

Explanatory note to the Agenda of the Extraordinary General Meeting of Shareholders of Fortis N.V. on 26 July 2007

Fortis intends to launch together with Royal Bank of Scotland and Santander, through an ultimately jointly owned company, a public offer for 100% of the issued and outstanding shares capital of ABN AMRO Holding N.V. The total offer consideration amounts to EUR 71,1 billion ¹ out of which 33.8%, i.e. EUR 24 billion ² will be funded by Fortis N.V. and Fortis SA/NV (the “Fortis Offer Proportion”).

In this context, Fortis N.V. and Fortis SA/NV intend to finance part of the Fortis Offer Proportion by collectively raising up to EUR15 billion of new equity via a *rights issue*.

The rights issue to be effected by Fortis N.V. will be undertaken by exercising the following authority, as granted by the shareholders meeting to the Board of Directors on May 31, 2006 for a period expiring on May 31, 2009 and as established in the Articles of Association of Fortis N.V.:

- to issue Twinned Shares. The authority extends to all non-issued shares that form part of the present or future authorised capital.
- to restrict or to exclude the shareholders’ pre-emption right upon the issue of Twinned Shares.

Currently, the authorised capital of Fortis N.V. amounts to EUR 1,528,800,000, divided into

- 1,820,000,000 Preferences Shares, each with a nominal value of EUR 0.42; and
- 1,820,000,000 Twinned Shares, each with a nominal value of EUR 0.42.

As of today, 1,344,672,795 Twinned Shares have been issued, each with a nominal value of EUR 0.42. Hence, the subscribed capital amounts to EUR 564,762,573. Therefore, as of today, the Board of Directors is still allowed to issue 475,327,205 Twinned Shares.

The exact number of Twinned Shares to be issued has not yet been defined. The number of Twinned Shares, as well as all other conditions of the rights issue, will be determined by the Board of Directors at the time of its decision to increase the capital, taking into due consideration the corporate interests of Fortis N.V.

However, the aforesaid number of 475,327,205 new Twinned Shares is insufficient to raise together with Fortis SA/NV up to EUR 15 billion in cash.

It is therefore proposed to the Extraordinary General Meeting of Shareholders to increase the authorised capital to EUR 1,948,800,000 by increasing the number of Twinned Shares from 1,820,000,000 up to 2,820,000,000, each with a nominal value of EUR 0.42.

The number of Preference Shares included in the authorised capital will not be changed.

¹ Based on undiluted number of shares and based on the closing price of the RBS share of 642.5 pence on 25 May 2007

² Based on undiluted number of shares. Fully diluted, the Fortis’s part of the offer consideration amounts to EUR 24.7 billion

In accordance with the twinned share principle as established in the Articles of Association of Fortis N.V. and Fortis SA/NV, the number of twinned shares issued by both companies (together: a Fortis unit) should always be equal. Accordingly, both Fortis N.V. and Fortis SA/NV will have to increase their authorised capital to facilitate the rights issue.

In line with Belgian regulation, the Extraordinary General Meeting of Shareholders of Fortis SA/NV (which is held at the same date as the Extraordinary General Meeting of Shareholders of Fortis N.V.) will be proposed to grant to the Board of Directors a specific authorisation to increase the capital of Fortis SA/NV in the context of a public offer on, and the acquisition of, certain businesses of ABN AMRO. If granted, this specific authorisation will be valid until 31 March 2008 and will expire on that date if the Board of Directors has not partially or fully used it in the aforementioned context by such date. The proceeds of the capital increase pursuant this specific authorisation will exclusively be used by Fortis SA/NV to finance part of the Fortis Offer Proportion. Due to the twinned share principle, the same limitations will indirectly apply to the rights issue by Fortis N.V.

In accordance with Dutch practice, the Board of Directors will exclude the preferential subscription right of the existing shareholders and replace it by a non-statutory preferential subscription right exercisable by all shareholders (or the transferees of the rights) as if the preferential subscription right had not been excluded, except for shareholders residing in jurisdictions where restrictions apply with respect to the offering of securities. Such a non-statutory preferential subscription right should encourage shareholders to participate in the capital increase and limit their potential dilution. The same approach will be followed for the shares to be issued by Fortis SA/NV.

In the event that the Consortium's offer turns out to be unsuccessful following the completion of the capital increase of Fortis N.V., the Board of Directors will examine how the proceeds can be redistributed to the shareholders.

Based on the foregoing, it is proposed:

- to amend article 8 of the Articles of Association of Fortis N.V. (unofficial English translation) to read as follows (amendments underlined):

“Article 8: Authorised capital

The authorised capital of the Company shall amount to one billion nine hundred and forty-eight million eight hundred thousand euro (EUR 1,948,800,000), divided into

- a) One billion eight hundred and twenty million (1,820,000,000) Preferences Shares, each with a nominal value of forty-two eurocents (EUR 0.42); and*
 - b) Two billion eight hundred and twenty million (2,820,000,000) Twinned Shares, each with a nominal value of forty-two eurocents (EUR 0.42).”*
- to authorise any and all members of the Board of Directors as well as any and all civil-law notaries, associates and paralegals practising with De Brauw Blackstone Westbroek to draw up the draft of the required notarial deed of amendment to the Articles of Association, to apply for the required ministerial declaration of no-objection, as well as to execute the notarial deed of amendment to the Articles of Association.

The full text of the Articles of Association of Fortis N.V., as amended in accordance with the above, including an unofficial English translation thereof, is available for inspection at the offices of Fortis N.V. and can also be found on the company's website: <http://www.fortis.com> (“Investor Relations” – “General meetings of shareholders”).