

Explanatory note to the Agenda of the Annual General Meeting of Shareholders of Fortis N.V. on 25 May 2005

Agenda item 2 b): Dividend

Note on dividend policy

Fortis previously pursued a dividend policy based on a payout of 40% to 45% of consolidated net profit, although these percentages could fluctuate depending on the current and future financial situation, the company's requirements and the outlook for financial markets.

Fortis adopted the new International Financial Reporting Standards (IFRS) at the beginning of 2005. This new method of financial reporting may make it more difficult to predict with complete accuracy the effect of current events on the group's consolidated results. In this context, Fortis has revised its dividend policy applicable as from the 2005 financial year and will from now on aim for a stable but growing dividend, taking account of Fortis's solvency position, profitability and growth ambitions.

Another change in the new dividend policy is the decision to pay – under normal circumstances – an interim dividend equal to 50% of the annual dividend for the previous year.

The increase in annual dividend and the introduction of an interim dividend demonstrate the importance that Fortis attaches to creating value for its shareholders.

Agenda item 3: Corporate governance

Note on and discussion of corporate governance at Fortis.

Belgian listed companies must observe the Belgian code on corporate governance, referred to as the Lippens Code, which came into effect on 1 January 2005. The Code applies the 'comply or explain' system.

Dutch listed companies have been obliged since the beginning of the 2004 financial year to state in their annual reports that they apply the Tabaksblat Code or to explain any deviations.

Notes on how Fortis applies both the Tabaksblat Code and the Lippens Code can be found on page 73 onwards in the Corporate Governance section of the Fortis Annual Review 2004.

Agenda item 4: Appointments of members of the Board of Directors

- The Board of Directors proposes the reappointment of Count Maurice Lippens for a period of three years, until the end of the annual general meeting of 2008.

Count Maurice Lippens, a Belgian national, was born in 1943. He has been a non-executive director of Fortis SA/NV and of Fortis N.V. since 2000 and the sole chairman of Fortis's Board of Directors since 26 May 2004. He was executive co-chairman of Fortis between 1990 and 2000. Between 1981 and 1990, he was Director of the insurance company that now bears the name of Fortis AG.

Mr Lippens is also non-executive chairman of the public companies Belgacom, Groupe Bruxelles Lambert (GBL) and Total.

The Board of Directors considers it in the interests of Fortis that Mr Lippens remain chairman of the Board of Directors, bearing in mind, among other things, the need to ensure gradual transitions and continuity in the Board of Directors – also in view of the replacement of the CEO on 11 October 2004. The Board of Directors has therefore decided to make an exception to the rule that nobody should serve as director for more than 12 years.

- The Board of Directors proposes the reappointment of Baron Daniel Janssen for a period of one year, until the end of the annual general meeting of 2006.

Baron Daniel Janssen, a Belgian national, was born in 1936. He has been a non-executive director of Fortis since 1999. He is currently (non-executive) chairman of Solvay's Board of Directors and (non-executive) vice-chairman of UCB's Board of Directors, both of which are listed companies.

Given the knowledge of the business world that Baron Janssen brings to the Board, as well as his wide experience of the management and governance of international groups, the Board of Directors proposes that Baron Janssen be reappointed for a further year. In 2006, Baron Janssen will reach the age limit that the Board of Directors has set.

Agenda item 5: Acquisition of Fortis Units

The proposal referred to in this agenda item is intended to enable the Board of Directors to respond appropriately to any demand for Fortis shares that may arise at any time.

The actual reason to exercise this authorisation may, for example, be that shares need to be acquired to hedge share and option purchase schemes, or to prevent the dilution of earnings per share. Naturally, the Board of Directors may only exercise this authorisation within the confines of the law and the Articles of Association as well as within the limits set by the general meeting upon approval of the proposal.