), which have been created in the context of securitisation and over which no control is exercised, are not included in the consolidation.

With effect from 1 January 1999, upon acquisition of companies to be consolidated in the annual accounts the assets and liabilities of the acquired company are restated at their fair value. Any remaining amount of goodwill is charged or credited in full to net equity. Goodwill arising on the acquisition of participating interests accounted for under the equity method is also charged or credited to net equity.

A list of all group companies and other participating interests has been filed with the National Bank of Belgium in Brussels and with the commercial register of the Chamber of Commerce in Utrecht. The list is available upon request, free of charge, from Fortis in Brussels and Utrecht.

FINANCIAL STATEMENTS FORTIS

Consolidated balance sheet
(before appropriation of profit)
(in EUR million)

	31 December 2001	31 December 2000	31 December 1999
Assets:			
Cash	5,094.2	6,110.3	3,660.4
Trading securities	19,447.0	13,362.9	9,898.8
Investments	147,676.3	134,203.0	127,382.0
Loans and advances to credit institutions.	63,761.9	62,382.8	81,970.1
Loans and advances to customers	176,833.9	162,093.4	139,422.2
Reinsurers' share of technical provisions	6,890.8	4,943.6	4,231.7
Deferred acquisition costs	2,963.6	3,297.7	2,081.4
Prepayments and accrued income	19,844.9	17,037.9	13,156.7
Investments on behalf of policyholders	23,567.4	22,012.7	16,210.0
Other assets	16,889.9	12,638.4	8,096.0
Total assets.	482,969.9	438,082.7	406,109.3
Liabilities:			
Amounts owed to credit institutions	96,337.3	94,174.3	116,991.9
Amounts owed to customers	179,687.2	145,752.0	134,963.4
Debt certificates	50,895.9	43,760.8	35,943.4
Technical provisions	59,533.4	56,130.2	44,612.7
Technical provisions related to investments on behalf of policyholders.	23,084.9	21,690.1	15,824.3
Accruals and deferred income.	19,772.6	15,824.0	12,236.4
Other liabilities	23,998.3	31,865.0	19,522.3
Convertible notes	1,257.3	1,257.3	1,255.9
Subordinated liabilities	10,209.1	8,230.3	6,906.4
	464,776.0	418,684.0	388,256.7
Fund for general banking risks	2,216.7	2,042.9	1,861.2
Minority interests in group equity	2,132.7	2,159.0	2,483.5
Net equity:			
– Capital.	6,084.9	428.4	397.6
– Share premium reserve	11,043.5	16,598.6	13,099.8
– Revaluation reserve	549.2	2,794.0	3,932.9
– Goodwill	(16,606.8)	(15,833.8)	(13,035.0)
– Other reserves	10,175.5	8,442.0	6,796.4
– Net profit for the year 2001	2,598.2	2,767.6	2,316.2
Net equity	13,844.5	15,196.8	13,507.9
Group equity	15,977.2	17,355.8	15,991.4
Total liabilities	482,969.9	438,082.7	406,109.3

Consolidated profit and loss account
(in EUR million)

	2001	2000	1999
Revenues			
Insurance premiums	18,162.3	15,783.7	12,526.6
Interest income	23,764.8	25,713.1	20,822.6
Commissions and fees	1,978.4	2,163.6	1,832.0
Results from financial transactions	(1,306.8)	489.6	2,731.6
Other revenues	2,659.7	2,917.5	2,665.7
Total revenues	<u>45,258.4</u>	<u>47,067.5</u>	<u>40,578.5</u>
Interest expenses	(16,914.3)	(19,402.9)	(14,705.9)
Total revenues, net of interest expense	<u>28,344.1</u>	<u>27,664.6</u>	<u>25,872.6</u>
Technical charges insurance	(13,440.2)	(13,463.3)	(13,797.4)
Value adjustments	(625.8)	(619.5)	(546.9)
Net revenues	<u>14,278.1</u>	<u>13,581.8</u>	<u>11,528.3</u>
Operating expenses	(10,784.7)	(9,964.5)	(8,489.2)
Operating result before taxation	<u>3,493.4</u>	<u>3,617.3</u>	<u>3,039.1</u>
Taxation	(1,048.9)	(1,044.4)	(892.9)
Operating group profit	<u>2,444.5</u>	<u>2,572.9</u>	<u>2,146.2</u>
Minority interests	177.1	217.7	183.0
Net operating profit	<u>2,267.4</u>	<u>2,355.2</u>	<u>1,963.2</u>
Non-operating items			
Results from financial transactions	433.9	248.6	353.0
Other revenues	108.2	111.4	
Value adjustments		157.5	
Operating expenses	(342.3)		
Taxation	131.0	(105.1)	
Non-operating items after taxation	<u>330.8</u>	<u>412.4</u>	<u>353.0</u>
Net profit	<u>2,598.2</u>	<u>2,767.6</u>	<u>2,316.2</u>
Key figures per share (in EUR)			
Net operating profit	1.75	1.94	1.71
Net profit	2.01	2.28	2.02
Weighted Average Shares (in thousands)	1,293,282	1,214,964	1,147,199
Key figures per share, diluted (in EUR)			
Net operating profit	1.73	1.90	1.68
Net profit	1.98	2.23	1.98
Weighted Average Shares (in thousands)	1,334,374	1,259,183	1,189,318

Consolidated balance sheet
(before appropriation of profit)
(in EUR million)

	30 June	31 December
	2002	2001
	(unaudited)	(audited)
Assets:		
Cash	5,223.2	5,094.2
Trading securities	16,453.4	19,447.0
Investments	138,157.2	147,676.3
Loans and advances to credit institutions	101,540.7	63,761.9
Loans and advances to customers	170,823.6	176,833.9
Reinsurers' share of technical provisions	6,275.7	6,890.8
Deferred acquisition costs	2,699.2	2,963.6
Prepayments and accrued income	19,551.3	19,844.9
Investments on behalf of policyholders	19,411.8	23,567.4
Other assets	15,654.7	16,889.9
Total assets	495,790.8	482,969.9
Liabilities		
Amounts owed to credit institutions	116,489.9	96,337.3
Amounts owed to customers	172,953.5	179,687.2
Debt certificates	49,557.7	50,895.9
Technical provisions	57,955.0	59,533.4
Technical provisions related to investments on behalf of policyholders	19,244.1	23,084.9
Accruals and deferred income	21,243.2	19,772.6
Other liabilities	28,934.3	23,998.3
Convertible notes	1,257.3	1,257.3
Subordinated convertible note*	1,250.0	–
Subordinated liabilities*	9,791.2	10,209.1
	478,676.2	464,776.0
Fund for general banking risks*	2,209.0	2,216.7
Minority interests in group equity	2,204.5	2,132.7
Net equity	12,701.1	13,844.5
Group equity*	14,905.6	15,977.2
Total liabilities	495,790.8	482,969.9
*Risk-bearing capital	28,155.8	28,403.0

Consolidated profit and loss account
(in EUR million)

	First half-year	First half-year	
	2002	2001	Percentage change
	(unaudited)	(unaudited)	
Revenues:			
Insurance premiums	8,704.2	9,998.6	(13)
Interest income	12,313.8	12,120.4	2
Commissions and fees	948.7	1,042.7	(9)
Results from financial transactions			
– on behalf of policyholders	(1,666.7)	(1,555.2)	7
– other	789.7	1,079.5	(27)
Other revenues			
– on behalf of policyholders	158.5	187.2	(15)
– other	1,172.4	1,100.3	7
Total revenues	22,420.6	23,973.5	(6)
Interest expense	(8,865.6)	(8,718.0)	2
Total revenues, net of interest expense	13,555.0	15,255.5	(11)
Technical charges insurance	(5,812.3)	(7,325.1)	(21)
Value adjustments	(258.9)	(162.7)	59
Net revenues	7,483.8	7,767.7	(4)
Operating expenses	(5,276.1)	(5,398.4)	(2)
Operating result before taxation	2,207.7	2,369.3	(7)
Taxation	(642.1)	(738.6)	(13)
Operating group profit	1,565.6	1,630.7	(4)
Minority interests	86.3	92.7	(7)
Net operating profit	1,479.3	1,538.0	(4)
Non-operating items:			
– Suez (insurance)		263.6	
– Fortis Financial Group (Insurance)		46.8	
– Reorganisation provision (Insurance)	(18.0)		
– Reorganisation provision (Banking)	(32.7)		
– Arbed (Banking)	18.1		
– Toplease (Banking)	72.6		
Non-operating items after taxation	40.0	310.4	
Net profit	1,519.3	1,848.4	(18)

FORTIS FINANCE N.V. FINANCIAL INFORMATION

BALANCE SHEET AS AT 31 DECEMBER

(after proposed profit appropriation, in EUR thousand)

	2001	2000
ASSETS		
Financial fixed assets		
Long-term receivables from group companies . .	5,876,615	3,236,021
Current assets		
Receivables from group companies	3,450,862	5,094,450
Liquid assets	3,517	60,850
Accruals	286,724	143,614
	3,741,103	5,298,914
	9,617,718	8,534,935
LIABILITIES		
Shareholders' equity		
Paid-up and called-up capital	125	113
Other reserves	11,893	8,900
	12,018	9,013
Provisions		
Provision for deferred tax liabilities.	37	1,567
Long-term liabilities		
Bonds	4,259,976	2,105,884
Amounts owed to group companies.	150,509	115,855
Other amounts owed.	961,848	258,428
	5,372,333	2,480,167
Current liabilities		
Amounts owed to group companies.	457,783	1,384,131
Other amounts owed.	3,493,749	4,540,264
Accruals	281,798	119,793
	4,233,330	6,044,188
	9,617,718	8,534,935

PROFIT AND LOSS ACCOUNT*(in thousands of Euro)*

	2001	2000
INTEREST INCOME		
Financial fixed assets		
– Group companies	245,195	164,382
Current assets:		
– Group companies	191,041	120,761
– Other receivables	90,636	52,524
– Exchange differences	638	5
	<u>527,510</u>	<u>337,672</u>
INTEREST EXPENSE		
Long term liabilities		
– Euro-dollar bond loans	11,475	14,910
– Euro bond loans	135,217	84,705
– DKK bond loan	2,688	2,687
– NOK bond loan	16,396	1,861
– GBP bond loan	2,361	–
– Group companies	7,966	4,474
– Other amounts owed	39,616	19,778
Current liabilities		
– Group companies	41,483	15,735
– Other amounts owed	264,472	187,242
	<u>521,674</u>	<u>331,392</u>
Net interest income	5,836	6,280
Other operating expenses	1,235	967
Result before taxation	4,601	5,313
Taxation	1,597	1,860
Result after taxation	<u>3,004</u>	<u>3,453</u>

TAXATION

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

Proposed EU Savings Directive

On 13 December 2001 the EU Council of Economic and Finance Ministers approved the text of a proposed new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of Austria, Belgium and Luxembourg to opt instead for a withholding system for a transitional period in relation to such payments. The proposed directive is not yet final, and may be subject to further amendment and/or clarification.

Belgium

Withholding tax:

Payment of interest and principal under the Notes will not be subject to Belgian withholding tax, unless such payment is made through a financial institution or other intermediary established in Belgium. If it is so made, withholding tax may be levied at the rate of 15 per cent. subject to certain exemptions or reductions. Exemptions are in particular available in the following circumstances, in each case subject to certain conditions and identification formalities:

- the Holder is a non-resident of Belgium, does not hold the Notes through a permanent establishment in Belgium, and keeps the Notes in custody with a financial institution established in Belgium;
- the Holder is a non-resident of Belgium, does not hold the Notes through a permanent establishment in Belgium, and has the benefit of a tax treaty which provides for such an exemption;
- the Holder is a resident of Belgium, or is a non-resident but holds the Notes through a permanent establishment in Belgium, and qualifies for an exemption of withholding tax by reason of its own tax status (e.g. financial institutions, corporate entities, etc.). It should be noted that this last type of exemption is generally not available in respect of payments which relate to an original issue discount on the Notes.

Income tax:

Holders who are residents of Belgium or hold the Notes through a permanent establishment in Belgium will be subject to Belgian income tax on the interest collected under the Notes and, depending on their tax status, on capital gains realised in respect of the Notes. Other Holders will not be subject to such Belgian income tax (save, as the case may be and as set out above, in the form of withholding tax).

Stamp Duties:

Subscriptions for or trades in respect of the Notes, if made through a financial intermediary established in Belgium, will be subject to stamp duties at the rates of 0.14 per cent. in the case of primary market subscriptions or 0.07 per cent. in the case of trades on the secondary market (subject in each case to a maximum amount of EUR 250 per transaction). Such stamp duty is not applicable, however, to Holders who are non-residents of Belgium or are qualifying institutional investors.

Tax on the delivery of bearer instruments:

The physical delivery to investors (other than qualifying financial institutions) of Definitive Notes in bearer form will be subject to a tax of 0.2 per cent., if such delivery takes place in Belgium.

Inheritance duties:

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

The Netherlands

The following is a general summary of the Dutch taxes discussed as at the date hereof in relation to payments made under the Notes, Coupons, Receipts or Talons. It is not exhaustive and does not cover the position of Dutch resident holders. Holders who are in doubt as to their tax position should consult their professional advisors.

The Issuer has been advised that under the existing laws of The Netherlands:

- (a) All payments by the Issuer of interest and principal under the Notes, Coupons, Talons or Receipts can be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt as referred to in Article 10, paragraph 1 sub d of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*).
- (b) A holder of a Note, Coupon, Talon or Receipt who derives income from a Note, Coupon, Talon or Receipt or who realises a gain on the disposal or redemption of a Note, Coupon, Talon or Receipt will not be subject to Dutch taxation on such income or capital gains unless:
 - (i) the holder is, or is deemed to be resident in The Netherlands, or, where the holder is an individual such holder has elected to be treated as a resident of The Netherlands for the purposes of the relevant provisions; or
 - (ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
 - (iii) the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer and, if the holder is not an individual, such interest does not form part of the assets of an enterprise; or
 - (iv) the holder is an individual and such income or gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).
- (c) Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note, Coupon, Talon or Receipt by way of gift by, or on the death of, a holder, unless:
 - (i) the holder is, or is treated as, resident of The Netherlands for the purpose of the relevant provisions; or
 - (ii) the transfer is construed as an inheritance or as a gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident of The Netherlands for the purpose of the relevant provisions; or
 - (iii) such Note, Coupon, Talon or Receipt is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in The Netherlands.
- (d) There is no Dutch value added tax payable by a holder of a Note, Coupon, Talon or Receipt in respect of payments in consideration for the issue of the Notes, Coupons, Talons or Receipts or in respect of the payment of interest or principal under the Notes, Coupons, Talons or Receipts, or the transfer of the Notes, Coupons, Talons or Receipts.
- (e) There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of a Note, Coupon, Talon or Receipt in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Notes, Coupons, Talons or Receipts or the performance of the Issuer's or the Guarantors' obligations under the Notes, Coupons, Talons or Receipts.
- (f) A holder of a Note, Coupon, Talon or Receipt will not be treated as resident of The Netherlands by reason only of the holding of a Note, Coupon, Talon or Receipt or the execution, performance, delivery and/or enforcement of the Notes, Coupons, Talons or Receipts.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of ABN AMRO Bank N.V., BNP Paribas, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, Fortis Bank nv-sa, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Merrill Lynch International, Morgan Stanley & Co. International Limited, Salomon Brothers International Limited, Société Générale and UBS AG, acting through its business group UBS Warburg (the “Dealers”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealership agreement dated 3 September 2002 (the “Dealership Agreement” as amended, supplemented or replaced) and made between the Issuer, the Guarantors and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

Regulation S Category 2; TEFRA D, unless TEFRA C is specified as applicable in the relevant Pricing Supplement; Rule 144A Eligible if so specified in the relevant Pricing Supplement.

Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

United Kingdom

Each Dealer has represented and agreed that:

(1) *No offer to public*: in relation to Notes which have a maturity of one year or more it has not offered or sold and will not offer or sell any such Notes to persons in the United Kingdom prior to the expiry of a period of six months from the issue date of such Notes except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

(2) *No deposit-taking*: in relation to any Notes having a maturity of less than one year from the date of issue:

- (i) it is a person whose ordinary activities involve it acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,
 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (3) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (4) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Selling Restrictions

Notes may only be offered by the Issuer anywhere in the world and such offer may only be announced:

- a. if those Notes have a denomination of at least EUR 50,000 (or its foreign currency equivalent); or
- b. to persons who trade or invest in securities in the conduct of their profession or trade (which includes banks, securities intermediaries (including dealers and brokers), insurance companies, pension funds, other institutional investors and commercial enterprises which as an ancillary activity regularly invest in securities), provided that (i) the applicable Pricing Supplement and any announcement of the offer state that the offer is exclusively made to those persons and, (ii) a copy of the Offering Circular and the applicable Pricing Supplement are submitted to The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “Authority—FM”) before the offer is made; or
- c. to persons who are established, domiciled or have their residence (collectively, “**are resident**”) outside the Netherlands, provided that (i) the applicable Pricing Supplement and any announcement of the offer state that the offer is not and will not be made to persons who are resident in the Netherlands, (ii) the offer, the Offering Circular and the applicable Pricing Supplement and any announcement of the offer comply with the laws and regulations of any State where the persons to whom the offer is made are resident, (iii) a statement by the Issuer that those laws and regulations are complied with is submitted to the Securities Board of the Netherlands before the offer is made and is included in the applicable Pricing Supplement and any such announcements; or
- d. if:
 - (i) those Notes qualify as Euro-securities (*Euro-effecten*) (which they do if (a) they are subscribed for and placed by a syndicate of which at least two members are established in different states party to the Agreement on the European Economic Area, (b) at least 60 per cent. of those Notes are placed by syndicate members established in one or more states other than the state where the Issuer is established, and (c) those Notes may only be subscribed for or initially be purchased through a credit institution or another institution which in the conduct of its business or profession provides one or more of the services referred to under 7 and 8 of Annex 1 to EC Directive 2000/12/EC); and
 - (ii) no general advertising or canvassing campaign is conducted in respect of those Notes anywhere in the world; or

- e. otherwise in accordance with the 1995 Act on the Supervision of the Securities Trade (*Wet toezicht effectenverkeer 1995*).

In addition, Bearer Zero Coupon Notes and other Notes which qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake spaarbewijzen*) may only be transferred or accepted through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act and its implementing regulations (including registration requirements), provided that no mediation is required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer and delivery by individuals who do not act in the conduct of a profession or trade, and (iii) the issue and trading of those Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

Belgium

The offering of the Notes has not been, and will not be, notified to the Belgian Banking and Finance Commission (*Commissie voor het Bank-en Financiewezen/Commission bancaire et financière*) pursuant to Article 26 of Royal Decree n°185 of 9 July 1935, nor has this Offering Circular been, or will it be, approved by the Belgian Banking and Finance Commission pursuant to Article 29§1 of Royal Decree n°185 of 9 July 1935. Each Dealer has represented and agreed that it has not taken, and will not take, any action in relation to the Notes, or this Offering Circular or any other offering material in respect of the Notes, that would constitute, or could result in, a public offering of the Notes in Belgium under Belgian law, including, *inter alia*, the provisions of the Royal Decree of 7 July 1999, as amended, or an offering or sale of the Notes in Belgium to consumers as defined in the Law of 14 July 1991.

Federal Republic of Germany

The Manager confirms that it will comply with the Securities Sales Prospectus Act (the “**Act**”) of the Federal Republic of Germany (*Wertpapier-Verkaufsprospektgesetz*) of 13 December 1990 (as amended). In particular, the Manager represents that it has not engaged and agrees that it will not engage in public offering (*öffentliches Angebot*) within the meaning of the Act with respect to any Notes otherwise than in accordance with all other applicable legal and regulatory requirements.

Republic of France

Each Dealer represents and agrees that, it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Information Memorandum or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (*investisseurs qualifiés*) and/or (ii) a restricted group of investors (*cercle restreint d’investisseurs*), all as defined in and in accordance with Article L.411.2 of the French Code *Monétaire et Financier* and *décret* no. 98-880 dated 1 October 1998.

In addition, each Dealer represents and agrees that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Information Memorandum or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in the Republic of France may be made as described above.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Luxembourg

Each Dealer represents and agrees that it will not publicly offer or sell any Notes to the public in the Grand Duchy of Luxembourg, except for Notes for which the requirements of Luxembourg law concerning public offerings of securities have been met.

General

Other than with respect to the listing of the Notes on such stock exchange as may be specified in the Pricing Supplement, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Offering Circular or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

GENERAL INFORMATION

1. Application has been made to list the Notes issued under the Programme on the Luxembourg Stock Exchange. Prior to the listing of any Notes, the constitutional documents of the Issuer and the legal notice relating to the issue will be registered with the Registrar of the District Court in Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*), where copies of these documents may be obtained upon request.

The Luxembourg Stock Exchange has allocated the number 12145 to the Programme for listing purposes.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

2. The establishment of the Programme was authorised by a resolution of the managing board of the Issuer passed/given on 24 March 1999 and the update of the Programme was authorised by resolution of the managing board of the Issuer passed/given 17 July 2002. The increase in the principal amount of the Programme from EUR 10,000,000,000 to EUR 15,000,000,000 was authorised by a resolution of the managing board of the Issuer passed/given on 17 July 2002. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

3. The giving of the guarantee contained in the Deed of Guarantee was authorised by a board resolution passed by each Guarantor in each case passed/given in January 2002.

4. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Pricing Supplement relating thereto. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

5. Notes (other than Temporary Global Notes) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

6. Issues of Notes denominated in Swiss Francs or carrying a Swiss Franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8 November 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading of 2 December 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) (the "*Swiss Dealer*") or a securities dealer duly licensed by the Swiss Federal Banking Commission pursuant to the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the Issue Date of the relevant Notes.

7. There are no litigation or arbitration proceedings against or affecting the Issuer, the Guarantors, or any of their subsidiaries or any of their assets which have or may have or have had, individually or in the aggregate, a significant effect on the financial position of the Issuer or the Guarantors or of the Issuer or the Guarantors and their respective subsidiaries taken as a whole.

8. Since 31 December 2001, the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared, and since 30 June 2002, the last day of the financial period in respect of which the most recent unaudited financial statements of the Guarantors have been prepared, except as otherwise stated in this Offering Circular, there has been no material adverse change, nor any development reasonably likely to involve a material adverse change, in

the condition (financial or otherwise) or general affairs of the Issuer or the Guarantors or of the Issuer or the Guarantors and their respective subsidiaries taken as a whole.

9. For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the documents (a), (b), (c) and (d) below may be inspected during normal business hours at the specified office of the Fiscal Agent and documents (e) and (f) are obtainable from the specified offices of the Paying Agents:

- (a) the Fiscal Agency Agreement;
- (b) the Deed of Guarantee;
- (c) the Deed of Covenant;
- (d) the Dealership Agreement;
- (e) reports, letters, balance sheets, valuations and statements of experts included or referred to in listing particulars (other than consent letters); and
- (f) any Pricing Supplement relating to Notes which are listed on any stock exchange. (In the case of any Notes which are not listed on any stock exchange, copies of the relevant Pricing Supplement will only be available for inspection by a Holder of or, as the case may be, a Beneficiary (as defined in the Deed of Covenant) in respect of, such Notes).

10. For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be obtained during normal business hours at the specified office of the Fiscal Agent and the specified offices of the Paying Agents namely:

- (a) the most recent publicly available audited consolidated financial statements of the Issuer and the Guarantors beginning with such financial statements for the years ended 31 December 2000 and 31 December 2001;
- (b) the most recent publicly available unaudited consolidated interim financial statements (if any) of the Issuer and the Guarantors beginning with such financial statements for the six months ended June 2002; and
- (c) the Articles of Association of the Issuer and the Guarantors.

11. Further Information on Fortis can be found at : <http://www.fortis.com/>.

THE ISSUER

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

THE GUARANTORS

Fortis SA/NV
Rue Royale, 20
B-1000 Brussels
Belgium

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

THE DEALERS

ABN AMRO Bank N.V.
250 Bishopsgate
London EC2M 4AA
England

BNP PARIBAS
10 Harewood Avenue
London NW1 6AA
England

**Coöperatieve Centrale Raiffeisen-
Boerenleenbank B.A.**
Croeselaan 18
3521 CB Utrecht
The Netherlands

**Credit Suisse First Boston
(Europe) Limited**
1 Cabot Square
London E14 4QJ
England

Deutsche Bank AG London
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

Fortis Bank nv-sa
Montagne du Parc 3
B-1000
Brussels
Belgium

J.P. Morgan Securities Ltd.
60 Victoria Embankment
London EC4Y 0JP

Lehman Brothers International (Europe)
One Broadgate
London EC2M 7HA
England

Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ
England

**Morgan Stanley & Co.
International Limited**
25 Cabot Square
Canary Wharf
London E14 4QA
England

Salomon Brothers International Limited
Citigroup Centre
Canada Square
London E14 5LB
England

Société Générale
29 Boulevard Haussmann
75009 Paris
France

**UBS AG, acting through its business group
UBS Warburg**
1 Finsbury Avenue
London EC2M 2PP
England

AUDITORS

Of the Guarantor in Belgium
PricewaterhouseCoopers
Av. de Kortenberg
Kortenberglaan 75,
1000 Brussels
Belgium

Of the Issuer and the Guarantor in The Netherlands
KPMG Accountants N.V.
Burgemeester Rijnderslaan 20
1185 MC
Amstelveen
The Netherlands

FISCAL AGENT AND PRINCIPAL PAYING AGENT

JPMorgan Chase Bank

Trinity Tower
9 Thomas More Street
London E1 9YT

ALTERNATIVE PRINCIPAL PAYING AGENTS

Fortis Bank nv-sa

Montagne de Parc 3
1000 Brussels
Belgium

Banque Générale du Luxembourg S.A.

50 avenue J.F. Kennedy
L-2951 Luxembourg

PAYING AGENTS

Banque Générale du Luxembourg S.A.

50 avenue J.F. Kennedy
L-2951 Luxembourg

JPMorgan Chase Bank Luxembourg S.A.

5 Rue Plaetis
L2338
Luxembourg

Fortis Bank nv-sa

Montagne du Parc 3
1000 Brussels
Belgium

Fortis Bank (Nederland) N.V.

Rokin 55
1012 KK Amsterdam
The Netherlands

LEGAL ADVISERS

As to Netherlands
corporate and civil law

De Brauw Blackstone Westbroek N.V.

Tripolis 300 Burgerweeshuispad 301
P.O. Box 75084
1070 AB
Amsterdam
The Netherlands

To the Issuer and
the Guarantors

As to Belgian
corporate and civil law

Linklaters de Bandt

Rue Brederode 13
B-1000
Brussels
Belgium

To the Dealers as to English law

Clifford Chance Limited Liability Partnership

200 Aldersgate Street
London EC1A 4JJ
England

To the Dealers as to Belgian tax law

Clifford Chance Limited Liability Partnership

Brussels
Avenue Louise 65, Box 2,
1050 Brussels
Belgium

To the Dealers as to Netherlands tax law

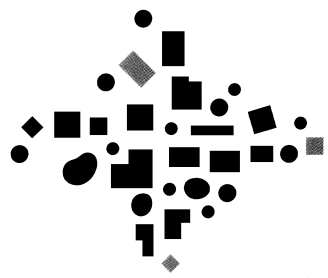
Clifford Chance Limited Liability Partnership

Amsterdam
Droogbak 1a
1013 GE Amsterdam
PO Box 251, 1000 AG Amsterdam
The Netherlands

LUXEMBOURG LISTING AGENT

Banque Générale du Luxembourg S.A.

50 avenue J.F. Kennedy
L-2951 Luxembourg



FORTIS

Solid partners, flexible solutions