

Special report of the Board of Directors of Fortis SA/NV as referred to in the Articles 583 et 596 of the Companies Code

Stock Option Plan 2005

I. Subject of the present report

This report has been drawn up

- in accordance with Article 583 of the Companies Code in order to support the proposal of the Board of Directors of the company to establish (together with Fortis N.V.) a stock option plan on the Fortis Units, by issuing subscription rights (hereinafter called “options”) in favour of certain categories of the employees (hereinafter “Executives and Professionals”) of the companies (hereinafter “Employers”) of Fortis;
- in accordance with Article 596 of the Companies Code in order to support the proposal of the Board of Directors of the company to exclude the preferential subscription rights of the existing shareholders. The Board of Directors has, according to Article 11 of the Articles of Association, the authority to limit the rights of the existing shareholders in case of an issue of subscription rights.

II. Justifications of the operation and the excluding of the preferential subscription right

By establishing the stock option plan 2005 (hereinafter “the Stock Option Plan”), the Board of Directors has the intention to motivate certain categories of Fortis’ staff, which are invited to participate on the basis of objective criteria with regard to evaluation and performance. Therefore, this intention meets the interests of the company.

III. Description of the features of the Stock Option Plan

It is proposed to the Board of Directors to issue a number of 3,300,000 options with regard to the Stock Option Plan, each option giving a right to one Fortis Unit. These options will be subscribed by the Employers of the Fortis Group for the benefit of the designated Executives and Professionals, and hence under the condition precedent that and to the extent that those designated Executives and Professionals accept these options.

The terms and conditions of the Stock Option Plan are described in the prospectus and/or booklets that are addressed to the designated Executives and Professionals. The key terms of the Stock Option Plan are:

- Options: 10 years, blocked until 10 April 2010 (included)
- Nature and enjoyment of the underlying securities:
 - Fortis Units (Fortis SA/NV shares twinned with Fortis N.V. shares)
 - Right to dividend: as from issue date
- Acceptance period:
 - NL: 14.03.2005 – 07.04.2005
 - Other countries: 11.04.2005 – 03.05.2005
- Eligibles:
 - Approximately 1800 Executives and Professionals to be designated by the HR management. The number of options offered will amount to minimum 500 and maximum 15000 in accordance with objective criteria as defined by HR.
- Exercise price:
 - * B the lowest price between the closing price of the Fortis Unit on Euronext Brussels on 08.04.2005 and the average stock closing price during the 30 days before 11.04.2005
 - * Other countries the closing price of the Fortis Unit on Euronext Brussels on 08.04.2005

The half of the exercise price of the options will be attributed to Fortis SA/NV and the other half to Fortis N.V.
- Subscription price:

15.36 % x the closing price of the Fortis Unit on Euronext Brussels on 08.04.2005.

The half of the subscription price of the options will be attributed to Fortis SA/NV and the other half to Fortis N.V.

IV. Description of the capital increase

It is proposed to the Board of Directors of Fortis SA/NV to increase the capital, by application of Article 9 of the Articles of Association, up to a maximum amount of EUR 14,137,200 by issuing a maximum number of 3,300,000 ordinary shares Fortis SA/NV under the condition precedent that the options are accepted and exercised. Taking into account the existing number of Fortis SA/NV shares (1,340,786,545), the maximum dilution that will appear for the existing shareholders will be minimal (0.246%).

The new shares are identical to and have the same rights as the existing ordinary shares of Fortis SA/NV and they will be twinned with an equal number of ordinary shares Fortis N.V. in the form of Fortis Units. In case of a dividend distribution, they will have a right to dividend as from the issue date.

If some of the accepted options are not exercised, the capital will be increased up to the number of options exercised. The issue premium, which equals the difference between the half of the exercise price and the par value of the new issued shares Fortis SA/NV, will be accounted as share premium.

An application with Euronext Brussels, Euronext Amsterdam and with the Luxembourg Stock Exchange will be filed with regard the listing of the Fortis Units issued under the Stock Option Plan.

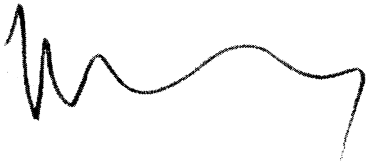
V. **Condition precedent**

The previous mentioned capital increase has been decided upon under the following condition precedent:

- Decision by the Board of Directors of Fortis N.V. to issue a maximum of 3,300,000 ordinary shares Fortis N.V., which will be twinned with the ordinary shares Fortis SA/NV, in the form of Fortis Units.

Brussels, March 9th, 2005

For the Board of Directors of Fortis SA/NV,



Jean-Paul Votron
Chief Executive Officer



Maurice Lippens
Chairman of the Board of Directors