

Annex to the Fortis Financial Statements 2008

The pages of the Fortis Financial Statements mentioned below should be read in conjunction with the modifications contained in this Annex which form an integral part of the Fortis Financial Statements 2008.

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The paragraph above the table:

The table below provides details on the assets and liabilities resulting from the acquisitions or disposals of subsidiaries, associates and joint ventures at the date of acquisition or disposal.

has to be replaced by:

The table below provides details on the assets and liabilities resulting from the acquisitions or disposals of subsidiaries, associates and joint ventures at the date of acquisition or disposal (it is assumed as disclosed in note 2.1 that the disposal of the discontinued operations in 2008 (see before) took place at 1 January 2008 as no financial information for the disposed entities as at disposal date was available).

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The remuneration for Mr Jan-Michiel Hessels was not included in the column 'Total remuneration in 2008 (in EUR)'. The remuneration of Mr Jan-Michiel Hessels amounted for 2008 to EUR 166,500.

The Fortis shares that Mr Karel De Boeck held at 31 December 2008 were not included in the column 'Fortis shares held at 31 December 2008 by active Board Members'. The number of Fortis shares that Mr Karel De Boeck held at 31 December 2008 was 33,706.

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On this page the following text needs to be included:

In accordance with article 523 of the Belgian Company Code, Mr Votron has informed the Board that he has a conflict of interest with regard to the decision to be taken under item 3 of the agenda ('Management') of the Board meeting of 11 July 2008. This conflict of interest is described in Mr. Votron's preliminary statement and in the excerpt of the minutes of such meeting as set out below.

Management

For this part of the Board Meeting Mr. Votron, CEO, is only present for the first part during which he makes a presentation and answers questions relating to this presentation, and Mr. Verwilt, Deputy CEO, is not present, as both consider to be in a conflict of interest situation with regard to the decision to be taken by the Board.

(1)

The Chairman introduced the topic, which had already been discussed at length in the NRC.

Following the announcement of the accelerated solvency plan on 26 June 2008, announcing the decisions made in the Board of 18/19 June and 25 June, both Fortis and the CEO had to endure a lot of media, retail shareholder and activist criticism in Belgium and the Netherlands. The public criticism was very much personalized towards the person of the CEO.

As a consequence hereof, the CEO has told the Chairman that if because of the personalization of the criticism the CEO is considered to lack the necessary credibility, he is ready to leave the company. Mr. Votron has communicated a "preliminary statement" in accordance with article 523 of the Belgian Company Code; this relates to the personal conflict of interest that Mr. Votron has in the decision taking of the Board. This statement is attached to these minutes.

In this statement, and during the part of the meeting that Mr. Votron was present, he offered two options (respectively referred to as Option A and Option B):

- A) Stay with enforced support of the Board to face the difficult current and future times by taking further tough decisions.
- B) Be replaced while confirming full support and collective endorsement of the Board for all the measures taken (solvency and others) as well as confirmation of my contribution to the company.

(2)

Mr. Votron made a presentation on the basis of a handout (slides). These slides are attached to these minutes.

During his presentation, he mentioned inter alia, the following: he needs unanimous support of the Board for the past and the future. He would focus on the business as such and delegate management of the relationship with the stakeholders to the deputy CEO. He insisted strongly on strengthening the CRO function, where the central risk function should have power to overrule the business. Mr. Votron also mentioned that he would reshuffle the Executive Committee. Mr. Votron leaves the meeting.

(3)

Option A and B are discussed. Option A leads to the question whether Mr. Votron has still sufficient credibility (in the Benelux) to lead the company. In Option B, the suggestion could be to have Mr. Verwilt as CEO until after the organization of an extraordinary general meeting of shareholders where the shareholders could upon proposal of the Board appoint Mr. Dierckx as (executive) director of the company, where after the Board could, upon recommendation of the NRC, appoint him as CEO.

(4)

Each Board member gives his opinion on the situation. On the question what would happen with Mr. Dierckx in Option A, the Chairman answered that very likely Mr. Dierckx would leave the company. A number of board members mentioned that the presentation of Mr. Votron contains a number of interesting elements, such as the need to have a CFO at Executive Committee level, the Country Chairman for the Netherlands, possibly the newly proposed structure of Merchant Banking, changes with regard to governance

However, it was also said that it is unrealistic for a CEO not to deal with the relationship with stakeholders, and as such to be protected from “the irrational”. This will also make it difficult to collaborate with the Chairman. And as such, the presentation of Mr. Votron misses somewhat the point by not focusing on the fact that our credibility is at stake. Furthermore, the presentation does not really deal with a number of circumstances or risks that the company might face (- as other financial institutions -), now or in the future, such as a liquidity crisis, regulatory actions or a take-over.

There is recently some discomfort that it seems to be more difficult to take an opposing view in the organization ; having another leader at the top could also be an opportunity to demonstrate another ‘tone at the top’.

The Board recognizes that Mr. Votron as CEO has brought the company to another level, and that he should receive full recognition for this.

(5)

The Chairman reported on the discussion that has taken place in the NRC. With Mr. Verwilt the company would be in a “safe pair of hands”. The Chairman explained that the NRC did not judge it opportune to have the Option B with Mr. Dierckx already as designated CEO. The members of the NRC stated that they have insisted that the Chairman remains on board.

The Chairman then presented the NRC Recommendation:

The NRC then agreed unanimously the following Recommendation which was agreed unanimously:

NRC recommends:

- That the Board confirms its support with regard to the earlier decisions taken by the Board, proposed by the Executive Committee under the leadership of Jean-Paul Votron;
- That in common agreement with Jean-Paul Votron, and in the interest of our company, Jean-Paul Votron steps aside as CEO, as of the date of this meeting;
- to appoint Mr. Herman Verwilt as CEO;
- To start (immediately) a search for a future CEO, coming from inside or outside the company, for the leadership of the company going forward;
- The NRC has asked the Chairman to continue leading the company to contribute to restoring the reputation of the company and to organize an orderly succession process at executive level.
- To delegate the authority to the Chairman to negotiate and decide upon the termination agreement between Fortis and Jean-Paul Votron¹.

(6)

The discussion pursued on the choice of an internal or external candidate for future CEO. It was said to be important that an orderly process is organized, whereby the search should start immediately, outside and inside the company. Nobody should be excluded for the moment, however some board members expressed their reservation on an inside successor for the CEO function.

In the same context the responsibility for Finance could also be reconsidered. The idea was brought forward to have a CFO possibly at board level. Mr. K. De Boeck was mentioned as possible future CFO, although a board member remarked that this could jeopardize the ABN AMRO integration project.

¹ As shown in note 11.2 of the Fortis Consolidated Financial Statements.

(7)

After the discussion on the different options, it became clear that the Board unanimously agreed with the Recommendation made by the NRC, and therefore appointed Mr. Verwilt as CEO of the company. Mr. Verwilt is CEO with full power and authority.

The Board also decided that a search for a future CEO, coming from inside or outside the company, will be started. The Chairman, with the NRC, will lead this process, and report back to the Board.

With regard to the termination provisions of Mr. Votron, the Board members agreed that Mr. Votron should be treated with decency, dignity and fairness.

The Board decides to mandate the Chairman to sign the agreement. The members of the NRC can see the termination agreement. No decision needs to be taken now on the remuneration of Mr. Verwilt as there is currently no proposal to change his remuneration.

(8)

A number of shareholders' activist groups demand the organization of an information extraordinary general meeting of shareholders. Discussions in this respect will take place on August 1st, 2008.

PRELIMINARY STATEMENT BY JEAN-PAUL VOTRON

(Article 523 of the Belgian Company Code)

“Following our recent announcement of the accelerated solvency plan, Fortis and myself in particular had to endure a lot of media, some retail shareholder and activist criticism in Belgium and the Netherlands. The measures we as a Board have taken together were justified and endorsed by most of the international investors community. The continuous deterioration of the economy as well as the ongoing pressure for enforced solvency, definitely supports our collective decision.

The unjustified personalization of the debate has raised the need to have a decision taken as far as the future management of the company is concerned. In this respect I offered two options to the Chairman.

- a) Stay with enforced support of the Board to face the difficult current and future times by taking further tough decisions.
- b) Be replaced while confirming full support and collective endorsement of the Board for all the measures taken (solvency and others) as well as confirmation of my contribution to the company.

As I have a personal conflict of interest in the decision to be taken, in the meaning of article 523 of the Belgian Company Code (and its Dutch equivalent), I will have to leave the room during the deliberation and will not be entitled to participate in the vote.

The conflict of interest between myself as a person and the decision to be taken is quite evident, but the law indicates that I must indicate its reasons, that I must inform the auditors of the company (which I will do), and that my declarations must be included in the minutes of the meeting.

This is why I ask you to consider that my career perspectives will be quite different depending on the decision taken but that I am ready to accept both options in the higher interests of the group of which you are the judge.”

For an evaluation of the financial consequences of this decision, see section 11.2 Remuneration of Fortis Executive Managers.

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The entire section on Directors and officers liability insurance is to be replaced by the following text:

As set out in more detail below, the Board of Directors of Fortis SA/NV decided to grant to its Directors an indemnity in replacement of the previously existing Fortis D&O policy which was put in “run-off” after the events of 3 October 2008. The indemnity is limited to an annual maximum amount of EUR 100 million. This means that the indemnity is capped at EUR 100 million for all claims made during a specific calendar year in respect of any legal costs or damages resulting from legal proceedings initiated against them for actions taken in their capacity as Directors, and that such cap of EUR 100 million is renewed each calendar year for claims made during that year.

In accordance with article 523 of the Belgian Company Code, Messrs. De Boeck and Cheung have informed the Board that they have a conflict of interest with regard to the decision to be taken by the Board on 11 January 2008 under item 3 of the agenda “D&O liability insurance”. The minutes in respect of that meeting provide for the following:

As explained to the Board on 9 January, insurers have declared the Fortis D&O policy (renewed on 11 July 2008) in “run-off” after the events of 3 October 2008. This affects the position of the members of both the new Board and the existing Board.

With a view to ensuring (i) that the candidate Directors proposed for appointment at the upcoming Shareholders' Meetings of 11 and 13 February 2009 accept their mandate and (ii) that the Directors appointed at the Shareholders' Meetings of 1 and 2 December 2009 remain in function, the Chairman explained that the Company should consider granting an undertaking to its Directors that the Company will hold them harmless for any legal costs or damages resulting from legal proceedings initiated against them for actions taken in their capacity as Directors.

In the situation Fortis SA/NV is currently facing where there is uncertainty on the strategy going forward and the future structure of the Fortis group, no insurer is willing to provide D&O coverage. The need for such an indemnification commitment derives from this lack of protection of the Directors.

New Board members (including Messrs. De Boeck and Cheung)

In accordance with art. 523 of the Belgian Code of Companies, Messrs. De Boeck and Cheung informed the Board that they have a conflicting personal interest in the topic discussed, as they would benefit from the same hold harmless commitment of the Company as will be proposed for the new directors incoming after 13 February 2009. Messrs. De Boeck and Cheung requested the Company Secretary to duly inform the Company's external auditors of this conflicting interest on their behalf. The Board will also inform the shareholders of this conflicting interest in the 2009 annual report.

Mr. De Boeck and Mr. Cheung did not participate in the deliberation and vote on the resolution of the Board in connection with this item of the agenda.

Fortis' legal counsel then presented a solution for the cover for new Board members (including Messrs. De Boeck and Cheung) as from 11 February 2009 (or the date on which new Board members are appointed). Under Belgian law it is possible that the company, acting through its Board, holds the Directors harmless for costs and damages relating to Directors' liabilities provided this does not cover costs or damages related to the liability claim brought on behalf of the company (the so-called *actio mandati*). Fortis' legal counsel then presented to the Board proposed language for a hold harmless commitment by the company that provides protection for any action initiated by third parties. On this basis the Board, after extensive discussion (Messrs. De Boeck and Cheung not participating in the deliberation or vote), decided that language along the following lines will be included in the assignment contracts of the new Board members (including Messrs. De Boeck and Cheung).

"The Company hereby irrevocably and unconditionally undertakes to indemnify and hold harmless the members of the Board of Directors, to the fullest extent permitted by law, against all actions, proceedings and claims brought against them by any third party whatsoever (including for the avoidance of doubt a shareholder acting for his own account), and all liability, loss, cost, expense (including reasonable legal expenses) or damage whatsoever relating thereto where the action, proceeding or claim in any way relates to or concerns or is connected with acts or omissions in the performance of their tasks as of [the date of appointment of the new directors] (i) as member of the board of directors or (ii) in any other function they fulfill at the request of the Company.

The present undertaking does not apply to:

- criminal sanctions (including settlements relating to such sanctions) incurred by any member of the Board of Directors; for the avoidance of doubt, this undertaking covers, however, the legal fees related to and the civil consequences of such criminal sanction;
- any liability, loss, cost, expense (including legal expenses) or damage whatsoever resulting from a fraud ("bedrog / dol") or wilful misconduct ("opzettelijke fout / faute intentionnelle") committed by any member of the Board of Directors;
- any liability, loss, cost, expense (including legal expenses) or damage whatsoever actually covered by insurance.

In the event an action, proceeding or claim is brought against any member of the Board of Directors by a qualified minority of shareholders (representing 1% of the votes or shares with a total par value of 1,250,000 Euro) in their own name but on behalf of the company, the company shall advance the reasonable legal costs incurred by such member of the Board of Directors for his/her defense (the "Legal Costs").

However, should the liability of such member of the Board of Directors vis-à-vis the company be admitted by a final Court decision, such member of the Board of Directors shall immediately reimburse the Legal Costs to the company”.

The Board also concluded that the coverage should be capped, for the Board as a whole, at the level of the previous D&O liability insurance (EUR 225m).

The Board (excluding Messrs. De Boeck and Cheung) believes that this decision is in the corporate interest of the company as it is the only manner to attract new Directors on the Board of Fortis SA/NV – which will be possible only by providing them the comfort that there will be a fair liability coverage – and to retain the Directors appointed in December 2008. Without D&O coverage, the Directors have indeed no protection against liability. As set out by the Chairman, no insurer is willing to provide D&O coverage to the Company in the current situation. The indemnification commitment derives from this lack of protection of the Directors and would provide the level of comfort that any Director may expect in performing his/her directorship.

The Board further acknowledged that there should be no financial consequences for the company arising from this indemnity other than those resulting from any payment made by the company thereunder.

It was concluded that this solution may solve the problem for the new Board, but not for the existing Board members.”

At its meeting of 14 January 2009, it was decided to reduce the maximum indemnification coverage from EUR 225 million to EUR 100 million cap.

Reproduced below is an excerpt of the relevant decision primarily dealing with the proposal to amend the articles of association of Fortis N.V. (shareholder's meeting of 13 February 2009):

“Aggregate annual limit for the cover for the Board as a whole of EUR 100m (compared to EUR 225m under the previous D&O policy). This is deemed in line with the change in size and composition of the company”.

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In the fourth paragraph, the sentence:

At the end of 2008, the basis for the calculation of the RPN interest payments amounted to EUR 29 million due by Fortis to Fortis Bank.

has to be replaced by:

At the end of 2008, the basis for the calculation of the RPN interest payments amounted to EUR 30 million due by Fortis to Fortis Bank.

Brussels/Utrecht, 30 March 2009