

FORTIS SA/NV

SOP

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

Stock Option Plan 2006

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 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. Under Article 11 of the Articles of Association, the Board of Directors is authorised to limit the rights of existing shareholders in the event of an issue of subscription rights.

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

By establishing the stock option plan 2006 (hereinafter “the Stock Option Plan”), the Board of Directors intends to motivate certain categories of Fortis’ staff, who are invited to participate on the basis of objective criteria with regard to evaluation and performance. This intention thus meets the interests of the company.

III. Features of the Stock Option Plan

It is proposed to the Board of Directors to issue 4,000,000 options with regard to the Stock Option Plan, each option entitling the holder to one Fortis Unit. These options will be subscribed to by the Employers of the Fortis group for the benefit of the designated Executives and Professionals, and 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, may only be exercised from 3 April 2011
- Nature and entitlement 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: 3 April 2006 – 26 April 2006
- Eligible employees:
 - Approximately 2,550 Executives and Professionals to be designated by the HR management. The number of options offered will amount to a minimum of 500 and a maximum of 15,000 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 31 March 2006 and the average stock closing price during the 30 days before 3 April 2006
 - * Other countries the closing price of the Fortis Unit on Euronext Brussels on 31 March 2006Half of the exercise price of the options will be attributed to Fortis SA/NV and the other half to Fortis N.V.
- Subscription price:
 - [•] x the closing price of the Fortis Unit on Euronext Brussels on 31 March 2006.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

Pursuant to Article 9 of the Articles of Association, it is proposed to the Board of Directors of Fortis SA/NV to increase the capital, up to a maximum amount of EUR 17,136,000 by issuing a maximum number of 4,000,000 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 (1,340,822,545), the greatest dilution that will be caused for existing shareholders will be minimal (0.298%).

The new shares are identical to and carry 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 the event of a dividend distribution, they will be entitled 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 half of the exercise price and the par value of the newly issued Fortis SA/NV shares, will be accounted for as share premium.

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

V. Condition precedent

The previously 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 4,000,000 ordinary shares of Fortis N.V., which will be twinned with the ordinary shares of Fortis SA/NV, in the form of Fortis Units.

Brussels, 8 March 2006

For the Board of Directors of Fortis SA/NV,

Jean-Paul Votron
Chief Executive Officer

Maurice Lippens
Chairman of the Board of Directors