

Explanatory note to the Agenda of the Ordinary and the Extraordinary General Meeting of Shareholders of Fortis SA/NV 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 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 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 ordinary 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 ordinary 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.

- The Board of Directors proposes that Jean-Paul Votron be appointed Executive Director for a period of three years, in other words until the end of the ordinary general meeting of 2008.

Mr Votron was co-opted by the Board of Directors of Fortis SA/NV of 6 October 2004, with effect on 11 October 2004 and was appointed director of Fortis N.V. by the Extraordinary General Meeting of Shareholders on the same day. He has been Fortis's Chief Executive Officer since that date.

Mr Votron has a degree in Economic & Financial Sciences and an additional degree in International Business Strategies from the ICHEC Business School in Brussels. He is a Belgian national and is 54 years old.

Mr Votron began his career in 1975 at Unilever, where he was responsible for international sales, marketing and general policy. Between 1991 and 1997, he was employed by Citibank in various positions in both Europe and America, such as chairman of Citibank Belgium, head of Marketing Strategy in Europe, head of the Consumer Division in Belgium, head of Marketing and Business Development in Europe and the US, head of Insurances in the US, Director of Citicorp Consumer Investment Services, and managing director and chairman of Retail FSB branches, a US branch network.

After moving to ABN Amro, where he was responsible for international consumer banking and e-commerce from 1997 to 2001, Mr Votron returned to Citigroup and was appointed to their Management Committee in 2002. His last position at Citigroup was Retail Bank CEO for Western Europe, Central Europe, Russia, Middle East and Africa.

Agenda item 5: Acquisition and disposal of Fortis Units

The reason for this authorisation to allow the Board of Directors to acquire and dispose of Fortis shares for a period of 18 months is to provide the Board of Directors with the flexibility necessary to manage net equity, for example, to cover commitments arising from issues of options and convertible bonds.

By law, this authorisation may not exceed a period of eighteen months and must specify the exact number of shares that the Board can acquire and the maximum and minimum price that may be paid.