

## BASE LISTING DOCUMENT

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### **Base Listing Document relating to Offers of Warrants to be issued by Fortis Bank S.A./N.V.**

**(Incorporated in Belgium as a limited liability company, RPR/RPM 0403.199.702)**

This Base Listing Document is published in respect of call warrants on single equities ("Call Warrants"), put warrants on single equities ("Put Warrants"), equity basket call warrants ("Basket Call Warrants"), equity basket put warrants ("Basket Put Warrants"), call warrants on indices ("Index Call Warrants"), put warrants on indices ("Index Put Warrants") and warrants on currencies ("Currency Warrants") (together the "Warrants" save that, where the context requires, references to the "Warrants" shall mean the Call Warrants, the Put Warrants, the Basket Call Warrants, the Basket Put Warrants, the Index Call Warrants, the Index Put Warrants and the Currency Warrants, as the case may be) to be issued from time to time by Fortis Bank S.A./N.V. (the "Issuer") and listed on the Stock Exchange. Additional terms relating to each series of Warrants will be set out in a supplemental listing document (each a "Supplemental Listing Document") which will be supplemental to, and should be read in conjunction with, this Base Listing Document.

This Base Listing Document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Rules") for the purpose of giving information with regard to the Issuer and the Warrants. The Issuer accepts full responsibility for the information contained in this Base Listing Document. To the best of the knowledge and belief of the Issuer there are no other facts the omission of which would make any statement in this Base Listing Document misleading in any material respect and that all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of such statements.

**Investors are warned that the prices of Warrants may fall in value as rapidly as they may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in this Base Listing Document and the relevant Supplemental Listing Document in respect of any issue of Warrants and, where necessary, seek professional advice, before they invest in any Warrants.**

**The Warrants constitute general unsecured contractual obligations of the Issuer and of no other person and if you purchase any Warrants you are relying upon the creditworthiness of the Issuer and have no rights under such Warrants against any company which issues the underlying securities or against any companies comprising any underlying indices.**

Other than being a licensed bank regulated by the Hong Kong Monetary Authority, the Issuer is not regulated by the bodies referred to in Rule 15A.13(2) or (3) of the Rules. The Issuer is regulated by the Banking, Finance and Assurance Commission of Belgium.

As of the date of this document, the Issuer's senior long term debt is rated Aa3 by Moody's Investors Service, Inc., AA- by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. and AA- by Fitch IBCA Limited.

5th May, 2005

Neither the delivery of this Base Listing Document nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Base Listing Document may from time to time be updated. Intending investors in the Warrants should ask the Issuer if any addenda to this Base Listing Document or any later Base Listing Document have been issued. Such addenda to this Base Listing Document or any later Base Listing Document will be available for inspection at the office of the Registrar stated below. No person has been authorised to give any information or to make any representations other than those contained in this document and the applicable Supplemental Listing Document in connection with the offering of any Warrants, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Manager(s) (as defined in the applicable Supplemental Listing Document).

The Warrants are offered solely on the basis of the information contained in this Base Listing Document and any supplement to it. No action has been taken to permit a public offering of Warrants or the distribution of this Base Listing Document in any jurisdiction where action would be required for such purposes. The distribution of this document and the offering of any Warrants may, in certain jurisdictions, be restricted by law. The Issuer and the Manager(s) require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the Warrants are registered under the Securities Act or any exemption from registration is available. Subject to certain exceptions, Warrants, or interests therein, may not at any time be offered, sold, resold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

The Issuer has undertaken to make documents containing details of the Warrants and financial and other information on the Issuer available for inspection by holders of Warrants. The documents available for inspection during the period that any Warrants issued by the Issuer are listed on the Stock Exchange are a copy of this Base Listing Document (both the English version and the Chinese translation), any addenda or successor document to the Base Listing Document (both the English version and the Chinese translation) and the latest publicly available annual report and interim report (if any) of the Issuer. The relevant Supplemental Listing Document (both the English version and the Chinese translation) will be available for inspection until the Expiry Date or the expiration of the Exercise Period, as the case may be (each as defined in the applicable Supplemental Listing Document). These documents will be available for inspection at the office of Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

發行人已承諾提供載權證詳情，以及發行人的財務及其他資料的文件，以供權證券有人查閱。於發行人發行的任何權證在聯交所上市期間內，備查文件為本基本上市文件（英文版及中文譯本）、基本上市文件的任何增編或續編（英文版及中文譯本），以及發行人最近期公佈的年報及中期報告（如有）。有關補充上市文件（英文版及中文譯本）將可於到期日或行使期到期（視乎情況而定）（各詞的定義見適用的補充上市文件）前可供查閱。此等文件於香港中央證券登記有限公司辦事處（地址為香港皇后大道東183號合和中17樓1712-1716室）可供查閱。

The Issuer or any of its respective affiliates may repurchase Warrants at any time including in the grey market and any Warrant which is repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer. Investors should not therefore make any assumption as to the number of Warrants in issue at any time.

This Base Listing Document includes the terms and conditions of the Call Warrants, the terms and conditions of the Put Warrants, the terms and conditions of the Basket Call Warrants, the terms and conditions of the Basket Put Warrants, the terms and conditions of the Index Call Warrants, the terms and conditions of the Index Put Warrants and the terms and conditions of the Currency Warrants (together, the “Conditions” or the “Conditions of the Warrants”, save that where the context requires references to the Conditions or the Conditions of the Warrants shall mean the terms and conditions of the Call Warrants, the terms and conditions of the Put Warrants, the terms and conditions of the Basket Call Warrants, the terms and conditions of the Basket Put Warrants, the terms and conditions of the Index Call Warrants, the terms and conditions of the Index Put Warrants or the terms and conditions of the Currency Warrants, as the case may be).

Neither this Base Listing Document nor any other information supplied in connection with the Warrants is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Base Listing Document or any other information supplied in connection with the Warrants, should purchase any of the Warrants. Each investor contemplating purchasing or holding any of the Warrants should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness, of the Issuer.

All references herein to “Hong Kong Dollars”, “ Hong Kong dollars” and to “HK\$” are to the lawful currency of Hong Kong, to “euro”, “€” and “EUR” are to the currency introduced at the third stage of the European Economic and Monetary Union pursuant to the treaty establishing the European Community, as amended.

All references herein to “Hong Kong” are to the Hong Kong Special Administrative Region of the People’s Republic of China.

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## RISK FACTORS

The following risk factors are relevant to any person considering investing in the Warrants:

- (a) The prices of the Warrants may fall in value as rapidly as they may rise and Warrantholders (as defined in the Conditions) may sustain a total loss of their investment. In order to recover and realise a return upon an investment in Warrants, the investor in the Warrants must generally be correct about the direction, timing and magnitude of an anticipated change in the level or value of any relevant underlying shares or underlying indices, as the case may be.

The Cash Settlement Amount (as defined in the Conditions) (in the case of cash settled Warrants) or the difference in the value of the Entitlement (as defined in the Conditions) and the Exercise Price (as defined in the Conditions) (the “Physical Settlement Value”) (in the case of physically settled Warrants) at any time prior to expiration is typically expected to be less than the trading price of such Warrants at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, a “time value” for the Warrants. The “time value” of the Warrants will depend partly upon the length of the period remaining to expiration, expectations concerning the value of the reference security (or basket of securities), index, currency or other basis of reference as specified in the relevant Supplemental Listing Document. Warrants offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Warrants varies with the price level of the reference security (or basket of securities), index, currency or other basis of reference as specified in the relevant Supplemental Listing Document, as well as by a number of other interrelated factors, including those specified herein.

Before exercising or selling Warrants, Warrantholders should carefully consider, among other things, (i) the trading price of the Warrants; (ii) the value and volatility of the reference security (or basket of securities), index, currency or other basis of reference as specified in the relevant Supplemental Listing Document; (iii) the time remaining to expiration; (iv) in the case of cash settled Warrants, the probable range of Cash Settlement Amounts; (v) any change(s) in interim interest rates and dividend yields; (vi) any change(s) in currency exchange rates; (vii) the depth of the market or liquidity of the reference security (or basket of securities), index, currency or other basis of reference as specified in the relevant Supplemental Listing Document; (viii) any related transaction costs; and (ix) the creditworthiness of the Issuer.

- (b) The Warrants constitute general unsecured contractual obligations of the Issuer and of no other person and will rank equally (save for certain obligations required to be preferred by law) with the Issuer’s other general unsecured contractual obligations. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against any company which issues the underlying shares or against any companies comprising any underlying indices. In particular, it should be noted that the Issuer issues a large number of financial instruments, including the Warrants, on a global basis. The number of such financial instruments outstanding at any time may be substantial. The Issuer has substantially no obligation to a Warrantholder other than to pay amounts and/or deliver securities in accordance with the terms thereof as set forth herein and in the relevant Supplemental Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Warrant. Any profit or loss realised by a Warrantholder in respect of a Warrant upon exercise or otherwise due to changes in the value of such Warrant, or the shares, baskets of shares, indices or currencies underlying such Warrant, is solely for the account of such Warrantholder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in

connection with any Warrant or the applicable underlying securities, indices or currencies. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Warrants.

- (c) If, whilst any of the Warrants remain unexercised, trading in the underlying shares is suspended on the Stock Exchange, trading in the Warrants will be suspended for a similar period.
- (d) In the case of physically settled Warrants, investors should note that in the event of there being a Settlement Disruption Event (as defined in the Conditions) delivery of the share certificates or electronic settlement of the Shares (as defined in the Conditions) through CCASS (as defined in the Conditions) may be delayed, as more fully described in the Conditions. In the case of cash settled Warrants, investors should also note that there will be a time lag between the time the Warrants are exercised (or automatically exercised) and the time the applicable Cash Settlement Amount relating to such exercise is paid to the Warrantholders. Any such delay between the time of exercise and the payment of the Cash Settlement Amount will be specified in the relevant Supplemental Listing Document or in the Conditions.
- (e) Investors should note that an investment in the Warrants involves valuation risks in relation to the underlying asset. The value of the underlying asset may vary over time and may increase or decrease by reference to various factors which may include corporate actions (where the underlying asset is a share or a basket of shares), changes in computation or composition (where the underlying asset is an index), macro economic factors and market trends. Certain (but not all) events relating to the underlying shares or any indices underlying the Warrants require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions (including, but not limited to, adjusting the Exercise Price and the Entitlement). However, the Issuer is not required to make an adjustment for every corporate action (where the underlying asset is a share or a basket of shares), changes in computation or composition (where the underlying asset is an index), macro economic factor or market trend that affects the underlying asset. If an event occurs that does not require the Issuer to adjust the Entitlement or any other part of the Conditions, the market price of the Warrants and the return upon the exercise of the Warrants may be affected.
- (f) In the case of Index Call Warrants and Index Put Warrants, a level for the Index (as defined in the Conditions) may be published by the Index Compiler (as defined in the Conditions) at a time when one or more shares comprised in the Index to which such Warrants relate are not trading. If this occurs on a Valuation Date (as defined in the Conditions) and there is no Market Disruption Event (as defined in the Conditions) called under the terms of the relevant Index Warrants then the closing level of the Index is calculated by reference to the remaining shares in the Index. In addition, certain events relating to the Index (including a material change in the formula or the method of calculating the Index or a failure to publish the Index) permits the Issuer to determine the level of the Index on the basis of the formula or method last in effect prior to such change or formula.
- (g) Investors should note that there may be an exchange rate risk in the case of Index Call Warrants, Index Put Warrants or Currency Warrants where the Cash Settlement Amount is converted from a foreign currency into Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange

controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Warrants. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies.

- (h) It is not possible to predict whether the secondary market for any series of Warrants will be liquid or illiquid. The Issuer intends to apply to list each series of Warrants on the Stock Exchange. If a series of Warrants is listed on the Stock Exchange, there can be no assurance that any such listing can be maintained. In the event such listing cannot be so maintained, the Issuer will use its best efforts to list such Warrants on another exchange. The Issuer or its appointed liquidity provider may be the only market participant for the Warrants, therefore, the secondary market for the Warrants may be limited. The Issuer and its appointed liquidity provider may at any time purchase the Warrants at any price in the open market or by tender or private agreement, subject to the requirements under the Rules relating to the provision of liquidity as described in the section headed "Information on the Liquidity Provider" in the relevant Supplemental Listing Document. The more limited the secondary market is for any particular series of the Warrants, the more difficult it may be for the holders thereof to realise value for such Warrants prior to the expiration date of the Warrants.
- (i) Prospective investors intending to purchase the Warrants to hedge against the market risk associated with investing in, or otherwise having an exposure to, any underlying assets, should recognise the risks of utilising the Warrants in this manner. There is no assurance that the value of the Warrants will correlate with movements of the relevant underlying assets. Furthermore, it may not be possible to purchase or liquidate the underlying shares at the prices used to calculate the level of the underlying indices, therefore, it is possible that investors could suffer substantial losses in the Warrants notwithstanding any losses suffered with respect to investments in or exposures to any underlying shares or underlying indices.
- (j) Two or more risk factors may simultaneously have an effect on the value of a Warrant such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Warrant.
- (k) Various potential and actual conflicts of interest may arise from the overall activities of the Issuer and any of its subsidiaries and affiliates.

The Issuer and any of its subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer and any of its subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the underlying shares, baskets of shares and/or indices. Such activities and information may involve or otherwise affect issuers of underlying shares, baskets of shares and/or indices in a manner that may cause consequences adverse to the Warrantheolders or otherwise create conflicts of interests in connection with the issue of Warrants by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer and any of its subsidiaries and affiliates have no obligation to disclose such information or activities. The Issuer and any of its subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Warrants by the Issuer or the effect that such activities may directly or indirectly have on any Warrant.

In the ordinary course of their business, including without limitation in connection with the Issuer or its appointed liquidity provider's market making activities, the Issuer and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the underlying shares, baskets of shares and/or indices or related derivatives. In addition, in connection with the offering of any Warrants, the Issuer and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the underlying shares, baskets of shares and/or indices or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its subsidiaries and its affiliates, the Issuer and any of its subsidiaries and affiliates may enter into transactions in the underlying shares, baskets of shares and/or indices or related derivatives which may affect the market price, liquidity or value of the Warrants and which may affect the interests of Warrantholders.

- (l) The Issuer is not the ultimate holding company of the group to which the Issuer belongs and with which the Issuer's name is identified. The ultimate holding company of the group to which the Issuer belongs is Fortis.



The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

## **TERMS AND CONDITIONS OF THE CALL WARRANTS (CASH SETTLED)**

### **1. Form, Status, Transfer, Title and Additional Costs and Expenses**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 12) relating to the Shares of the Company are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the "Instrument") dated the Issue Date, made by Fortis Bank S.A./N.V. (the "Issuer") and a base registrar's and warrant agency agreement (the "Registrar's Agreement") dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar's Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the "Registrar" and "Warrant Agent", which expression shall include any successors). The Warrantheolders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar's Agreement.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *Transfer.* Warrants will be transferable only by means of delivery of the standard transfer form to the Registrar, in such form as may from time to time be in use, together with the relevant warrant certificate(s) in accordance with the provisions of the Instrument and the Registrar's Agreement. Transfers of Warrants may be effected only in a Board Lot or integral multiples thereof. The standard transfer form is obtainable from the Registrar.
- (d) *Title.* Each person who is for the time being shown in the register kept by the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of Warrants. The expression "Warrantheolder" shall be construed accordingly.
- (e) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

### **2. Warrant Rights and Exercise Expenses**

- (a) *Warrant Rights.* Every Exercise Amount gives each Warrantheolder, upon due exercise and compliance with Condition 4(A) or 4(B), as the case may be, the right to receive the payment of the Cash Settlement Amount (as defined below), if any.
- (b) *Exercise Expenses.* On exercise of the Warrants, Warrantheolders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses (as defined below) in accordance with Condition 4(A) or 4(B), as the case may be.

(c) *Definitions.* For the purposes of these Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong (as defined below) and banks are open for business in Hong Kong;

“Cash Settlement Amount” means in respect of every Exercise Amount, an amount in Hong Kong Dollars calculated by the Issuer as equal to (1) the Entitlement (subject to adjustment as provided in Condition 6) multiplied by (i) the arithmetic mean of the closing price of the Shares (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) in respect of each Valuation Date less (ii) the Exercise Price (subject to adjustment as provided in Condition 6); less (2) the Exercise Expenses;

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Expiry Date” means the Maturity Date or if the Maturity Date is not a Business Day the immediately preceding Business Day;

“Market Disruption Event” means (1) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (a) the Shares; or (b) any options or futures contracts relating to the Shares if, in any such case, that suspension or limitation is, in the determination of the Issuer, material or (2) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Transfer Office” means the specified office of the Registrar; and

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided below in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Exercise Date (as defined below) or the Expiry Date, as the case may be.

### **3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4(A) at any time during the period (the “Exercise Period”) beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date.

- (b) *Automatic Exercise.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warrantholders). The Warrantholders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Warrantholders the Cash Settlement Amount (if any) in accordance with Condition 4(A)(f).
- (c) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Condition 3(A)(b) shall expire immediately without value thereafter and all rights of the Warrantholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **(B) *European Style Warrants***

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable only on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warrantholders). The Warrantholders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Warrantholders the Cash Settlement Amount (if any) in accordance with Condition 4(B)(d).
- (c) *Expiry.* Any Warrant which has not been automatically exercised in accordance with Condition 3(B)(b) shall expire immediately without value thereafter and all rights of the Warrantholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **4. *Exercise of Warrants***

##### **(A) *American Style Warrants***

The following provisions of this Condition 4(A) shall apply to Warrants which are expressed to be American Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *Delivery of an Exercise Notice.*
  - (i) In order to exercise Warrants, the Warrantholder shall deliver to the Transfer Office a duly completed exercise notice obtainable from the Registrar (an “Exercise Notice”), such delivery to be made at any time during the Exercise Period. Warrants may not be exercised at any other time.
  - (ii) The date upon which a Warrant is, or is to be treated as, exercised (an “Exercise Date”) shall be the Business Day on which an Exercise Notice is delivered to the Registrar and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Conditions, provided that any Exercise Notice received by the Registrar after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.

- (c) *Exercise Notice.* The Exercise Notice shall:
- (i) specify the name(s) of the Warrantholder(s) and the number of Warrants being exercised;
  - (ii) be accompanied by the warrant certificate(s) in the name(s) of the exercising Warrantholder(s); and
  - (iii) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent.
- (d) *Consequences of delivery of an Exercise Notice.* Delivery of an Exercise Notice in accordance with Conditions 4(A)(b) and 4(A)(c) shall constitute an irrevocable election and undertaking by the Warrantholder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.
- (e) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from its register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (f) *Cash Settlement.* Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warrantholder (or such other person as the Warrantholder may have specified in the Exercise Notice, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Exercise Date or the Expiry Date, as the case may be, by way of cheque, unless otherwise specified in the Exercise Notice (if applicable), drawn in favour of the Warrantholder (or in the case of joint Warrantholders, the first-named Warrantholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(A)(f) shall be posted at the risk and expense of the Warrantholder, to such bank, broker or other agent (if any) in Hong Kong as the Warrantholder has specified in the Exercise Notice (if applicable), or if no such details are specified, posted to the Warrantholder's address (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there was no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Exercise Date or the Expiry Date, as the case may be, then (i) the Business Day immediately preceding the Exercise Date or the Expiry Date, as the case may be (the "Last Valuation Date") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event. For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the

closing price of the Shares in respect of such postponed Valuation Date will be the closing price of the Shares on the first succeeding Business Day. Accordingly, the closing price in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing price of one Share for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing price of one Share.

**(B) *European Style Warrants***

The following provisions of this Condition 4(B) shall apply to Warrants which are expressed to be European Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *No requirement to deliver an exercise notice.* The Warranholders will not be required to deliver an exercise notice for any purpose in relation to the Warrants.
- (c) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Expiry Date, remove from its register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Conditions; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (d) *Cash Settlement.* Subject to automatic exercise of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warranholder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Expiry Date by way of cheque drawn in favour of the Warranholder (or in the case of joint Warranholders, the first-named Warranholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(B)(d) shall be posted at the risk and expense of the Warranholder to the Warranholder's address (or, in the case of joint Warranholders, to the address of the first-named Warranholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there was no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date then (i) the Business Day immediately preceding the Expiry Date (the "Last Valuation Date") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event. For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing price of the Shares in respect of such postponed Valuation Date will be the closing price of the Shares on the first succeeding Business Day. Accordingly, the closing price in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing price of one Share for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing price of one Share.

## 5. Registrar

- (a) The initial Registrar and the Transfer Office are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warrantholders in accordance with Condition 10.
- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders.

## 6. Adjustments

- (a) *Rights Issues.* If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "Rights Offer"), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis
- R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Conditions:

"Rights" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (b) *Bonus Issues.* If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a “Bonus Issue”) the Entitlement will be increased on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

- (c) *Share Splits or Consolidations.* If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a “Subdivision”) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a “Consolidation”), the Entitlement in effect immediately prior thereto will be increased (in the case of a Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.
- (d) *Merger or Consolidation.* If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “Restructuring Event”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“Substituted Securities”) and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong Dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph (d) and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Conditions to the Shares shall include any such cash.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheholder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 10.

## **7. Purchases**

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## **8. Warrant Certificates**

- (a) Each Warrantheholder shall be entitled, within ten Business Days after any Warrants are issued or transferred to him, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.
- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## **9. Meetings of Warrantheolders; Modification**

- (a) *Meetings of Warrantheolders.* The Registrar's Agreement contains provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar's Agreement) of a modification of the provisions of the Warrants or of the Instrument.

Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented.



A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheolders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warrantheolders.

Resolutions can be passed in writing without a meeting of the Warrantheolders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheolders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheolders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## 10. Notices

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warrantheolder or to which a Warrantheolder is entitled or which the Issuer shall have agreed to deliver to a Warrantheolder may be delivered by hand or sent by post addressed to the Warrantheolder (otherwise, in the case of Warrants which are expressed to be American Style, than in accordance with an Exercise Notice) to the Warrantheolder's address (or, in the case of joint Warrantheolders, to the address of the first-named Warrantheolder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheolder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 10(b).
- (b) All notices to Warrantheolders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warrantheolders kept by the Registrar.

## 11. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

## **12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

## **13. Delisting**

- (a) If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) Without prejudice to the generality of Condition 13(a), where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- (c) The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 10 as soon as practicable after they are determined.

## **14. Governing Law**

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

## **15. Language**

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

## **TERMS AND CONDITIONS OF THE CALL WARRANTS (PHYSICALLY SETTLED)**

### **1. Form, Status, Transfer, Title and Additional Costs and Expenses**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 12) relating to the Shares of the Company are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the "Instrument") dated the Issue Date, made by Fortis Bank S.A./N.V. (the "Issuer") and a base registrar's and warrant agency agreement (the "Registrar's Agreement") dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar's Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the "Registrar" and "Warrant Agent", which expression shall include any successors). The Warrantheolders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar's Agreement.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *Transfer.* Warrants will be transferable only by means of delivery of the standard transfer form to the Registrar, in such form as may from time to time be in use, together with the relevant warrant certificate(s) in accordance with the provisions of the Instrument and the Registrar's Agreement. Transfers of Warrants may be effected only in a Board Lot or integral multiples thereof. The standard transfer form is obtainable from the Registrar.
- (d) *Title.* Each person who is for the time being shown in the register kept by the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of Warrants. The expression "Warrantheolder" shall be construed accordingly.
- (e) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

### **2. Warrant Rights, Exercise Price and Exercise Expenses**

- (a) *Warrant Rights.* Every Exercise Amount initially entitles each Warrantheolder, upon due exercise, payment of the Exercise Price and compliance with Condition 4, to delivery of the Entitlement, subject to adjustment as provided in Condition 6.
- (b) *Exercise Price.* The price to be paid for the Entitlement upon the exercise of every Exercise Amount shall be the Exercise Price, subject to adjustment as described in Condition 6, plus any sums payable in accordance with Condition 2(c).

- (c) *Exercise Expenses.* Warrantheolders will be required to pay all charges which they incur in respect of the purchase and transfer of Shares upon the exercise of the Warrants, including without limitation any stamp duty, levies, registration charges and other expenses payable in respect of documents of title to Shares, including but not limited to scrip fees payable on the share certificates representing Shares to which the exercised Warrants relate.

In addition, Warrantheolders will be required to pay a sum equal to all the expenses payable by the seller and transferor of the relevant Shares, including without limitation any stamp duty, agent's expenses, scrip fees, levies, registration charges and other expenses payable on or in respect of or in connection with the purchase of or agreement to purchase the Shares to which the relevant Warrants and/or the exercise of the Warrants relate (the above charges and expenses incurred by Warrantheolders and the above seller's and transferor's expenses are together referred to as the "Exercise Expenses").

An amount equivalent to the Exercise Expenses must be paid by the Warrantheolder together with the Exercise Price in accordance with Condition 4. In certain circumstances, part of the Exercise Expenses may be required to be paid by Warrantheolders after the exercise of the Warrants but prior to the delivery of the forms of transfer relating to the Shares to the registrar of the Company or delivery of the Shares electronically through CCASS (as defined below), as the case may be.

- (d) *Definitions.* For the purposes of these Conditions:

"Business Day" means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong (as defined below) and banks are open for business in Hong Kong;

"CCASS" means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited ("HKSCC");

"CCASS Participant" means a person admitted for the time being by HKSCC as a participant of CCASS;

"CCASS Rules" means the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time;

"Expiry Date" means the Maturity Date or if the Maturity Date is not a Business Day the immediately succeeding Business Day;

"Nominee" means HKSCC Nominees Limited, or such other person, firm or company for the time being appointed by HKSCC as a nominee;

"Settlement Disruption Event" means an event beyond the control of the Issuer as a result of which the Issuer is unable (i) to deliver share certificates and/or stamped share transfer forms to the Company for registration of transfer, (ii) to procure that an exercising Warrantheolder (or such person as it may have directed in the Exercise Notice (as defined below)) shall be entered in the register of members of the Company as a registered shareholder, or (iii) to deliver the Shares electronically through CCASS;

"Stock Account" means in relation to a Warrantheolder or its agent or (as the case may be) the Issuer or its agent, its stock clearing account(s) in CCASS used for settlement purposes;

"Stock Exchange" means The Stock Exchange of Hong Kong Limited; and

"Transfer Office" means the specified office of the Registrar.

### **3. Exercise of American Style Warrants and European Style Warrants and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4 at any time during the period (the “Exercise Period”) beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date.
- (b) *Expiry.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period shall expire immediately without value thereafter and all rights of the Warrantholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **(B) European Style Warrants**

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable by delivery of an Exercise Notice in accordance with Condition 4 only on the Expiry Date or on the Business Day prior to the Expiry Date provided that any delivery made before the Expiry Date shall be deemed to be made on the Expiry Date.
- (b) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred on the Expiry Date shall expire immediately without value thereafter and all rights of the Warrantholder and obligations of the Issuer with respect to such Warrant shall cease.

### **4. Exercise of Warrants**

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *Delivery of an Exercise Notice.*
  - (i) In order to exercise Warrants, the Warrantholder shall deliver to the Transfer Office a duly completed exercise notice obtainable from the Registrar (an “Exercise Notice”), such delivery to be made at any time before 10:00 a.m. (Hong Kong time) on the Expiry Date. Warrants may not be exercised at any other time.
  - (ii) The date upon which a Warrant is, or is to be treated as, exercised (an “Exercise Date”) shall be the Business Day on which an Exercise Notice is delivered to the Registrar and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Conditions, provided that any Exercise Notice received by the Registrar after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.
- (c) *Exercise Notice.* The Exercise Notice shall:
  - (i) specify the name(s) of the Warrantholder(s) and the number of Warrants being exercised; and

- (ii) be accompanied by the warrant certificate(s) in the name(s) of the exercising Warrantholder(s) and by payments by way of banker's draft or other payment, in each case in immediately available funds, in favour of the Issuer for the aggregate of the Exercise Price for the total number of Shares to be purchased and in favour of the Registrar for such of the aggregate of the Exercise Expenses as may be determined by the Registrar at that time or, if later, as soon as the same shall have been determined by the Registrar; and
- (iii) specify, if applicable, the name and address of the person or persons to be shown on the instrument of transfer and to be entered in the register of members of the Company in respect of the Shares to be delivered, and the name and address of the bank, broker or agent in Hong Kong (if any) to whom the share certificates and other documents of title are to be delivered or details of the bank, broker or agent to whom the share certificates and other documents of title in respect of the Shares shall be made available for collection from the Transfer Office; and
- (iv) specify, if applicable, whether the Warrantholder elects to receive the Shares electronically through CCASS rather than by way of physical delivery of share certificates as described in Condition 4(c)(iii) above.

Any Exercise Expenses which have not been determined by the Registrar on the Exercise Date shall be notified to the Warrantholder as soon as practicable after determination thereof by the Registrar and shall be paid by the Warrantholder forthwith.

- (d) *Consequences of delivery of an Exercise Notice.* Delivery of an Exercise Notice in accordance with Conditions 4(b) and 4(c) shall constitute an irrevocable election and undertaking by the Warrantholder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authority to the Issuer and the Registrar to execute relevant contract notes and instruments of transfer (if applicable) on behalf of the Warrantholder (or such other person as he may have directed in the Exercise Notice) or, as the case may be, an irrevocable authority to the Issuer and the Warrant Agent to take all necessary action to deliver the Shares electronically through CCASS. In no event will any payment be accepted after 10:00 a.m. (Hong Kong time) on the Expiry Date.
- (e) *Delivery of Shares and payments relating to Excess Shares.* Subject to a valid exercise of Warrants in accordance with these Conditions:
  - (i) the Issuer will procure that the Registrar will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from its register the name of the person in respect of the Warrants which are the subject of an exercise whether pursuant to an Exercise Notice or if the Warrants have expired worthless and thereby cancel the relevant Warrants; and
  - (ii) subject as provided below in the case of a Settlement Disruption Event, the Issuer will procure that either:
    - (a) where the Warrantholder has elected physical delivery of share certificates in the Exercise Notice, the exercising Warrantholder (or such person as he may have directed in the Exercise Notice) shall be entered in the register of members of the Company as the registered shareholder of the relevant Shares (but excluding any fractional entitlements) no later than the date (the "Physical Settlement Date") ten Business Days, where there are Common Registrars, or eighteen Business Days, where there are Separate Registrars, following the Exercise Date. Any documents of title (including share

certificates in the name of the exercising Warrantholder or in such name as such Warrantholder may have directed) relating to the Shares (but excluding any fractional entitlements) together with any payment to which the Warrantholder is entitled pursuant to Condition 6(g) will be, in accordance with the directions of the Warrantholder set out in the Exercise Notice, either:

- (aa) delivered at the risk and expense of the Warrantholder to such bank, broker or other agent (if any) in Hong Kong as the Warrantholder has specified in the Exercise Notice or, if no such details are specified, posted at the risk and expense of the Warrantholder to the Warrantholder's address (or in the case of joint Warrantholders, the address of the first-named Warrantholder) appearing in the register kept by the Registrar no later than the Physical Settlement Date; or
  - (bb) on the Physical Settlement Date made available for collection by the Warrantholder or such bank, broker or agent (if any) as the Warrantholder has specified in the Exercise Notice during normal office hours at the Transfer Office upon production of such evidence of entitlement or identity as the Issuer or the Registrar may reasonably require; or
- (b) where the Warrantholder has elected to receive Shares by way of electronic settlement through CCASS:
- (aa) in the case where the exercising Warrantholder is not the Nominee,
    - (1) the Issuer shall procure that the Warrant Agent or its agent shall, no later than five Business Days following the Exercise Date (the "CCASS Settlement Date"), input to CCASS an instruction, in such form as HKSCC may from time to time prescribe as being valid pursuant to the CCASS Rules (currently known as a "Settlement Instruction"), to effect the debit from the Stock Account of the Warrant Agent's designated CCASS Participant and credit to the Stock Account of the exercising Warrantholder's designated CCASS Participant, on a free of payment basis (currently known as a "FOP" basis) in accordance with the CCASS Rules, the total number of Shares to be sold and transferred by the Issuer pursuant to the exercise of the Warrants; and
    - (2) the Warrantholder shall procure that its designated CCASS Participant shall, no later than the CCASS Settlement Date, input to CCASS a Settlement Instruction to effect the debit from the Stock Account of the Warrant Agent's designated CCASS Participant and credit to the Stock Account of the exercising Warrantholder's designated CCASS Participant, on a FOP basis in accordance with the CCASS Rules, the total number of Shares to be sold and transferred by the Issuer pursuant to the exercise of the Warrants, provided that if the Settlement Instruction is not input by the Latest Input Time (as defined below) on the CCASS Settlement Date, or is input incorrectly, the Shares will not be delivered electronically through CCASS and instead will be registered in the name of the exercising Warrantholder and share certificate(s) will be despatched (at his risk and expense) to the Warrantholder's address (or, in the case of joint Warrantholders, the address of the first-named Warrantholder) appearing on the register kept by the Registrar,

provided that the input of any Settlement Instruction shall be made as soon as reasonably practicable and, in any event, no later than the time stated in the CCASS Rules (which time is currently 3:45 p.m. (Hong Kong time)) for the matching of such instructions pursuant to the Settlement Instruction matching run preceding the final batch settlement run effected by CCASS (the "Latest Input Time") on the CCASS Settlement Date; or

- (bb) in the case where the exercising Warrantholder is the Nominee, the Issuer shall procure that the Warrant Agent or its agent instructs the Nominee, no later than the CCASS Settlement Date, to effect the debit from the Stock Account of the Warrant Agent's designated CCASS Participant and credit to the Stock Account of the relevant CCASS Participant, in accordance with the CCASS Rules, the total number of Shares to be sold and transferred by the Issuer pursuant to the exercise of the Warrants; and
- (cc) any payment to which the Warrantholder is entitled pursuant to Condition 6(g), if applicable, shall be posted no later than the CCASS Settlement Date (at the risk and expense of the Warrantholder) to the Warrantholder's address (or, in the case of joint Warrantholders, the address of the first-named Warrantholder) appearing on the register kept by the Registrar.

For the purpose of these Conditions, delivery of share certificates by post and collection of such certificates shall each constitute "delivery" of such documents. Notwithstanding the foregoing, such actions shall not take place until the Warrantholder shall have accounted to the Registrar for unpaid Exercise Expenses to the extent that they were not or could not be paid on the Exercise Date.

For the purposes of these Conditions, there are "Common Registrars" when, for the whole of the period between the Exercise Date and the Physical Settlement Date (both dates inclusive) the Registrar and the share registrar of the Company are the same person or entity and there are "Separate Registrars" if, at any time during such period, the Registrar and the share registrar of the Company are a different person or entity.

As used in these Conditions, "Settlement Date" means the Physical Settlement Date and/or the CCASS Settlement Date, as the context so requires.

If a Settlement Disruption Event exists on any Business Day from and including the Exercise Date to and including the Settlement Date, then the Settlement Date shall be postponed until the first succeeding Business Day on which there is no Settlement Disruption Event unless a Settlement Disruption Event prevents settlement on each of the ten Business Days immediately following the original Settlement Date.

In that case,

- (a) if the Shares can be delivered in any other commercially reasonable manner on the tenth Business Day immediately following the original Settlement Date, then they shall so be delivered; and
- (b) if the Shares cannot be delivered in any other commercially reasonable manner, the Settlement Date shall be postponed until settlement can reasonably be effected under this Condition or in any other commercially reasonable manner.

If, as a result of a Settlement Disruption Event it is not possible for the Issuer to procure the registration of the exercising Warrantholder (or such person as the Warrantholder



has specified in the Exercise Notice) or deliver documents of title relating to the Shares to the exercising Warrantholder (or such bank, broker or agent (if any) as the Warrantholder has specified in the Exercise Notice) or deliver the Shares electronically through CCASS, all as set out above, on or before the original Settlement Date, the Issuer shall procure that the exercising Warrantholder is notified (in accordance with Condition 10(a)) of the postponement of the Settlement Date.

- (f) *Intervening Period.* As from the Exercise Date, an exercising Warrantholder (or such person as he may have directed) shall become beneficially entitled to all those rights attaching to the Shares to be delivered in respect of such exercise to which he would have become entitled if he had been registered as the holder of such Shares on the Exercise Date.

Notwithstanding the foregoing, as from the Exercise Date and until such time as the exercising Warrantholder (or such person as he may have directed) becomes entered in the register of members of the Company as the registered holder of the relevant Shares or is delivered the Shares electronically through CCASS (the “Intervening Period”), neither the Issuer nor its agent or nominee shall:

- (i) be under any obligation to deliver to such exercising Warrantholder or any subsequent beneficial owner of the Shares any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or its agent or nominee in its capacity as the registered holder of such Shares; or
  - (ii) exercise any or all rights (including voting rights) attaching to the Shares during the Intervening Period without the prior written consent of the relevant exercising Warrantholder, provided that neither the Issuer nor its agent nor nominee shall be under any obligation to exercise any such rights during the Intervening Period; or
  - (iii) be under any liability to such exercising Warrantholder or any subsequent beneficial owner of the Shares in respect of any loss or damage which such exercising Warrantholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of the Issuer or its agent or nominee being registered during such Intervening Period as legal owner of the Shares.
- (g) Notwithstanding Condition 4(f) above, the Issuer shall notify each relevant exercising Warrantholder (or where there are joint Warrantholders, the first-named Warrantholder) appearing in the register kept by the Registrar by post (by air mail in the case of an address outside Hong Kong) of the receipt by the Issuer or its agent or nominee during the Intervening Period of any dividend, rights, bonus issue, shares issued pursuant to a share split or consolidation in respect of Shares beneficially owned by such exercising Warrantholder or a subsequent beneficial owner of such Shares which the exercising Warrantholder is entitled to under these Conditions.

The Issuer shall also make available as soon as reasonably practicable such dividend payment or Shares, as the case may be, for collection by the Warrantholder or such subsequent beneficial owner of such Shares from an office in Hong Kong which shall be specified in such notification upon production of such evidence of entitlement and identification as may reasonably be required by the Issuer.

The Issuer shall also notify each relevant exercising Warrantholder (or where there are joint Warrantholders, the first-named Warrantholder) appearing on the register kept by the Registrar by post (by airmail in the case of an address outside Hong Kong) of any right, entitlement or offer which the exercising Warrantholder is entitled to exercise or accept under these Conditions as beneficial owner of the relevant Shares during the

Intervening Period and shall make available any document relating to such right, entitlement or offer for collection by the Warrantholder, or the person to whom the Warrantholder directed the Shares to be delivered, from an office in Hong Kong which shall be specified in such notification upon production of such evidence of entitlement and identification as may reasonably be required and, following receipt by the Issuer of written notification as may reasonably be required and, where appropriate, any relevant payment or consideration necessary in connection with exercising or accepting any such right, entitlement or offer from the relevant exercising Warrantholder or the person to whom the Warrantholder directed the Shares to be delivered, the Issuer shall on behalf of the relevant exercising Warrantholder, or the person to whom the Warrantholder directed the Shares to be delivered, exercise or accept such right, entitlement or offer.

Notwithstanding anything in this Condition, in the case of the receipt by the Issuer during the Intervening Period of an entitlement (in respect of the Shares deliverable to or at the direction of the exercising Warrantholder) which takes the form of securities issued by the Company by way of rights (to which entitlement the exercising Warrantholder is entitled under these Conditions), the Issuer shall, as soon as reasonably practicable and:

- (i) in any event by no later than one Business Day following receipt by it of the relevant entitlement from the Company, where necessary post to the Company or its share registrar an application for the entitlement to be split as appropriate as between Shares deliverable to different Warranholders (or subsequent Warranholders); and
  - (ii) in any event no later than one Business Day following receipt by it of the relevant entitlement duly split as referred to in (i) above, post (by air mail in the case of an address outside Hong Kong) all documentation (duly renounced where appropriate) received by it relating to such entitlement to the exercising Warrantholder, or the person to whom the Warrantholder directed the Shares to be delivered, or (if the exercising Warrantholder shall have so directed in the relevant Exercise Notice) make available such documentation for collection by the Warrantholder, or the person to whom the Warrantholder directed the Shares to be delivered, from the Transfer Office upon production of such evidence of entitlement and identification as may reasonably be required.
- (h) *Relationship of agency or trust.* These Conditions shall not be construed so as to give rise to any relationship of agency or trust between the Issuer or its agent or nominee and any exercising Warrantholder in its capacity as beneficial owner of Shares, or any subsequent beneficial owner of Shares, during an Intervening Period and neither the Issuer nor its agent or nominee shall owe any duty of a fiduciary nature to either such Warrantholder or such beneficial owner in respect of such Shares.

## **5. Registrar**

- (a) The initial Registrar and the Transfer Office are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warranholders in accordance with Condition 10.
- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warranholders.

## 6. Adjustments

- (a) *Rights Issues.* If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "Rights Offer"), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis
- R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement.

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Conditions:

"Rights" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (b) *Bonus Issues.* If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a "Bonus Issue") the Entitlement will be increased on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

- E: Existing Entitlement immediately prior to the Bonus Issue
- N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement.

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

- (c) *Share Splits or Consolidations.* If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a "Subdivision") or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a "Consolidation"), the Entitlement in effect immediately prior thereto will be increased (in the case of a Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.
- (d) *Merger or Consolidation.* If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "Restructuring Event") (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("Substituted Securities") and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong Dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph (d) and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Conditions to the Shares shall include any such cash.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 10.
- (g) *Excess Shares.* If as a result of an adjustment to the Entitlement pursuant to Conditions 6(a), (b), (c) and (e) above (but not otherwise), an exercise of a number of Warrants specified in an Exercise Notice would (if not for the provisions of this Condition 6(g)) result in the relevant Warrantheolder becoming entitled to delivery of a number of Shares which is not equal to a board lot of the Shares at such time or an integral multiple thereof, then:
  - (i) the Issuer shall not deliver to the relevant Warrantheolder and the Warrantheolder shall cease to be entitled to receive in respect of the relevant exercise of Warrants, that number of Shares (the “Excess Shares”) which exceeds the amount of such board lot or integral multiple thereof; and
  - (ii) the relevant Warrantheolder shall be entitled to receive a cash amount from the Issuer (to be paid no later than the Settlement Date in accordance with Condition 4(e)) equal to the closing price of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange or, if no such quotation is available, the most recently available closing price) on the Business Day immediately preceding the relevant Exercise Date multiplied by the number of the Excess Shares.

## **7. Purchases**

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## **8. Warrant Certificates**

- (a) Each Warrantheolder shall be entitled, within ten Business Days after any Warrants are issued or transferred to him, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.
- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## **9. Meetings of Warrantheolders; Modification**

- (a) *Meetings of Warrantheolders.* The Registrar’s Agreement contains provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar’s Agreement) of a modification of the provisions of the Warrants or of the Instrument.

Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warranholders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warranholders shall be binding on all the Warranholders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warranholders.

Resolutions can be passed in writing without a meeting of the Warranholders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warranholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warranholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong. Any such modification shall be binding on the Warranholders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## 10. Notices

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warranholder or to which a Warranholder is entitled or which the Issuer shall have agreed to deliver to a Warranholder may be delivered by hand or sent by post addressed to the Warranholder (otherwise, in the case of Warrants which are expressed to be American Style, than in accordance with an Exercise Notice) to the Warranholder's address (or, in the case of joint Warranholders, to the address of the first named Warranholder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warranholder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 10(b).
- (b) All notices to Warranholders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warranholders kept by the Registrar.

## 11. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

## **12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

## **13. Delisting**

- (a) If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) Without prejudice to the generality of Condition 13(a), where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- (c) The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 10 as soon as practicable after they are determined.

## **14. Governing Law**

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

## **15. Language**

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

## **TERMS AND CONDITIONS OF THE PUT WARRANTS (CASH SETTLED)**

### **1. Form, Status, Transfer, Title and Additional Costs and Expenses**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 12) relating to the Shares of the Company are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the "Instrument") dated the Issue Date, made by Fortis Bank S.A./N.V. (the "Issuer") and a base registrar's and warrant agency agreement (the "Registrar's Agreement") dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar's Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the "Registrar" and "Warrant Agent", which expression shall include any successors). The Warrantheolders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar's Agreement.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *Transfer.* Warrants will be transferable only by means of delivery of the standard transfer form to the Registrar, in such form as may from time to time be in use, together with the relevant warrant certificate(s) in accordance with the provisions of the Instrument and the Registrar's Agreement. Transfers of Warrants may be effected only in a Board Lot or integral multiples thereof. The standard transfer form is obtainable from the Registrar.
- (d) *Title.* Each person who is for the time being shown in the register kept by the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of Warrants. The expression "Warrantheolder" shall be construed accordingly.
- (e) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

### **2. Warrant Rights and Exercise Expenses**

- (a) *Warrant Rights.* Every Exercise Amount gives each Warrantheolder, upon due exercise and compliance with Condition 4(A) or 4(B), as the case may be, the right to receive the payment of the Cash Settlement Amount (as defined below), if any.
- (b) *Exercise Expenses.* On exercise of the Warrants, Warrantheolders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses (as defined below) in accordance with Condition 4(A) or 4(B), as the case may be.



(c) *Definitions.* For the purposes of these Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong (as defined below) and banks are open for business in Hong Kong;

“Cash Settlement Amount” means in respect of every Exercise Amount, an amount in Hong Kong Dollars calculated by the Issuer as equal to (1) the Entitlement (subject to adjustment as provided in Condition 6) multiplied by (i) the Exercise Price (subject to adjustment as provided in Condition 6) less (ii) the arithmetic mean of the closing price of the Shares (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) in respect of each Valuation Date; less (2) Exercise Expenses;

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Expiry Date” means the Maturity Date or if the Maturity Date is not a Business Day the immediately preceding Business Day;

“Market Disruption Event” means (1) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (a) the Shares; or (b) any options or futures contracts relating to the Shares if, in any such case, that suspension or limitation is, in the determination of the Issuer, material or (2) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Transfer Office” means the specified office of the Registrar; and

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided below in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Exercise Date (as defined below) or the Expiry Date, as the case may be.

### **3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4(A) at any time during the period (the “Exercise Period”) beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date.

- (b) *Automatic Exercise.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warrantholders). The Warrantholders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Warrantholders the Cash Settlement Amount (if any) in accordance with Condition 4(A)(f).
- (c) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Condition 3(A)(b) shall expire immediately without value thereafter and all rights of the Warrantholder and obligations of the Issuer with respect to such Warrant shall cease.

**(B) European Style Warrants**

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable only on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warrantholders). The Warrantholders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Warrantholders the Cash Settlement Amount (if any) in accordance with Condition 4(B)(d).
- (c) *Expiry.* Any Warrant which has not been automatically exercised in accordance with Condition 3(B)(b) shall expire immediately without value thereafter and all rights of the Warrantholder and obligations of the Issuer with respect to such Warrant shall cease.

**4. Exercise of Warrants**

**(A) American Style Warrants**

The following provisions of this Condition 4(A) shall apply to Warrants which are expressed to be American Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *Delivery of an Exercise Notice.*
  - (i) In order to exercise Warrants, the Warrantholder shall deliver to the Transfer Office a duly completed exercise notice obtainable from the Registrar (an "Exercise Notice"), such delivery to be made at any time during the Exercise Period. Warrants may not be exercised at any other time.
  - (ii) The date upon which a Warrant is, or is to be treated as, exercised (an "Exercise Date") shall be the Business Day on which an Exercise Notice is delivered to the Registrar and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Conditions, provided that any Exercise Notice received by the Registrar after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.
- (c) *Exercise Notice.* The Exercise Notice shall:
  - (i) specify the name(s) of the Warrantholder(s) and the number of Warrants being exercised;

- (ii) be accompanied by the warrant certificate(s) in the name(s) of the exercising Warranholder(s); and
  - (iii) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent.
- (d) *Consequences of delivery of an Exercise Notice.* Delivery of an Exercise Notice in accordance with Conditions 4(A)(b) and 4(A)(c) shall constitute an irrevocable election and undertaking by the Warranholder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.
- (e) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from its register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (f) *Cash Settlement.* Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warranholder (or such other person as the Warranholder may have specified in the Exercise Notice, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Exercise Date or the Expiry Date, as the case may be, by way of cheque, unless otherwise specified in the Exercise Notice (if applicable), drawn in favour of the Warranholder (or in the case of joint Warranholders, the first-named Warranholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(A)(f) shall be posted at the risk and expense of the Warranholder, to such bank, broker or other agent (if any) in Hong Kong as the Warranholder has specified in the Exercise Notice (if applicable), or if no such details are specified, posted to the Warranholder's address (or, in the case of joint Warranholders, to the address of the first-named Warranholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there was no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Exercise Date or the Expiry Date, as the case may be, then (i) the Business Day immediately preceding the Exercise Date or the Expiry Date, as the case may be (the "Last Valuation Date") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event. For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing price of the Shares in respect of such postponed Valuation Date will be the closing price of the Shares on the first succeeding Business Day. Accordingly, the closing price in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing price of one Share for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing price of one Share.

## (B) *European Style Warrants*

The following provisions of this Condition 4(B) shall apply to Warrants which are expressed to be European Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *No requirement to deliver an exercise notice.* The Warrantholders will not be required to deliver an exercise notice for any purpose in relation to the Warrants.
- (c) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Expiry Date, remove from its register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Conditions; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (d) *Cash Settlement.* Subject to automatic exercise of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warrantholder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Expiry Date by way of cheque drawn in favour of the Warrantholder (or in the case of joint Warrantholders, the first-named Warrantholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(B)(d) shall be posted at the risk and expense of the Warrantholder to the Warrantholder's address (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there was no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date then (i) the Business Day immediately preceding the Expiry Date (the "Last Valuation Date") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event. For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing price of the Shares in respect of such postponed Valuation Date will be the closing price of the Shares on the first succeeding Business Day. Accordingly, the closing price in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing price of one Share for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing price of one Share.

## 5. Registrar

- (a) The initial Registrar and the Transfer Office are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warrantholders in accordance with Condition 10.

- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warranholders.

## 6. Adjustments

- (a) *Rights Issues.* If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "Rights Offer"), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis
- R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Conditions:

"Rights" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (b) *Bonus Issues.* If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a "Bonus Issue") the Entitlement will be increased on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

- E: Existing Entitlement immediately prior to the Bonus Issue
- N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

- (c) *Share Splits or Consolidations.* If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a "Subdivision") or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a "Consolidation"), the Entitlement in effect immediately prior thereto will be increased (in the case of a Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.
- (d) *Merger or Consolidation.* If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "Restructuring Event") (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("Substituted Securities") and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong Dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph (d) and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Conditions to the Shares shall include any such cash.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give

rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 10.

## **7. Purchases**

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## **8. Warrant Certificates**

- (a) Each Warrantheolder shall be entitled, within ten Business Days after any Warrants are issued or transferred to him, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.
- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## **9. Meetings of Warrantheolders; Modification**

- (a) *Meetings of Warrantheolders.* The Registrar's Agreement contains provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar's Agreement) of a modification of the provisions of the Warrants or of the Instrument.

Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheolders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warrantheolders.

Resolutions can be passed in writing without a meeting of the Warrantheolders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheolders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheolders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## **10. Notices**

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warrantheolder or to which a Warrantheolder is entitled or which the Issuer shall have agreed to deliver to a Warrantheolder may be delivered by hand or sent by post addressed to the Warrantheolder (otherwise, in the case of Warrants which are expressed to be American Style, than in accordance with an Exercise Notice) to the Warrantheolder's address (or, in the case of joint Warrantheolders, to the address of the first named Warrantheolder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheolder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 10(b).
- (b) All notices to Warrantheolders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warrantheolders kept by the Registrar.

## **11. Liquidation**

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

## **12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further warrants so as to form a single series with the Warrants.



### **13. Delisting**

- (a) If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warranholders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Warranholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) Without prejudice to the generality of Condition 13(a), where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Warranholders, make such adjustments to the entitlements of Warranholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- (c) The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warranholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warranholders in accordance with Condition 10 as soon as practicable after they are determined.

### **14. Governing Law**

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warranholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

### **15. Language**

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

#### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

*The Conditions of the Put Warrants have been reviewed by HKSCC who have indicated that they will only approve the Conditions of the Put Warrants on a case by case basis. Accordingly, the applicable Supplemental Listing Document in relation to the issue of any series of Put Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Put Warrants. The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.*

## **TERMS AND CONDITIONS OF THE PUT WARRANTS (PHYSICALLY SETTLED)**

### **1. Form, Status, Transfer and Title**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) relating to the Shares of the Company are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the “Instrument”) dated the Issue Date, made by Fortis Bank S.A./N.V. (the “Issuer”) and a base registrar’s and warrant agency agreement (the “Registrar’s Agreement”) dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar’s Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the “Registrar” and “Warrant Agent”, which expression shall include any successors). The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar’s Agreement.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *CCASS.*
- (i) The Warrants have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited (“HKSCC”) for deposit, clearance and settlement in the Central Clearing and Settlement System (“CCASS”).
- (ii) Warrant certificates in definitive form will be issued for those Warrants to be deposited in CCASS (the “CCASS Warrant Certificates”) registered in the name of HKSCC Nominees Limited, or such other person, firm or company for the time being appointed by HKSCC as a nominee (the “Nominee”), and deposited directly into CCASS for credit to the Stock Account (as defined in Condition 4(k)) of the initial Warrantholders maintained in CCASS.
- (iii) Warrant certificates in definitive form registered in the name of the Warrantholder (or his nominee) will be issued when a Warrantholder elects not to hold his Warrants in CCASS, either by choosing not to do so on issue of the Warrants or thereafter by withdrawing them from CCASS in the manner prescribed from time to time by the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time (the “CCASS Rules”).

**The Warrants may not be exercised unless held within CCASS and deposited with, and credited to, a Stock Account of a Warrantholder in CCASS.**

- (iv) Any Warrantholder choosing to deposit with CCASS Warrants represented by a definitive warrant certificate registered in his or his nominee's name and to have instead those Warrants represented by the CCASS Warrant Certificates and credited to his or his designated CCASS participants' Stock Account shall deposit those Warrants in CCASS in the manner prescribed from time to time by the CCASS Rules.
- (v) Those Warrants deposited with, and credited to a Stock Account of a Warrantholder in CCASS shall be transferred through CCASS in accordance with the CCASS Rules. Those Warrants held in the form of definitive warrant certificates outside CCASS shall be transferred by the delivery of the relevant warrant certificate(s) to the Registrar, together with the delivery of a standard transfer form to the Registrar in such form as may from time to time be in use. The standard transfer form is obtainable from the Registrar.
- (d) *Transfer.* Transfer of Warrants may be effected only in a Board Lot or integral multiples thereof.
- (e) *Title.* Each person who is for the time being shown in the records of CCASS as entitled to a particular number of Warrants by way of an interest (to the extent of such number) in the CCASS Warrant Certificates in respect of those Warrants represented thereby shall be treated by the Issuer, the Warrant Agent and the Registrar as the holder of such number of Warrants. Each person (other than the Nominee in respect of Warrants deposited in CCASS and represented by the CCASS Warrant Certificates) who is for the time being shown in the records of the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer, the Warrant Agent and the Registrar as the holder of such number of Warrants. The expression "Warrantholder" shall be construed accordingly.
- (f) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

## **2. Warrant Rights, Exercise Price and Exercise Expenses**

- (a) *Warrant Rights.* Every Exercise Amount initially entitles each Warrantholder, upon due exercise and compliance with Condition 4, to sell to the Issuer the Entitlement, subject to adjustment as provided in Condition 6.
- (b) *Exercise Price.* The price to be paid by the Issuer upon the exercise of every Exercise Amount shall be the Exercise Price, subject to adjustment as described in Condition 6, less any sums payable in accordance with Condition 2(c).
- (c) *Exercise Expenses.* Warrantholders will be required to pay all charges which they incur in respect of the sale and transfer of Shares upon the exercise of the Warrants, including without limitation stamp duty, levies, registration charges and other expenses payable in respect of documents of title to Shares, including but not limited to scrip fees payable on the share certificates representing Shares.

In addition, Warrantholders will be required to pay a sum equal to all the expenses payable by the buyer and transferee of the relevant Shares, including without limitation any stamp duty, agent's expenses, scrip fees, levies, registration charges and other expenses payable on or in respect of or in connection with the sale of or agreement to sell the Shares to which the relevant Warrants and/or the exercise of the Warrants relate (the above charges and expenses incurred by Warrantholders and the above buyer's and transferee's expenses are together referred to as the "Exercise Expenses").

An amount equivalent to the Exercise Expenses shall be deducted from the Exercise Price paid by the Issuer to the Warrantholder. In certain circumstances, part of the Exercise Expenses may be required to be paid by Warrantholders after the exercise of the Warrants but prior to the delivery of the forms of transfer relating to the Shares to the registrar of the Company.

### **3. Exercise of American Style Warrants and European Style Warrants, Suspension Period and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4 at any time during the period (the "Exercise Period") beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date (as defined below).
- (b) *Suspension Period.* If the Issuer determines (in its absolute discretion) that as a result of the suspension or cessation of all or part of the clearing, settlement and depository operations of CCASS, the ability of the Warrantholder or the Issuer to perform their respective delivery and payment obligations pursuant to the exercise of the Warrants has been or could be expected to be materially adversely affected (in each case, a "Suspension Period"), the Warrantholder shall effect the delivery or record the transfer of, and the Issuer shall make payment for, the Shares on the first Business Day after the end of the Suspension Period in accordance with Condition 4(i) (and so that, in calculating the number of days between the relevant Exercise Date (as defined in Condition 4(d)) and the date on which Shares are transferred, the Suspension Period shall be excluded) and notice thereof shall be given to the Warrantholders in accordance with Condition 10.
- (c) *Expiry.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period shall expire immediately without value thereafter and all rights of the Warrantholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **(B) European Style Warrants**

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable by delivery of an Exercise Notice in accordance with Condition 4 only on the Expiry Date or on the Business Day prior to the Expiry Date provided that any delivery made before the Expiry Date shall be deemed to be made on the Expiry Date.
- (b) *Suspension Period.* If the Issuer determines (in its absolute discretion) that as a result of the suspension or cessation of all or part of the clearing, settlement and depository operations of CCASS, the ability of the Warrantholder or the Issuer to perform their respective delivery and payment obligations pursuant to the exercise of the Warrants has been or could be expected to be materially adversely affected (in each case, a "Suspension Period"), the Warrantholder shall effect the delivery or record the transfer

of, and the Issuer shall make payment for, the Shares on the first Business Day after the end of the Suspension Period in accordance with Condition 4(i) (and so that, in calculating the number of days between the relevant Exercise Date and the date on which Shares are transferred, the Suspension Period shall be excluded) and notice thereof shall be given to the Warrantheholders in accordance with Condition 10.

- (c) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred on the Expiry Date shall expire immediately without value thereafter and all rights of the Warrantheholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **4. Exercise of Warrants**

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) Warrants may only be exercised if:
  - (i) the Warrants are duly deposited with, and credited to the Stock Account of the Warrantheholder in, CCASS, no later than the Business Day immediately preceding the Exercise Date; and
  - (ii) the Shares to be sold and transferred to the Issuer upon exercise of the Warrants are duly deposited with, and credited to the Stock Account of the Warrantheholder in, CCASS, no later than the Exercise Date.
- (c) In order to exercise the Warrants:
  - (i) the Warrantheholder shall deliver to the Warrant Agent a duly completed exercise notice (an "Exercise Notice") using a form obtainable from the Registrar, such delivery to be made not later than 10:00 a.m. (Hong Kong time) on the Expiry Date;
  - (ii) the Warrantheholder shall input to CCASS an instruction, in such form as HKSCC may from time to time prescribe as being valid pursuant to the CCASS Rules (currently known as a "Settlement Instruction"), to effect the debit from the Stock Account of the Warrantheholder and credit to the Stock Account of the Issuer or its agent, on a free of payment basis (currently known as a "FOP" basis) in accordance with the CCASS Rules, the total number of Warrants the subject of the Exercise Notice in the second batch settlement run effected by CCASS on the Exercise Date, such input to be effected as soon as reasonably practicable and, in any event, no later than the time stated in the CCASS Rules (which time is currently 11:30 a.m. (Hong Kong time)) for the matching of such instructions pursuant to the Settlement Instruction matching run conducted preceding the second batch settlement run effected by CCASS on the Exercise Date; and
  - (iii) the Warrantheholder shall input to CCASS a Settlement Instruction, to effect the debit from the Stock Account of the Warrantheholder and credit to the Stock Account of the Issuer or its agent of the total number of the Shares to be sold and transferred by the Warrantheholder to the Issuer in the second batch settlement run effected by CCASS on the Exercise Date, on a FOP basis in accordance with the CCASS Rules, such input to be effected as soon as reasonably practicable and, in any event, no later than the time stated in the CCASS Rules (which time is currently 11:30 a.m. (Hong Kong time)) for the matching of such instructions pursuant to the Settlement Instruction matching run conducted preceding the second batch settlement run effected by CCASS on the Exercise Date.

- (d) (i) The date upon which Warrants are, or are to be treated as, exercised (an “Exercise Date”) shall be deemed to occur on the Business Day on which an Exercise Notice is received by the Warrant Agent and in respect of which there is a valid exercise of Warrants in accordance with the requirements set out herein, provided that any Exercise Notice received by the Warrant Agent after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered prior to 10:00 a.m. (Hong Kong time) on the next following Business Day.
- (ii) Subject to Condition 4(e), the Issuer shall, as from the Business Day next following the Exercise Date, become beneficially entitled to all rights attaching to the relevant Shares to which he would have become entitled had he been the registered shareholder of the Shares on the Business Day next following the Exercise Date.
- (e) The Exercise Notice shall:
  - (i) confirm that the Warrants have been duly deposited with, and credited to the Stock Account of the Warranholder in, CCASS, no later than the Business Day immediately preceding the Exercise Date, and that the Shares to be sold and transferred to the Issuer upon exercise of the Warrants have been duly deposited with, and credited to the Stock Account of the Warranholder in, CCASS, no later than the Exercise Date;
  - (ii) specify the name of the Warranholder, the number of Warrants being exercised, and the Stock Account of the Warranholder from which the Warrants being exercised are to be debited;
  - (iii) be accompanied by a Settlement Instruction to debit from the Stock Account of the Warranholder and credit to the Stock Account of the Issuer or its agent the total number of Warrants the subject of the Exercise Notice in the second batch settlement run effected by CCASS on the Exercise Date;
  - (iv) specify the number of Shares being sold and transferred by the Warranholder to the Issuer, and the Stock Account of the Warranholder from which the Shares are to be debited pursuant to the exercise of the Warrants the subject of the Exercise Notice;
  - (v) be accompanied by a Settlement Instruction to debit from the Stock Account of the Warranholder and credit to the Stock Account of the Issuer or its agent the total number of Shares to be sold and transferred by the Warranholder to the Issuer pursuant to the exercise of the Warrants the subject of the Exercise Notice in the second batch settlement run effected by CCASS on the Exercise Date; and
  - (vi) specify the bank account name(s) and number(s) into which payment of an amount equal to the aggregate of the Exercise Price less the Exercise Expenses of the Warrants the subject of the Exercise Notice is to be made by or on behalf of the Issuer on the Business Day next following the Exercise Date.
- (f) (i) Subject to fulfilment of the Warranholder’s obligations under Condition 4(c) above, the Issuer shall procure that the Warrant Agent itself or through its sub agent shall input to CCASS a Settlement Instruction, to effect the debit from the Stock Account of the Warranholder and credit to the Stock Account of the Issuer or its agent, on a FOP basis in accordance with the CCASS Rules, the total number of Warrants the subject of the Exercise Notice in the second batch settlement run effected by CCASS on the Exercise Date, such input to be effected

as soon as reasonably practicable and, in any event, no later than the time stated in the CCASS Rules (which time is currently 11:30 a.m. (Hong Kong time)) for the matching of such instructions pursuant to the Settlement Instruction matching run conducted preceding the second batch settlement run effected by CCASS on the Exercise Date; and

- (ii) the Issuer shall procure that the Warrant Agent itself or through its sub agent shall input to CCASS a Settlement Instruction, to effect the debit from the Stock Account of the Warrantholder and credit to the Stock Account of the Issuer or its agent of the total number of the Shares to be sold and transferred by the Warrantholder to the Issuer in the second batch settlement run effected by CCASS on the Exercise Date, on a FOP basis in accordance with the CCASS Rules, such input to be effected as soon as reasonably practicable and, in any event, no later than the time stated in the CCASS Rules (which time is currently 11:30 a.m. (Hong Kong time)) for the matching of such instructions pursuant to the Settlement Instruction matching run conducted preceding the second batch settlement run effected by CCASS on the Exercise Date.
- (g) Subject to the Warrantholder fulfilling its obligations under Conditions 4(b) and 4(c) above and to the Issuer procuring the fulfilment of the obligations of the Warrant Agent under Condition 4(f) above, for a valid exercise of those Warrants the total number of Warrants the subject of the Exercise Notice and the total number of Shares to be sold and transferred by the Warrantholder to the Issuer must be debited from the Stock Account of the Warrantholder and credited to the Stock Account of the Issuer or its agent, on a FOP basis in accordance with the CCASS Rules in the second batch settlement run effected by CCASS on the Exercise Date.
- (h) Subject to the Warrant Agent or its sub agent confirming to the Issuer that the transfer of the total number of Warrants the subject of the Exercise Notice and the total number of Shares to be sold and transferred by the Warrantholder to the Issuer has been duly completed in accordance with Condition 4(g) above, the Issuer shall procure that the Warrant Agent or its sub agent shall by 1:00 p.m. (Hong Kong time) on the Exercise Date input to CCASS a withdrawal instruction, in such form as HKSCC may from time to time prescribe as being valid under the CCASS Rules, to withdraw from CCASS the total number of Warrants the subject of the Exercise Notice and the total number of Shares to be transferred by the Warrantholder to the Issuer. Subject to their being made available by HKSCC for collection by 5:00 p.m. (Hong Kong time) on the Exercise Date, the Warrant Agent itself or through its sub agent shall collect the certificates in respect of the Warrants and the Shares from CCASS in accordance with the CCASS Rules.

The Issuer may change or modify the procedures set out in Conditions 4(f) to 4(h), as well as any other Conditions relating to the procedures for the settlement of the Warrants, to take into account any changes in market practice (including CCASS procedures in relation to conversion of the Warrants) by setting out such changes or modifications in a Supplemental Listing Document.

- (i) Subject to a valid exercise of Warrants,
  - (i) the Registrar shall, on the first Business Day following the Exercise Date, procure the cancellation of the number of Warrants the subject of the Exercise Notice;
  - (ii) the Issuer will procure the payment into the bank account whose name and number was specified in the Exercise Notice by the Warrantholder of an amount equal to the aggregate of the Exercise Price less the Exercise Expenses of the Warrants the subject of the Exercise Notice on the Business Day next following the Exercise Date; and

- (iii) the Warrant Agent shall hold the Shares transferred to the Issuer by the Warrantholder to the order of the Issuer.

Notwithstanding the foregoing, the Warrantholder shall account to the Issuer on demand for any unpaid Exercise Expenses to the extent that they were not or could not be paid prior to the Exercise Date.

- (j) (i) Delivery of an Exercise Notice in accordance with Condition 4(c) shall constitute an irrevocable election and undertaking by the Warrantholder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to the Issuer to deduct the Exercise Expenses from the Exercise Price and to transfer the Shares to be sold and transferred to the Issuer upon the exercise of such Warrants and an acknowledgement that the Warrant Agent will withdraw such Warrants and such Shares from CCASS for the purposes of validation of good title of such Shares and cancellation of such Warrants.
  - (ii) If the Shares in respect of any Warrants being exercised are not transferred in accordance with Condition 4(g) as a result of any act or omission of the Warrantholder, any such transfer may, with the consent of the Issuer (which consent may be granted or withheld at the Issuer's absolute discretion), be effected as soon as possible after delivery of the Exercise Notice, but without prejudice to the rights of the Issuer or of any other person in respect of the actions or omissions of the Warrantholder in question, and in such circumstances, the relevant Warrants shall not be treated as exercised earlier than the Exercise Date upon which all such Shares have been sold and transferred in accordance with Condition 4(g). In no event, however, will any sale or transfer be accepted after 12:00 noon (Hong Kong time) on the Expiry Date.
- (k) In these Conditions,
- (i) a "Business Day" shall be a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong and banks are open in Hong Kong for business;
  - (ii) "Expiry Date" means the Maturity Date or if the Maturity Date is not a Business Day the immediately succeeding Business Day;
  - (iii) "Stock Account" means, in relation to a Warrantholder or (as the case may be) the Issuer or its agent, its stock clearing account(s) in CCASS used for settlement purposes; and
  - (iv) all procedures relating to the Warrants involving CCASS are subject to the CCASS Rules.

## 5. Registrar

- (a) The initial Registrar and the specified office of the Registrar (the "Transfer Office") are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warrantholders in accordance with Condition 10.



- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warranholders.

## 6. Adjustments

- (a) *Rights Issues.* If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "Rights Offer"), the Entitlement will be adjusted to take effect on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Entitlement immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis
- R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

For the purposes of these Conditions:

"Rights" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (b) *Bonus Issues.* If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a "Bonus Issue") the Entitlement will be increased on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = (1 + N) \times E$$

Where:

- E: Existing Entitlement immediately prior to the Bonus Issue
- N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the above formula would result in an adjustment to the Entitlement which would amount to less than one per cent. of the Entitlement, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.

- (c) *Share Splits or Consolidations.* If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a "Subdivision") or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a "Consolidation"), the Entitlement in effect immediately prior thereto will be increased (in the case of a Subdivision) or decreased (in the case of a Consolidation) accordingly in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. This adjustment shall take effect on the same day that the Entitlement is adjusted.
- (d) *Merger or Consolidation.* If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "Restructuring Event") (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("Substituted Securities") and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong Dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph (d) and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Conditions to the Shares shall include any such cash.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give

rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 10.
- (g) *Excess Shares.* If, as a result of an adjustment to the Entitlement pursuant to Conditions 6(a), (b), (c) and (e) above (but not otherwise), an exercise of a number of Warrants specified in an Exercise Notice would (if not for the provisions of this Condition 6(g)) result in the relevant Warrantheolder becoming entitled to sell and transfer a number of Shares which is not equal to a board lot of the Shares at such time or an integral multiple thereof, then (a) the relevant Warrantheolder shall not be entitled to sell and transfer to the Issuer and the Issuer shall cease to be obliged to purchase in respect of such exercise, that number of Shares (the "Excess Shares") which exceeds the amount of such board lot or integral multiple thereof, and (b) the Issuer shall be entitled to deduct from the Exercise Price a cash amount equal to the closing price on the Business Day immediately preceding the relevant Exercise Date (as derived from the Daily Quotation Sheet of the Stock Exchange or, if no such quotation is available, the most recently available closing price) of one Share multiplied by the number of the Excess Shares.

## **7. Purchases**

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## **8. Warrant Certificates**

- (a) Each Warrantheolder shall be entitled, within ten Business Days after any Warrants are issued or transferred to him, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.
- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## **9. Meetings of Warrantheolders; Modification**

- (a) *Meetings of Warrantheolders.* The Registrar's Agreement contains provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar's Agreement) of a modification of the provisions of the Warrants or of the Instrument.

Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more

persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warranholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warranholders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warranholders shall be binding on all the Warranholders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warranholders.

Resolutions can be passed in writing without a meeting of the Warranholders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warranholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warranholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong (as defined below). Any such modification shall be binding on the Warranholders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## 10. Notices

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warranholder or to which a Warranholder is entitled or which the Issuer shall have agreed to deliver to a Warranholder may be delivered by hand or sent by post addressed to the Warranholder (otherwise, in the case of Warrants which are expressed to be American Style, than in accordance with an Exercise Notice) to the Warranholder's address (or, in the case of joint Warranholders, to the address of the first named Warranholder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warranholder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 10(b).
- (b) All notices to Warranholders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warranholders kept by the Registrar.

## 11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further warrants so as to form a single series with the Warrants.

## **12. Delisting**

- (a) If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warranholders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Warranholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) Without prejudice to the generality of Condition 12(a), where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Warranholders, make such adjustments to the entitlements of Warranholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- (c) The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warranholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warranholders in accordance with Condition 10 as soon as practicable after they are determined.

## **13. Governing Law**

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warranholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

## **14. Language**

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

## **TERMS AND CONDITIONS OF THE BASKET CALL WARRANTS (CASH SETTLED)**

### **1. Form, Status, Transfer, Title and Additional Costs and Expenses**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 12) relating to a basket comprising Shares of each of the Companies are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the “Instrument”) dated the Issue Date, made by Fortis Bank S.A./N.V. (the “Issuer”) and a base registrar’s and warrant agency agreement (the “Registrar’s Agreement”) dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar’s Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the “Registrar” and “Warrant Agent”, which expression shall include any successors). The Warrantheolders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar’s Agreement. References in these Conditions to “Company” shall be a reference to a company comprising one of the Companies and references to “Shares” shall be a reference to the shares of the Companies or, as the context requires, to the shares of a particular Company.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *Transfer.* Warrants will be transferable only by means of delivery of the standard transfer form to the Registrar, in such form as may from time to time be in use, together with the relevant warrant certificate(s) in accordance with the provisions of the Instrument and the Registrar’s Agreement. Transfers of Warrants may be effected only in a Board Lot or integral multiples thereof. The standard transfer form is obtainable from the Registrar.
- (d) *Title.* Each person who is for the time being shown in the register kept by the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of Warrants. The expression “Warrantheolder” shall be construed accordingly.
- (e) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

## 2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Exercise Amount gives each Warrantholder, upon due exercise and compliance with Condition 4(A) or 4(B), as the case may be, the right to receive the payment of the Cash Settlement Amount (as defined below), if any.
- (b) *Exercise Expenses.* On exercise of the Warrants, Warrantholders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses (as defined below) in accordance with Condition 4(A) or 4(B), as the case may be.
- (c) *Definitions.* For the purposes of these Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong (as defined below) and banks are open for business in Hong Kong;

“Cash Settlement Amount” means in respect of every Exercise Amount, an amount in Hong Kong Dollars calculated by the Issuer as equal to (1) the sum of each Basket Component of the Companies that comprise the basket (subject to adjustment as provided in Condition 6) multiplied by the arithmetic mean of the closing price of the relevant Share to which each Basket Component relates (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) in respect of each Valuation Date less (2) the Exercise Price and the Exercise Expenses;

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Expiry Date” means the Maturity Date or if the Maturity Date is not a Business Day the immediately preceding Business Day;

“Market Disruption Event” means (1) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (a) any of the Shares; or (b) any options or futures contracts relating to any of the Shares if, in any such case, that suspension or limitation is, in the determination of the Issuer, material or (2) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Transfer Office” means the specified office of the Registrar; and

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided below in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Exercise Date (as defined below) or the Expiry Date, as the case may be.

### **3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4(A) at any time during the period (the “Exercise Period”) beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warranholders). The Warranholders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Warranholders the Cash Settlement Amount (if any) in accordance with Condition 4(A)(f).
- (c) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Condition 3(A)(b) shall expire immediately without value thereafter and all rights of the Warranholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **(B) European Style Warrants**

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable only on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warranholders). The Warranholders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Warranholders the Cash Settlement Amount (if any) in accordance with Condition 4(B)(d).
- (c) *Expiry.* Any Warrant which has not been automatically exercised in accordance with Condition 3(B)(b) shall expire immediately without value thereafter and all rights of the Warranholder and obligations of the Issuer with respect to such Warrant shall cease.

### **4. Exercise of Warrants**

#### **(A) American Style Warrants**

The following provisions of this Condition 4(A) shall apply to Warrants which are expressed to be American Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.



- (b) *Delivery of an Exercise Notice.*
- (i) In order to exercise Warrants, the Warrantholder shall deliver to the Transfer Office a duly completed exercise notice obtainable from the Registrar (an “Exercise Notice”), such delivery to be made at any time during the Exercise Period. Warrants may not be exercised at any other time.
  - (ii) The date upon which a Warrant is, or is to be treated as, exercised (an “Exercise Date”) shall be the Business Day on which an Exercise Notice is delivered to the Registrar and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Conditions, provided that any Exercise Notice received by the Registrar after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.
- (c) *Exercise Notice.* The Exercise Notice shall:
- (i) specify the name(s) of the Warrantholder(s) and the number of Warrants being exercised;
  - (ii) be accompanied by the warrant certificate(s) in the name(s) of the exercising Warrantholder(s); and
  - (iii) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent.
- (d) *Consequences of delivery of an Exercise Notice.* Delivery of an Exercise Notice in accordance with Conditions 4(A)(b) and 4(A)(c) shall constitute an irrevocable election and undertaking by the Warrantholder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.
- (e) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from its register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (f) *Cash Settlement.* Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warrantholder (or such other person as the Warrantholder may have specified in the Exercise Notice, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Exercise Date or the Expiry Date, as the case may be, by way of cheque, unless otherwise specified in the Exercise Notice (if applicable), drawn in favour of the Warrantholder (or in the case of joint Warranholders, the first-named Warrantholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(A)(f) shall be delivered at the risk and expense of the Warrantholder, to such bank, broker or other agent (if any) in Hong Kong as the Warrantholder has specified in the Exercise Notice (if applicable), or if no such details are specified, posted to the Warrantholder’s address (or, in the case of joint Warranholders, to the address of the first-named Warrantholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there was no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Exercise Date or the Expiry Date, as the case may be, then (i) the Business Day immediately preceding the Exercise Date or the Expiry Date, as the case may be (the “Last Valuation Date”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event, and (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event. For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing prices of the Shares in respect of such postponed Valuation Date will be the closing prices of the Shares on the first succeeding Business Day. Accordingly, the closing prices in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing prices of the Shares for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing prices of the Shares.

**(B) European Style Warrants**

The following provisions of this Condition 4(B) shall apply to Warrants which are expressed to be European Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *No requirement to deliver an exercise notice.* The Warranholders will not be required to deliver an exercise notice for any purpose in relation to the Warrants.
- (c) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Expiry Date, remove from its register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Conditions, or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (d) *Cash Settlement.* Subject to automatic exercise of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warranholder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Expiry Date by way of cheque drawn in favour of the Warranholder (or in the case of joint Warranholders, the first-named Warranholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(B)(d) shall be posted at the risk and expense of the Warranholder to the Warranholder’s address (or, in the case of joint Warranholders, to the address of the first-named Warranholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there was no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date then (i) the Business Day immediately preceding the Expiry Date (the “Last Valuation Date”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption

Event, and (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event. For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing prices of the Shares in respect of such postponed Valuation Date will be the closing prices of the Shares on the first succeeding Business Day. Accordingly, the closing prices in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing prices of the Shares for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing prices of the Shares.

## 5. Registrar

- (a) The initial Registrar and the Transfer Office, are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warrantheolders in accordance with Condition 10.
- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantheolders.

## 6. Adjustments

- (a) *Rights Issues.* If and whenever any of the Companies shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "Rights Offer"), the Basket Component that relates to the Share(s) of the Company making the Rights Offer will be adjusted to take effect on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Basket Component insofar as it relates to the Share(s) of the Company making the Rights Offer} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Basket Component insofar as it relates to the Share(s) of the Company making the Rights Offer immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which the Shares (of the Company making the Rights Offer) are traded on a cum-Rights basis
- R: Subscription price per Share (of the Company making the Rights Offer) specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share (of the Company making the Rights Offer) each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Basket Component being changed by one per cent. or less, then no adjustment will be made to such Basket Component.

For the purposes of these Conditions:

“Rights” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (b) *Bonus Issues.* If and whenever any of the Companies shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the relevant Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a “Bonus Issue”) the Basket Component that relates to the Share(s) of the Company making the Bonus Issue will be increased on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\begin{array}{l} \text{Adjusted Basket Component insofar} \\ \text{as it relates to the Share(s) of the} \\ \text{Company making the Bonus Issue} \end{array} = (1 + N) \times E$$

Where:

E: Existing Basket Component insofar as it relates to the Share(s) of the Company making the Bonus Issue immediately prior to the Bonus Issue

N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share (of the Company making the Bonus Issue) held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Basket Component being changed by one per cent. or less, then no adjustment will be made to such Basket Component.

- (c) *Share Splits or Consolidations.* If and whenever any of the Companies shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a “Subdivision”) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a “Consolidation”), the Basket Component, insofar as it relates to the Share(s) of the Company making the Subdivision, in effect immediately prior thereto will be increased or the Basket Component, in effect immediately prior thereto insofar as it relates to the Share(s) of the Company making the Consolidation will be decreased in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect.
- (d) *Merger or Consolidation.* If it is announced that any of the Companies is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where that Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “Restructuring Event”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“Substituted Securities”) and/or cash

offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong Dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph (d) and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Conditions to the Shares shall include any such cash.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warranholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 10.

## **7. Purchases**

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## **8. Warrant Certificates**

- (a) Each Warranholder shall be entitled, within ten Business Days after any Warrants are issued or transferred to him, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.
- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## **9. Meetings of Warranholders; Modification**

- (a) *Meetings of Warranholders.* The Registrar's Agreement contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar's Agreement) of a modification of the provisions of the Warrants or of the Instrument.

Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheolders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warrantheolders.

Resolutions can be passed in writing without a meeting of the Warrantheolders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheolders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheolders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## **10. Notices**

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warrantheolder or to which a Warrantheolder is entitled or which the Issuer shall have agreed to deliver to a Warrantheolder may be delivered by hand or sent by post addressed to the Warrantheolder (otherwise, in the case of Warrants which are expressed to be American Style, than in accordance with an Exercise Notice) to the Warrantheolder's address (or, in the case of joint Warrantheolders, to the address of the first-named Warrantheolder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheolder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 10(b).
- (b) All notices to Warrantheolders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warrantheolders kept by the Registrar.

## **11. Liquidation**

In the event of a liquidation or dissolution of all of the Companies or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of their undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation of the last Company to be so affected, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution of the last Company to be so affected, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of any of the Companies, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

## **12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

## **13. Delisting**

- (a) If at any time any of the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) Without prejudice to the generality of Condition 13(a), where any of the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- (c) The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 10 as soon as practicable after they are determined.

## **14. Governing Law**

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

## **15. Language**

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong



The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

## **TERMS AND CONDITIONS OF THE BASKET PUT WARRANTS (CASH SETTLED)**

### **1. Form, Status, Transfer, Title and Additional Costs and Expenses**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 12) relating to a basket comprising Shares of each of the Companies are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the “Instrument”) dated the Issue Date, made by Fortis Bank S.A./N.V. (the “Issuer”) and a base registrar’s and warrant agency agreement (the “Registrar’s Agreement”) dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar’s Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the “Registrar” and “Warrant Agent”, which expression shall include any successors). The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar’s Agreement. References in these Conditions to “Company” shall be a reference to a company comprising one of the Companies and references to “Shares” shall be a reference to the shares of the Companies or, as the context requires, to the shares of a particular Company.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *Transfer.* Warrants will be transferable only by means of delivery of the standard transfer form to the Registrar, in such form as may from time to time be in use, together with the relevant warrant certificate(s) in accordance with the provisions of the Instrument and the Registrar’s Agreement. Transfers of Warrants may be effected only in a Board Lot or integral multiples thereof. The standard transfer form is obtainable from the Registrar.
- (d) *Title.* Each person who is for the time being shown in the register kept by the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of Warrants. The expression “Warrantholder” shall be construed accordingly.
- (e) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

## 2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Exercise Amount gives each Warrantholder, upon due exercise and compliance with Condition 4(A) or 4(B), as the case may be, the right to receive the payment of the Cash Settlement Amount (as defined below), if any.
- (b) *Exercise Expenses.* On exercise of the Warrants, Warrantholders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses (as defined below) in accordance with Condition 4(A) or 4(B), as the case may be.
- (c) *Definitions.* For the purposes of these Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong (as defined below) and banks are open for business in Hong Kong;

“Cash Settlement Amount” means in respect of every Exercise Amount, an amount in Hong Kong Dollars calculated by the Issuer as equal to (1) the Exercise Price less (2) the sum of each Basket Component of the Companies that comprise the basket (subject to adjustment as provided in Condition 6) multiplied by the arithmetic mean of the closing price of the relevant Share to which each Basket Component relates (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) in respect of each Valuation Date and the Exercise Expenses;

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Expiry Date” means the Maturity Date or if the Maturity Date is not a Business Day the immediately preceding Business Day;

“Market Disruption Event” means (1) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (a) any of the Shares; or (b) any options or futures contracts relating to any of the Shares if, in any such case, that suspension or limitation is, in the determination of the Issuer, material or (2) the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Transfer Office” means the specified office of the Registrar; and

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided below in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Exercise Date (as defined below) or the Expiry Date, as the case may be.

### **3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4(A) at any time during the period (the "Exercise Period") beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warranholders). The Warranholders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Warranholders the Cash Settlement Amount (if any) in accordance with Condition 4(A)(f).
- (c) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Condition 3(A)(b) shall expire immediately without value thereafter and all rights of the Warranholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **(B) European Style Warrants**

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable only on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warranholders). The Warranholders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Warranholders the Cash Settlement Amount (if any) in accordance with Condition 4(B)(d).
- (c) *Expiry.* Any Warrant which has not been automatically exercised in accordance with Condition 3(B)(b) shall expire immediately without value thereafter and all rights of the Warranholder and obligations of the Issuer with respect to such Warrant shall cease.

### **4. Exercise of Warrants**

#### **(A) American Style Warrants**

The following provisions of this Condition 4(A) shall apply to Warrants which are expressed to be American Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.

- (b) *Delivery of an Exercise Notice.*
- (i) In order to exercise Warrants, the Warrantholder shall deliver to the Transfer Office a duly completed exercise notice obtainable from the Registrar (an “Exercise Notice”), such delivery to be made at any time during the Exercise Period. Warrants may not be exercised at any other time.
  - (ii) The date upon which a Warrant is, or is to be treated as, exercised (an “Exercise Date”) shall be the Business Day on which an Exercise Notice is delivered to the Registrar and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Conditions, provided that any Exercise Notice received by the Registrar after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.
- (c) *Exercise Notice.* The Exercise Notice shall:
- (i) specify the name(s) of the Warrantholder(s) and the number of Warrants being exercised;
  - (ii) be accompanied by the warrant certificate(s) in the name(s) of the exercising Warrantholder(s); and
  - (iii) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent.
- (d) *Consequences of delivery of an Exercise Notice.* Delivery of an Exercise Notice in accordance with Conditions 4(A)(b) and 4(A)(c) shall constitute an irrevocable election and undertaking by the Warrantholder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.
- (e) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from its register the name of the person in respect of the Warrants which are (i) the subject of a valid exercise in accordance with these Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (f) *Cash Settlement.* Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warrantholder (or such other person as the Warrantholder may have specified in the Exercise Notice, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Exercise Date or the Expiry Date, as the case may be, by way of cheque, unless otherwise specified in the Exercise Notice (if applicable), drawn in favour of the Warrantholder (or in the case of joint Warranholders, the first-named Warrantholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(A)(f) shall be delivered at the risk and expense of the Warrantholder, to such bank, broker or other agent (if any) in Hong Kong as the Warrantholder has specified in the Exercise Notice (if applicable), or if no such details are specified, posted to the Warrantholder’s address (or, in the case of joint Warranholders, to the address of the first-named Warrantholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there was no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Exercise Date or the Expiry Date, as the case may be, then (i) the Business Day immediately preceding the Exercise Date or the Expiry Date, as the case may be (the “Last Valuation Date”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event, and (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event. For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing prices of the Shares in respect of such postponed Valuation Date will be the closing prices of the Shares on the first succeeding Business Day. Accordingly, the closing prices in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing prices of the Shares for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing prices of the Shares.

**(B) European Style Warrants**

The following provisions of this Condition 4(B) shall apply to Warrants which are expressed to be European Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *No requirement to deliver an exercise notice.* The Warranholders will not be required to deliver an exercise notice for any purpose in relation to the Warrants.
- (c) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Expiry Date, remove from its register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Conditions or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (d) *Cash Settlement.* Subject to automatic exercise of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warranholder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Expiry Date by way of cheque drawn in favour of the Warranholder (or in the case of joint Warranholders, the first-named Warranholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(B)(d) shall be posted at the risk and expense of the Warranholder to the Warranholder’s address (or, in the case of joint Warranholders, to the address of the first-named Warranholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there was no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date then (i) the Business Day immediately preceding the Expiry Date (the “Last Valuation Date”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption

Event, and (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event. For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing prices of the Shares in respect of such postponed Valuation Date will be the closing prices of the Shares on the first succeeding Business Day. Accordingly, the closing prices in respect of a Valuation Date may be used more than once in calculating the arithmetic mean of the closing prices of the Shares for the determination of the Cash Settlement Amount, so that in no event shall there be less than five closing prices to determine the arithmetic mean of the closing prices of the Shares.

## 5. Registrar

- (a) The initial Registrar and the Transfer Office are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warrantheolders in accordance with Condition 10.
- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantheolders.

## 6. Adjustments

- (a) *Rights Issues.* If and whenever any of the Companies shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "Rights Offer"), the Basket Component that relates to the Share(s) of the Company making the Rights Offer will be adjusted to take effect on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Basket Component insofar as it relates to the Share(s) of the Company making the Rights Offer} = \frac{1 + M}{1 + (R/S) \times M} \times E$$

Where:

- E: Existing Basket Component insofar as it relates to the Share(s) of the Company making the Rights Offer immediately prior to the Rights Offer
- S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which the Shares (of the Company making the Rights Offer) are traded on a cum-Rights basis
- R: Subscription price per Share (of the Company making the Rights Offer) specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right
- M: Number of new Share(s) (whether a whole or a fraction) per existing Share (of the Company making the Rights Offer) each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Basket Component being changed by one per cent. or less, then no adjustment will be made to such Basket Component.

For the purposes of these Conditions:

“Rights” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (b) *Bonus Issues.* If and whenever any of the Companies shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the relevant Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a “Bonus Issue”) the Basket Component that relates to the Share(s) of the Company making the Bonus Issue will be increased on the Business Day on which trading in the Shares of the Company becomes ex-entitlement in accordance with the following formula:

$$\begin{array}{l} \text{Adjusted Basket Component insofar} \\ \text{as it relates to the Share(s) of the} \\ \text{Company making the Bonus Issue} \end{array} = (1 + N) \times E$$

Where:

- E: Existing Basket Component insofar as it relates to the Share(s) of the Company making the Bonus Issue immediately prior to the Bonus Issue
- N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share (of the Company making the Bonus Issue) held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Basket Component being changed by one per cent. or less, then no adjustment will be made to such Basket Component.

- (c) *Share Splits or Consolidations.* If and whenever any of the Companies shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a “Subdivision”) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a “Consolidation”), the Basket Component, insofar as it relates to the Share(s) of the Company making the Subdivision, in effect immediately prior thereto will be increased or the Basket Component, insofar as it relates to the Share(s) of the Company making the Consolidation, in effect immediately prior thereto will be decreased in each case on the day on which the relevant Subdivision or Consolidation shall have taken effect.
- (d) *Merger or Consolidation.* If it is announced that any of the Companies is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where that Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “Restructuring Event”) (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“Substituted Securities”) and/or cash

offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong Dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph (d) and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Conditions to the Shares shall include any such cash.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion and notwithstanding any prior adjustment made pursuant to the above should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warranholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 10.

## **7. Purchases**

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## **8. Warrant Certificates**

- (a) Each Warranholder shall be entitled, within ten Business Days after any Warrants are issued or transferred to him, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.
- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## **9. Meetings of Warranholders; Modification**

- (a) *Meetings of Warranholders.* The Registrar's Agreement contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar's Agreement) of a modification of the provisions of the Warrants or of the Instrument.



Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheolders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warrantheolders.

Resolutions can be passed in writing without a meeting of the Warrantheolders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheolders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheolders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## 10. Notices

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warrantheolder or to which a Warrantheolder is entitled or which the Issuer shall have agreed to deliver to a Warrantheolder may be delivered by hand or sent by post addressed to the Warrantheolder (otherwise, in the case of Warrants which are expressed to be American Style, than in accordance with an Exercise Notice) to the Warrantheolder's address (or, in the case of joint Warrantheolders, to the address of the first named Warrantheolder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheolder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 10(b).
- (b) All notices to Warrantheolders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warrantheolders kept by the Registrar.

## **11. Liquidation**

In the event of a liquidation or dissolution of all of the Companies or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of their undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation of the last Company to be so affected, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution of the last Company to be so affected, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of any of the Companies, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

## **12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further warrants so as to form a single series with the Warrants.

## **13. Delisting**

- (a) If at any time any of the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantheolders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Warrantheolder or the tax or other consequences that may result in any particular jurisdiction).
- (b) Without prejudice to the generality of Condition 13(a), where any of the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Warrantheolders, make such adjustments to the entitlements of Warrantheolders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.
- (c) The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantheolders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantheolders in accordance with Condition 10 as soon as practicable after they are determined.

## **14. Governing Law**

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warrantheolder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

## **15. Language**

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

## **TERMS AND CONDITIONS OF THE INDEX CALL WARRANTS (CASH SETTLED)**

### **1. Form, Status, Transfer, Title and Additional Costs and Expenses**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) relating to the Index as published by the Index Compiler are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the “Instrument”) dated the Issue Date, made by Fortis Bank S.A./N.V. (the “Issuer”) and a base registrar’s and warrant agency agreement (the “Registrar’s Agreement”) dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar’s Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the “Registrar” and “Warrant Agent”, which expression shall include any successors). The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar’s Agreement.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *Transfer.* Warrants will be transferable only by means of delivery of a standard transfer form to the Registrar, in such form as may from time to time be in use, together with the relevant warrant certificate(s) in accordance with the provisions of the Instrument and the Registrar’s Agreement. Transfers of Warrants may be effected only in a Board Lot or integral multiples thereof. The standard transfer form is obtainable from the Registrar.
- (d) *Title.* Each person who is for the time being shown in the register kept by the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of Warrants. The expression “Warrantholder” shall be construed accordingly.
- (e) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

### **2. Warrant Rights and Exercise Expenses**

- (a) *Warrant Rights.* Every Exercise Amount entitles each Warrantholder, upon due exercise and compliance with Condition 4(A) or 4(B), as the case may be, to payment of the Cash Settlement Amount (as defined below), if any.

- (b) *Exercise Expenses.* On exercise of the Warrants, Warrantholders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses (as defined below) in accordance with Condition 4(A) or 4(B), as the case may be.
- (c) *Definitions.* For the purposes of these Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong (as defined below) and banks are open for business in Hong Kong;

“Cash Settlement Amount” means in respect of every Exercise Amount, an amount calculated by the Issuer equal to (1) the excess of the Closing Level on the Valuation Date over the Strike Level, multiplied by the Index Currency Amount, either converted (if applicable) (i) into the Settlement Currency at the Exchange Rate or, as the case may be, (ii) into the Interim Currency at the First Exchange Rate and then converted into the Settlement Currency at the Second Exchange Rate less (2) the Exercise Expenses;

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Expiry Date” means the Maturity Date or if the Maturity Date is not a Business Day the immediately preceding Business Day;

“Market Disruption Event” means:

- (1) the occurrence or existence, on the Valuation Date during the one-half hour period that ends at the close of trading on the Index Exchange, of any of:
  - (i) the suspension or material limitation of the trading of a material number of securities that comprise the Index; or
  - (ii) the suspension or material limitation of the trading of securities on the Index Exchange; or
  - (iii) the suspension or material limitation of the trading of options or futures contracts relating to the Index on any exchanges on which such contracts are traded; or
  - (iv) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount;

for the purposes of paragraph (1), (x) the limitation of the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any exchange, and (y) a limitation on trading imposed by reason of the movements in price exceeding the levels permitted by any relevant exchange will constitute a Market Disruption Event; or

- (2) where the Index Exchange is the Stock Exchange, the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Transfer Office” means the specified office of the Registrar; and

“Valuation Date” means the Exercise Date (as defined below) or the Expiry Date, as the case may be.

### **3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4(A) at any time during the period (the “Exercise Period”) beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warranholders). The Warranholders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Warranholders the Cash Settlement Amount (if any) in accordance with Condition 4(A)(f).
- (c) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Condition 3(A)(b) shall expire immediately without value thereafter and all rights of the Warranholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **(B) European Style Warrants**

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable only on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warranholders). The Warranholders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Warranholders the Cash Settlement Amount (if any) in accordance with Condition 4(B)(d).
- (c) *Expiry.* Any Warrant which has not been automatically exercised in accordance with Condition 3(B)(b) shall expire immediately without value thereafter and all rights of the Warranholder and obligations of the Issuer with respect to such Warrant shall cease.

### **4. Exercise of Warrants**

#### **(A) American Style Warrants**

The following provisions of this Condition 4(A) shall apply to Warrants which are expressed to be American Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.

- (b) *Delivery of an Exercise Notice.*
- (i) In order to exercise Warrants, the Warrantholder shall deliver to the Transfer Office a duly completed exercise notice obtainable from the Registrar (an “Exercise Notice”), such delivery to be made at any time during the Exercise Period. Warrants may not be exercised at any other time.
  - (ii) The date upon which a Warrant is, or is to be treated as, exercised (an “Exercise Date”) shall be the Business Day on which an Exercise Notice is delivered to the Registrar and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Conditions, provided that any Exercise Notice received by the Registrar after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.
- (c) *Exercise Notice.* The Exercise Notice shall:
- (i) specify the name(s) of the Warrantholder(s) and the number of Warrants being exercised;
  - (ii) be accompanied by the warrant certificate(s) in the name(s) of the exercising Warrantholder(s); and
  - (iii) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent.
- (d) *Consequences of delivery of an Exercise Notice.* Delivery of an Exercise Notice in accordance with Conditions 4(A)(b) and 4(A)(c) shall constitute an irrevocable election and undertaking by the Warrantholder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.
- (e) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from its register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (f) *Cash Settlement.* Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warrantholder (or such other person as the Warrantholder may have specified in the Exercise Notice, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Valuation Date by way of cheque, unless otherwise specified in the Exercise Notice (if applicable), drawn in favour of the Warrantholder (or in the case of joint Warrantholders, the first-named Warrantholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(A)(f) shall be delivered at the risk and expense of the Warrantholder, to such bank, broker or other agent (if any) in Hong Kong as the Warrantholder has specified in the Exercise Notice (if applicable), or if no such details are specified, posted to the Warrantholder’s address (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer shall determine the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Closing Level by having regard to the manner in which futures contracts relating to the Index are calculated.

## **(B) *European Style Warrants***

The following provisions of this Condition 4(B) shall apply to Warrants which are expressed to be European Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *No requirement* to deliver an exercise notice. The Warranholders will not be required to deliver an exercise notice for any purpose in relation to the Warrants.
- (c) *Cancellation*. The Issuer will procure that the Registrar will, with effect from the first Business Day following the Expiry Date, remove from its register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Conditions or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (d) *Cash Settlement*. Subject to automatic exercise of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warranholder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Valuation Date by way of cheque drawn in favour of the Warranholder (or in the case of joint Warranholders, the first-named Warranholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(B)(d) shall be posted at the risk and expense of the Warranholder to the Warranholder's address (or, in the case of joint Warranholders, to the address of the first-named Warranholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer shall determine the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Closing Level by having regard to the manner in which futures contracts relating to the Index are calculated.

## **5. Registrar**

- (a) The initial Registrar and the Transfer Office are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warranholders in accordance with Condition 10.
- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warranholders.



## 6. Adjustments to the Index

- (a) *Successor Index Compiler Calculates and Reports Index.* If the Index is (i) not calculated and announced by the Index Compiler but is calculated and published by a successor to the Index Compiler (the “Successor Index Compiler”) acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index will be deemed to be the index so calculated and announced by the Successor Index Compiler or that successor index, as the case may be.
- (b) *Modification and Cessation of Calculation of Index.*

If:

- (i) on or prior to a Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock, contracts or commodities and other routine events); or
- (ii) on a Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler fails to calculate and publish the Index (other than as a result of a Market Disruption Event),

then the Issuer shall determine the Closing Level using, in lieu of a published level for the Index, the level for the Index as at that Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities/commodities that comprised the Index immediately prior to that change or failure.

- (c) *Notice of Determinations.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any determinations by publication in accordance with Condition 10.

## 7. Purchases

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## 8. Warrant Certificates

- (a) Each Warrantholder shall be entitled, within ten Business Days after any Warrants are issued or transferred to him, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.
- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## 9. Meetings of Warranholders; Modification

- (a) *Meetings of Warranholders.* The Registrar's Agreement contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar's Agreement) of a modification of the provisions of the Warrants or of the Instrument.

Such a meeting may be convened by the Issuer or by Warranholders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warranholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warranholders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warranholders shall be binding on all the Warranholders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warranholders.

Resolutions can be passed in writing without a meeting of the Warranholders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warranholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warranholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong. Any such modification shall be binding on the Warranholders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## 10. Notices

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warranholder or to which a Warranholder is entitled or which the Issuer shall have agreed to deliver to a Warranholder may be delivered by hand or sent by post addressed to the Warranholder (unless otherwise, in the case of Warrants which are expressed to be American Style, specified in an Exercise Notice) to the Warranholder's address (or, in the case of joint Warranholders, to the address of the first named Warranholder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warranholder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 10(b).

- (b) All notices to Warrantheolders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warrantheolders kept by the Registrar.

## **11. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further warrants so as to form a single series with the Warrants.

## **12. Governing Law**

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warrantheolder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

## **13. Language**

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

*The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.*

## **TERMS AND CONDITIONS OF THE INDEX PUT WARRANTS (CASH SETTLED)**

### **1. Form, Status, Transfer, Title and Additional Costs and Expenses**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) relating to the Index as published by the Index Compiler are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the "Instrument") dated the Issue Date, made by Fortis Bank S.A./N.V. (the "Issuer") and a base registrar's and warrant agency agreement (the "Registrar's Agreement") dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar's Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the "Registrar" and "Warrant Agent", which expression shall include any successors). The Warrantheolders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar's Agreement.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *Transfer.* Warrants will be transferable only by means of delivery of a standard transfer form to the Registrar, in such form as may from time to time be in use, together with the relevant warrant certificate(s) in accordance with the provisions of the Instrument and the Registrar's Agreement. Transfers of Warrants may be effected only in a Board Lot or integral multiples thereof. The standard transfer form is obtainable from the Registrar.
- (d) *Title.* Each person who is for the time being shown in the register kept by the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of Warrants. The expression "Warrantheolder" shall be construed accordingly.
- (e) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

### **2. Warrant Rights and Exercise Expenses**

- (a) *Warrant Rights.* Every Exercise Amount entitles each Warrantheolder, upon due exercise and compliance with Condition 4(A) or 4(B), as the case may be, to payment of the Cash Settlement Amount (as defined below), if any.
- (b) *Exercise Expenses.* On exercise of the Warrants, Warrantheolders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses (as defined below) in accordance with Condition 4(A) or 4(B), as the case may be.

(c) *Definitions.* For the purposes of these Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong (as defined below) and banks are open for business in Hong Kong;

“Cash Settlement Amount” means in respect of every Exercise Amount an amount calculated by the Issuer equal to (1) the excess of the Strike Level over the Closing Level on the Valuation Date, multiplied by the Index Currency Amount, either converted (if applicable) (i) into the Settlement Currency at the Exchange Rate or, as the case may be, (ii) into the Interim Currency at the First Exchange Rate and then converted into the Settlement Currency at the Second Exchange Rate less (2) the Exercise Expenses;

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Expiry Date” means the Maturity Date or if the Maturity Date is not a Business Day the immediately preceding Business Day;

“Market Disruption Event” means:

- (1) the occurrence or existence, on the Valuation Date during the one-half hour period that ends at the close of trading on the Index Exchange, of any of:
  - (i) the suspension or material limitation of the trading of a material number of securities that comprise the Index; or
  - (ii) the suspension or material limitation of the trading of securities on the Index Exchange; or
  - (iii) the suspension or material limitation of the trading of options or futures contracts relating to the Index on any exchanges on which such contracts are traded; or
  - (iv) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount;

for the purposes of paragraph (1), (x) the limitation of the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any exchange, and (y) a limitation on trading imposed by reason of the movements in price exceeding the levels permitted by any relevant exchange will constitute a Market Disruption Event; or

- (2) where the Index Exchange is the Stock Exchange, the hoisting of the tropical cyclone warning signal number 8 or above or the hoisting of a “BLACK” rainstorm signal which either results in the Stock Exchange being closed for dealings for an entire day or results in the Stock Exchange being closed prior to its regular time for close of trading on any day PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening later than its regular time for open of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Transfer Office” means the specified office of the Registrar; and

“Valuation Date” means the Exercise Date (as defined below) or the Expiry Date, as the case may be.

### **3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4(A) at any time during the period (the “Exercise Period”) beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warranholders). The Warranholders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Warranholders the Cash Settlement Amount (if any) in accordance with Condition 4(A)(f).
- (c) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Condition 3(A)(b) shall expire immediately without value thereafter and all rights of the Warranholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **(B) European Style Warrants**

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable only on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warranholders). The Warranholders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Warranholders the Cash Settlement Amount (if any) in accordance with Condition 4(B)(d).
- (c) *Expiry.* Any Warrant which has not been automatically exercised in accordance with Condition 3(B)(b) shall expire immediately without value thereafter and all rights of the Warranholder and obligations of the Issuer with respect to such Warrant shall cease.

### **4. Exercise of Warrants**

#### **(A) American Style Warrants**

The following provisions of this Condition 4(A) shall apply to Warrants which are expressed to be American Style.

- (a) Warrants may only be exercised in Board Lots or integral multiples thereof.

- (b) *Delivery of an Exercise Notice.*
- (i) In order to exercise Warrants, the Warrantholder shall deliver to the Transfer Office a duly completed exercise notice obtainable from the Registrar (an “Exercise Notice”), such delivery to be made at any time during the Exercise Period. Warrants may not be exercised at any other time.
  - (ii) The date upon which a Warrant is, or is to be treated as, exercised (an “Exercise Date”) shall be the Business Day on which an Exercise Notice is delivered to the Registrar and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Conditions, provided that any Exercise Notice received by the Registrar after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.
- (c) *Exercise Notice.* The Exercise Notice shall:
- (i) specify the name(s) of the Warrantholder(s) and the number of Warrants being exercised;
  - (ii) be accompanied by the warrant certificate(s) in the name(s) of the exercising Warrantholder(s); and
  - (iii) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent.
- (d) *Consequences of delivery of an Exercise Notice.* Delivery of an Exercise Notice in accordance with Conditions 4(A)(b) and 4(A)(c) shall constitute an irrevocable election and undertaking by the Warrantholder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.
- (e) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from its register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (f) *Cash Settlement.* Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warrantholder (or such other person as the Warrantholder may have specified in the Exercise Notice, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Valuation Date by way of cheque, unless otherwise specified in the Exercise Notice (if applicable), drawn in favour of the Warrantholder (or in the case of joint Warrantholders, the first-named Warrantholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(A)(f) shall be delivered at the risk and expense of the Warrantholder, to such bank, broker or other agent (if any) in Hong Kong as the Warrantholder has specified in the Exercise Notice (if applicable), or if no such

details are specified, posted to the Warrantholder's address (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer shall determine the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event provided that the Issuer may, if applicable, but shall not be obliged, to determine such Closing Level by having regard to the manner in which futures contracts relating to the Index are calculated.

## **(B) *European Style Warrants***

The following provisions of this Condition 4(B) shall apply to Warrants which are expressed to be European Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *No requirement to deliver an exercise notice.* The Warrantholders will not be required to deliver an exercise notice for any purpose in relation to the Warrants.
- (c) *Cancellation.* Subject to automatic exercise of Warrants in accordance with these Conditions, the Issuer will procure that the Registrar will, with effect from the first Business Day following the Expiry Date, remove from its register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Conditions or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (d) *Cash Settlement.* Subject to automatic exercise of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warrantholder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Valuation Date by way of cheque drawn in favour of the Warrantholder (or in the case of joint Warrantholders, the first-named Warrantholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(B)(d) shall be posted at the risk and expense of the Warrantholder to the Warrantholder's address (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer shall determine the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event provided that the Issuer may, if applicable, but shall not be obliged, to determine such Closing Level by having regard to the manner in which futures contracts relating to the Index are calculated.

## **5. Registrar**

- (a) The initial Registrar and the Transfer Office are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock



Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warrantholders in accordance with Condition 10.

- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders.

## 6. Adjustments to the Index

- (a) *Successor Index Compiler Calculates and Reports Index.* If the Index is (i) not calculated and announced by the Index Compiler but is calculated and published by a successor to the Index Compiler (the "Successor Index Compiler") acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index will be deemed to be the index so calculated and announced by the Successor Index Compiler or that successor index, as the case may be.

- (b) *Modification and Cessation of Calculation of Index.*

If:

- (i) on or prior to a Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock, contracts or commodities and other routine events); or
- (ii) on a Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler fails to calculate and publish the Index (other than as a result of a Market Disruption Event),

then the Issuer shall determine the Closing Level using, in lieu of a published level for the Index, the level for the Index as at that Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities/commodities that comprised the Index immediately prior to that change or failure.

- (c) *Notice of Determinations.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any determinations by publication in accordance with Condition 10.

## 7. Purchases

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## 8. Warrant Certificates

- (a) Each Warrantholder shall be entitled, within ten Business Days after any Warrants are issued or transferred to him, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such

other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.

- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## **9. Meetings of Warranholders; Modification**

- (a) *Meetings of Warranholders.* The Registrar's Agreement contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar's Agreement) of a modification of the provisions of the Warrants or of the Instrument.

Such a meeting may be convened by the Issuer or by Warranholders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warranholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warranholders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warranholders shall be binding on all the Warranholders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warranholders.

Resolutions can be passed in writing without a meeting of the Warranholders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warranholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warranholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong. Any such modification shall be binding on the Warranholders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## 10. Notices

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warrantholder or to which a Warrantholder is entitled or which the Issuer shall have agreed to deliver to a Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder (unless otherwise, in the case of Warrants which are expressed to be American Style, specified in an Exercise Notice) to the Warrantholder's address (or, in the case of joint Warrantholders, to the address of the first named Warrantholder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 10(b).
- (b) All notices to Warrantholders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warrantholders kept by the Registrar.

## 11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

## 12. Governing Law

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

## 13. Language

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

*The relevant Conditions will, together with the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the warrant certificates. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.*

## **TERMS AND CONDITIONS OF THE CURRENCY WARRANTS (CASH SETTLED)**

### **1. Form, Status, Transfer, Title and Additional Costs and Expenses**

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 10) are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the “Instrument”) dated the Issue Date, made by Fortis Bank S.A./N.V. (the “Issuer”) and a base registrar’s and warrant agency agreement (the “Registrar’s Agreement”) dated 6th December, 2002 as supplemented by a Confirmation (as defined in the Registrar’s Agreement) relating to the Warrants made between the Issuer and Computershare Hong Kong Investor Services Limited as registrar and warrant agent for the Warrants (the “Registrar” and “Warrant Agent”, which expression shall include any successors). The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Registrar’s Agreement.
- (b) *Status.* The Warrants represent general, unsecured, contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer.
- (c) *Transfer.* Warrants will be transferable only by means of delivery of a standard transfer form to the Registrar, in such form as may from time to time be in use, together with the relevant warrant certificate(s) in accordance with the provisions of the Instrument and the Registrar’s Agreement. Transfers of Warrants may be effected only in a Board Lot or integral multiples thereof. The standard transfer form is obtainable from the Registrar.
- (d) *Title.* Each person who is for the time being shown in the register kept by the Registrar as entitled to a particular number of Warrants shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of Warrants. The expression “Warrantholder” shall be construed accordingly.
- (e) *Additional Costs and Expenses.* Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing ten Business Days (as defined below) prior to and including the Expiry Date (as defined below).

### **2. Warrant Rights and Exercise Expenses**

- (a) *Warrant Rights.* Every Exercise Amount entitles each Warrantholder, upon due exercise and compliance with Condition 4(A) or 4(B), as the case may be, to payment of the Cash Settlement Amount (as defined below), if any.

(b) *Exercise Expenses.* On exercise of the Warrants, Warrantholders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses (as defined below) in accordance with Condition 4(A) or 4(B), as the case may be.

(c) *Definitions.* For the purposes of these Conditions:

“Business Day” means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong (as defined below) and banks are open for business and for carrying on foreign exchange transactions in Hong Kong;

“Cash Settlement Amount” means in respect of every Exercise Amount, an amount calculated by the Issuer equal to (1) the excess of the Spot Price on the Valuation Date over the Strike Price, converted into the Hong Kong dollars at the Hong Kong Dollar Price less (2) the Exercise Expenses;

“Exercise Expenses” means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

“Expiry Date” means the Maturity Date or if the Maturity Date is not a Business Day the immediately preceding Business Day;

“Market Disruption Event” means the occurrence or existence, on the Valuation Date of any event, circumstance or cause which would result in:

- (i) the Issuer being unable to determine the Spot Price or the Hong Kong Dollar Price in the manner set out in these Conditions or in such other manner as the Issuer may believe appropriate at such time after taking into account all the relevant circumstance; or
- (ii) Hong Kong Dollars not being freely available to the Issuer for any reason, provided that if Hong Kong Dollars are not freely available the Issuer may express and pay the Cash Settlement Amount in any currency which is freely available and convertible on the international foreign exchange market;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Transfer Office” means the specified office of the Registrar; and

“Valuation Date” means, subject to Condition 10, the Exercise Date (as defined below) or the Expiry Date, as the case may be.

### **3. Exercise of American Style Warrants and European Style Warrants, Automatic Exercise and Expiry**

#### **(A) American Style Warrants**

The following provisions of this Condition 3(A) shall apply to Warrants which are expressed to be American Style.

- (a) *Exercise Period.* The Warrants may be exercised by delivery of an Exercise Notice (as defined below), in accordance with Condition 4(A) at any time during the period (the “Exercise Period”) beginning at 10:00 a.m. (Hong Kong time) on the Dealing Commencement Date (or, if later, the first day of dealings in the Warrants on the Stock Exchange) and ending at 10:00 a.m. (Hong Kong time) on the Expiry Date.

- (b) *Automatic Exercise.* Any Warrant with respect to which an Exercise Date (as defined below) has not occurred during the Exercise Period will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warrantheholders). The Warrantheholders will not be required to deliver any Exercise Notice and the Issuer or its agent will pay to the Warrantheholders the Cash Settlement Amount (if any) in accordance with Condition 4(A)(f).
- (c) *Expiry.* Any Warrant with respect to which an Exercise Date has not occurred during the Exercise Period or which has not been automatically exercised in accordance with Condition 3(A)(b) shall expire immediately without value thereafter and all rights of the Warrantheholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **(B) *European Style Warrants***

The following provisions of this Condition 3(B) shall apply to Warrants which are expressed to be European Style.

- (a) *Exercise of Warrants.* The Warrants are exercisable only on the Expiry Date.
- (b) *Automatic Exercise.* Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Warrantheholders). The Warrantheholders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Warrantheholders the Cash Settlement Amount (if any) in accordance with Condition 4(B)(d).
- (c) *Expiry.* Any Warrant which has not been automatically exercised in accordance with Condition 3(B)(b) shall expire immediately without value thereafter and all rights of the Warrantheholder and obligations of the Issuer with respect to such Warrant shall cease.

#### **4. Exercise of Warrants**

##### **(A) *American Style Warrants***

The following provisions of this Condition 4(A) shall apply to Warrants which are expressed to be American Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *Delivery of an Exercise Notice.*
  - (i) In order to exercise Warrants, the Warrantheholder shall deliver to the Transfer Office a duly completed exercise notice obtainable from the Registrar (an "Exercise Notice"), such delivery to be made at any time during the Exercise Period. Warrants may not be exercised at any other time.
  - (ii) The date upon which a Warrant is, or is to be treated as, exercised (an "Exercise Date") shall be the Business Day on which an Exercise Notice is delivered to the Registrar and in respect of which there is a valid exercise of Warrants in accordance with the requirements of these Conditions, provided that any Exercise Notice received by the Registrar after 10:00 a.m. (Hong Kong time) on any Business Day shall be deemed to have been delivered on the next following Business Day.

- (c) *Exercise Notice.* The Exercise Notice shall:
- (i) specify the name(s) of the Warrantheader(s) and the number of Warrants being exercised;
  - (ii) be accompanied by the warrant certificate(s) in the name(s) of the exercising Warrantheader(s); and
  - (iii) specify the person in whose favour the cheque representing the Cash Settlement Amount should be drawn and the name and address of the bank, broker or other agent to whom the cheque should be sent.
- (d) *Consequences of delivery of an Exercise Notice.* Delivery of an Exercise Notice in accordance with Conditions 4(A)(b) and 4(A)(c) shall constitute an irrevocable election and undertaking by the Warrantheader specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation to deduct the Exercise Expenses in accordance with the calculation set out in the definition of the Cash Settlement Amount.
- (e) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Exercise Date or the Expiry Date, as the case may be, remove from its register the name of the person in respect of the Warrants which (i) are the subject of a valid exercise in accordance with these Conditions whether pursuant to an Exercise Notice or automatic exercise; or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (f) *Cash Settlement.* Subject to a valid exercise, or automatic exercise, of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warrantheader (or such other person as the Warrantheader may have specified in the Exercise Notice, if applicable) equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Valuation Date by way of cheque, unless otherwise specified in the Exercise Notice (if applicable), drawn in favour of the Warrantheader (or in the case of joint Warrantheaders, the first-named Warrantheader) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(A)(f) shall be delivered at the risk and expense of the Warrantheader, to such bank, broker or other agent (if any) in Hong Kong as the Warrantheader has specified in the Exercise Notice (if applicable), or if no such details are specified, posted to the Warrantheader's address (or, in the case of joint Warrantheaders, to the address of the first-named Warrantheader) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer shall determine the Spot Price or the Hong Kong Dollar Price on the basis of its good faith estimate of the Spot Price or the Hong Kong Dollar Price, as the case may be, that would have prevailed on that day but for the occurrence of the Market Disruption Event.

## **(B) European Style Warrants**

The following provisions of this Condition 4(B) shall apply to Warrants which are expressed to be European Style.

- (a) Warrants may only be exercised in a Board Lot or integral multiples thereof.
- (b) *No requirement to deliver an exercise notice.* The Warranholders will not be required to deliver an exercise notice for any purpose in relation to the Warrants.
- (c) *Cancellation.* The Issuer will procure that the Registrar will, with effect from the first Business Day following the Expiry Date, remove from its register the name of the person in respect of the Warrants which (i) are the subject of an exercise pursuant to automatic exercise in accordance with these Conditions or (ii) have expired worthless, and thereby cancel the relevant Warrants.
- (d) *Cash Settlement.* Subject to automatic exercise of Warrants in accordance with these Conditions, the Issuer will make a payment, in respect of every Exercise Amount, to the relevant Warranholder equal to the Cash Settlement Amount.

The Cash Settlement Amount shall be despatched not later than three Business Days following the Valuation Date by way of cheque drawn in favour of the Warranholder (or in the case of joint Warranholders, the first-named Warranholder) appearing in the register kept by the Registrar.

Any payment made pursuant to this Condition 4(B)(d) shall be posted at the risk and expense of the Warranholder to the Warranholder's address (or, in the case of joint Warranholders, to the address of the first-named Warranholder) appearing in the register kept by the Registrar.

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer shall determine the Spot Price or the Hong Kong Dollar Price on the basis of its good faith estimate of the Spot Price or the Hong Kong Dollar Price, as the case may be, that would have prevailed on that day but for the occurrence of the Market Disruption Event.

## **5. Registrar**

- (a) The initial Registrar and the Transfer Office are set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar which, so long as the Warrants are listed on the Stock Exchange, shall be in Hong Kong. Notice of any such termination or appointment and of any change in the Transfer Office or the specified office of the Registrar will be given to the Warranholders in accordance with Condition 9.
- (b) The Registrar will be acting as agent of the Issuer in respect of any Warrants and will not assume any obligation or duty to or any relationship of agency or trust for the Warranholders.

## **6. Purchases**

The Issuer and/or any of its affiliates may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.



## 7. Warrant Certificates

- (a) Each Warrantholder shall be entitled, within ten Business Days after any Warrants are issued or transferred to such Warrantholder, to one warrant certificate in respect of such Warrants or, upon payment of an amount not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may determine, to two or more warrant certificates each in respect of part of such Warrants.
- (b) If a warrant certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses incurred by the Issuer in investigating evidence, and payment of such fee not exceeding HK\$2.50 per warrant certificate (or such other amount as the Stock Exchange may from time to time permit) as the Issuer may require and, in the case of defacement or wearing out, surrender of the old certificate.

## 8. Meetings of Warranholders; Modification

- (a) *Meetings of Warranholders.* The Registrar's Agreement contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Registrar's Agreement) of a modification of the provisions of the Warrants or of the Instrument.

Such a meeting may be convened by the Issuer or by Warranholders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warranholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warranholders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warranholders shall be binding on all the Warranholders, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warranholders.

Resolutions can be passed in writing without a meeting of the Warranholders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warranholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warranholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to

comply with mandatory provisions of the laws of Hong Kong. Any such modification shall be binding on the Warranholders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 9.

## **9. Notices**

- (a) All warrant certificates, cheques and other documents required or permitted by these Conditions to be sent to a Warranholder or to which a Warranholder is entitled or which the Issuer shall have agreed to deliver to a Warranholder may be delivered by hand or sent by post addressed to the Warranholder (otherwise, in the case of Warrants which are expressed to be American Style, than in accordance with an Exercise Notice) to the Warranholder's address (or, in the case of joint Warranholders, to the address of the first-named Warranholder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warranholder. Where such documents are notices, such notices will be delivered on the same date as notices are delivered pursuant to Condition 9(b).
- (b) All notices to Warranholders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If publication is not practicable, notice will be given in such other manner as the Issuer may determine. In addition, copies of the notices will be sent by mail to the holders of Warrants at their addresses appearing in the register of Warranholders kept by the Registrar.

## **10. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further warrants so as to form a single series with the Warrants.

## **11. Governing Law**

The Warrants, the Instrument and the Registrar's Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Issuer and each Warranholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Registrar's Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

## **12. Language**

In the event of any inconsistency between the Chinese translation of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

### **Registrar, Warrant Agent and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## TAXATION

The comments below are of a general nature and are only a summary of the law and practice currently applicable in Hong Kong. The comments relate to the position of persons who are the absolute beneficial owners of the Warrants and may not apply equally to all persons. Potential purchasers of the Warrants who are in any doubt as to their tax position on purchase, ownership, transfer or exercise of any Warrant should consult their own tax advisers.

### General

Purchasers of Warrants may be required to pay stamp duties, taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Warrant.

### Taxation in Hong Kong

#### *Profits Tax*

No tax is payable in Hong Kong by withholding or otherwise in respect of dividends of any company or in respect of any capital gains arising on the sale of the underlying shares or Warrants, except that Hong Kong profits tax may be chargeable on any such gains in the case of certain persons carrying on a trade, profession or business in Hong Kong.

#### *Stamp Duty*

Hong Kong stamp duty is chargeable upon the transfer of a physically settled Call Warrant or physically settled Put Warrant since any person who effects a sale or purchase of Warrants, whether as principal or agent and whether in Hong Kong or elsewhere, is required to execute a contract note evidencing such sale or purchase and to have that note stamped with Hong Kong stamp duty. Upon exercise of such a Warrant, the subsequent transfer of the underlying shares to the exercising Warrantholder will be chargeable to Hong Kong stamp duty since any person who effects a sale or purchase of the underlying shares, whether as principal or as agent and whether in Hong Kong or elsewhere, is required to execute a contract note evidencing such sale or purchase and to have that note stamped with Hong Kong stamp duty. Stamp duty is not chargeable upon the transfer of a Basket Call Warrant, a Basket Put Warrant, an Index Call Warrant, an Index Put Warrant, a cash settled Call Warrant or a cash settled Put Warrant.

Contract notes will attract stamp duty at the rate of HK\$2 per HK\$1,000 or part thereof (of which HK\$1 per HK\$1,000 is payable by the seller and HK\$1 per HK\$1,000 is payable by the purchaser) by reference to the value of the consideration or market value, whichever is the greater. If, in the case of a sale or purchase of physically settled Call Warrants or physically settled Put Warrants or the underlying shares by a person who is not resident in Hong Kong, the stamp duty on either or both of the contract notes is not paid, the transferee will be liable to pay stamp duty on the instrument of transfer in an amount equal to all the unpaid duty. In addition, if the stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days thereafter if effected elsewhere), a penalty of up to ten times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the underlying shares or such Warrants.

Under the terms of the Warrants, Warrantholders are required to pay both buyer's and seller's stamp duty in respect of the transfer of the underlying shares following the exercise of Warrants. See "Terms and Conditions of the Warrants".

### *Estate Duty*

The underlying shares and the Warrants may be Hong Kong property for the purposes of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong, as amended) and accordingly Hong Kong estate duty may be payable in respect thereof on the death of the owner of Warrants or the underlying shares, irrespective of the nationality, residence, domicile or citizenship of the deceased.

## **PLACING AND SALE**

### **General**

No action has been or will be taken by the Issuer that would permit a public offering of the Warrants or possession or distribution of any offering material in relation to the Warrants in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Warrants, or distribution of any offering material relating to the Warrants may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with any issue and the Issuer may at its discretion allow discounts to placees.

### **United States of America**

The Warrants have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Warrants, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Warrants, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. The Manager has agreed that it will not offer, sell or deliver any Warrants within the United States or to U.S. persons except as permitted by the Placing Agreement. As used herein, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "U.S. person" means any national or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, any estate or trust the income of which is subject to United States income taxation regardless of its source, and any other U.S. person as such term is defined in Regulation S under the Securities Act.

### **Hong Kong**

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Warrants, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) and any rules made thereunder.

### **Belgium**

This Base Listing Document and any Supplemental Listing Document in relation to the offering of the Warrants have not been notified, or submitted for approval, to the Banking, Finance and Insurance Commission of Belgium. None of this Base Listing Document nor any Supplemental Listing Document may be distributed to the public and the Warrants may not be publicly offered for sale in the Kingdom of Belgium and no steps may be taken which would constitute and result in a public offering of the Warrants in the Kingdom of Belgium.

## INFORMATION RELATING TO THE ISSUER

### OUR BUSINESSES

#### 1. General Description

**FORTIS BANK NV-SA (“Fortis Bank”)**, incorporated on 5 December 1934, is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law. The registered office of the company is located at 1000 Brussels, Montagne du Parc 3, Belgium, where its headquarters are based. Fortis Bank has been established for an indefinite period.

As stated in article 3 of its Articles of Association, Fortis Bank has as its purpose, carrying on the business of a credit institution, including brokerage and transactions involving derivatives. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature that benefit the realisation thereof. Fortis Bank is free to hold shares and share interests within the limits set by the legal framework for banks.

Fortis Bank is registered in the Register of Legal Entities under the number 0403.199.702.

Fortis Bank and its subsidiaries “regrouped” the banking activities of Fortis, an integrated financial services provider active in the fields of banking and insurance (see paragraph 3 below). Fortis offers its private, business and institutional customers a comprehensive package of products and services through its own distribution channels, in cooperation with intermediaries and via distribution partners. Its multi-channel distribution strategy gives Fortis the flexibility to meet its customers’ need to be reachable at all times and their demand for user-friendliness.

The banking businesses offer a wide range of financial services (including insurance products), mostly under the name of Fortis Bank and via its own networks.

#### 2. Activities

Fortis Bank and its subsidiaries operate on a cross border basis with offices in the Benelux countries and they co-ordinate their operations from Brussels, Amsterdam, Rotterdam and Luxembourg.

The Fortis Bank organisation is centred around 3 businesses which are integrated in the Fortis structure:

- Retail Banking, providing financial services to retail customers, self-employed, professionals and small businesses;
- Commercial & Private Banking, servicing medium-sized companies in Europe by offering financial solutions through its integrated European network of Commercial Business Centres and offers integrated institutional management of assets and liabilities to wealthy individuals and business clients;
- Merchant Banking, offering its institutional and corporate clients tailored investment and financing solutions, based on its activities in Corporate and Investment Banking, Financial and Capital Markets, Private Equity and Securities Services.

Each business comprises several business lines which, in turn, group together activities focusing on a specific customer segment.

In parallel to the organisation of Fortis on the basis of its businesses, the structure of Fortis includes operational and support functions managed by the Chief Operating Officer. Fortis

Bank's operational activities, such as securities handling, accounts and payments and standardised credits for retail customers, are combined into one general national and cross-border activity. This should lead to enhanced quality of service, greater cross-border synergy and improved cost control.

### ***Retail Banking***

Retail Banking intends to be, and to remain, the bank of choice for individual customers, the self-employed, professionals and small businesses in every market in which it is active. Number two in the Benelux region, the leader in Belgium and Luxembourg, and number four in the Netherlands, Retail Banking is poised to take advantage of significant growth opportunities in these markets.

To meet its growth objectives and competitive targets, Retail Banking intends to put its customers even more at centre stage, particularly by intensifying its efforts to develop the 'Customer Bank' concept (which emphasises customer service, availability, transparency and continuous improvement) and by establishing a culture that focuses on sales, customer satisfaction and the development of customer loyalty. In this context, Retail Banking plans to pursue its objectives with respect to staff training, the optimisation of the commercial organisation, product differentiation, the development of its innovative, integrated service offering, and the transition from a 'multi-' to a 'cross-channel' distribution strategy.

### ***Commercial & Private Banking***

Commercial Banking wants to become the bank of choice for medium-sized companies operating in Europe. It offers financial solutions with added-value through its integrated European network of Business Centres. Its main target group is companies requiring multiple banking services, such as leasing, factoring, international credit facilities, international cash management and finance facilities for acquisitions or trading transactions. The Global Relationship Manager (GRM) offers companies a single point of contact for their financial needs. The GRM is both a channel to all the expertise within Fortis and a provider of tailored solutions.

Under the name MeesPierson, Private Banking is one of the top 15 private banks in Europe and is ranked amongst the market leaders in the field of trust and corporate services. With a presence in 23 countries, the company offers integrated international management of assets and liabilities to wealthy individuals and business clients. The advice and solutions offered by MeesPierson are based on years of experience.

The Commercial & Private Banking business aims to reap the benefits of a combined and global approach to their two closely connected markets. In particular they are looking to benefit from improving the collaboration between Commercial Banking and Private Banking and by pooling their competence in the areas of trust, business management, leasing and so on. This closer co-operation will allow them to develop further the 'Act as One' concept and establish a service strategy that is unique in Europe. The business wants to become an international provider of integrated 'Commercial & Private Banking' services, putting it at the head of the field in Europe.

In order to strengthen its position and to increase Fortis' international market visibility, Commercial & Private Banking will prioritise investment in the Fortis brand.

### ***Merchant Banking***

Merchant Banking is the market leader in Belgium and Luxembourg, and is amongst the leading regional and global players in specific niche markets such as commodity finance. Merchant Banking offers its institutional and corporate clients tailored investment and financing solutions, based on its activities in Corporate and Investment Banking, Financial and Capital Markets, Private Equity and Securities Services.

Merchant Banking has opted for a firm focus on the client. As part of its pursuit of optimal and economically rewarding relationships with its clients, the business provides a full range of services, customised to meet clients' needs, based on an in-depth analysis of their expectations.

Merchant Banking plans to extend its expertise and presence in selected niche markets in which it has recognised expertise (e.g. commodity finance in emerging markets). It will also strengthen its position in its home market, particularly in the Netherlands, as well as in Asia and the United States.

### **3. Fortis**

Fortis Bank is approximately 100% owned by Fortis.

Fortis occupies a prominent position in the Benelux countries. By building on this and its competencies, Fortis plans to strengthen its strategic position in the enlarged EU. The combination of commercial and private banking allows Fortis to offer a unique, cross-border service package to businesses and business people, and forms the backbone of Fortis' pan-European growth ambitions. The very customer-focused Merchant Banking business is growing further in the Benelux countries and enjoys an appreciable position in specific customer and product niche markets with a global scope, such as shipping and commodity finance. Fortis has successfully combined its banking and insurance expertise in European and Asian growth markets.

We are one of Europe's biggest financial institutions, with a market capitalisation of EUR 26.5 billion and total assets of EUR 571 billion. With its sound solvency position, broad risk spread and the extensive expertise of its 51,000 employees, Fortis combines global strength with local flexibility to provide optimum support to its customers.

Fortis is listed on the exchanges of Amsterdam, Brussels and Luxembourg and has a sponsored ADR programme in the United States.

More information about Fortis is available at [www.fortis.com](http://www.fortis.com).

The activities of Fortis are originated in six businesses, three of which are banking businesses and three are insurance businesses. The three banking businesses, organised according to specialisation and hence transactional by nature, were described previously. The three insurance businesses are divided geographically: Insurance Netherlands, Insurance Belgium and Insurance International.

#### ***Insurance Belgium***

As the largest insurer in Belgium, Fortis is number one in Life, with a market share of 23%, and number three in Non-Life, with a market share of 12%. Its market leadership position is attributable to a number of factors. For example, the business has succeeded in building a lead over the competition in product innovation while at the same time keeping costs low. Moreover, intermediaries rate its service very highly and its IT tools are regarded as 'best-in-class'.

Insurance Belgium is made up of FB Verzekeringen (sales through bank branches) and Fortis AG (sales through intermediaries). Insurance Belgium aims to sustain its profitable growth in Non-Life, Individual Life and Group Life in Belgium. The business will continue to make a major contribution to the group through product innovation, improved service, a multichannel approach and cost control.



Insurance Belgium will continue to concentrate on its innovative product range (which has already achieved great success with unique packages such as *Familis and Modulis*) in particular with a view to increasing its market share in Non-Life. The business will also maintain its close ties with bank branches and intermediaries and will also seek to raise its quality of service.

### ***Insurance Netherlands***

Fortis ASR is the second-largest insurer and the leading intermediary insurer in the Netherlands. It also distributes various Fortis banking products. Today, Fortis ASR is working hard to integrate the three general insurers AMEV, Stad Rotterdam and Woudsend under a single new label, while stepping up initiatives to manage the risks that this operation entails. The integration process should be completed by the end of 2006.

In tandem with this merger, Fortis ASR intends to seize on growth opportunities in the life insurance market (resulting in particular from increased demand owing to government changes to pension schemes) and in other selected markets. In life insurance, Fortis ASR focuses on developing new and profitable individual life insurance products, and on increasing its share of the group insurance market. With a strong market position and recognised expertise in claims handling, the Dutch insurer aims to build on its leading position in the disability insurance market by achieving considerable autonomous growth.

In addition, Fortis ASR plans to take advantage of existing competence within Fortis to develop bancassurance activities, thereby allowing it to provide insurance products to banking customers in the Netherlands. Fortis ASR aims to use its flexibility and expertise to maintain its leading position in the travel insurance market. It also intends to capture new markets by entering into strategic partnerships with travel insurers in other countries.

### ***Insurance International***

Insurance International consists of a portfolio of Life and Non-Life activities in Europe and Asia with fast growing profitability. The ambition is to continue to grow rapidly in existing markets (organically and through acquisitions) and to enter new attractive markets where growth rates are likely to be higher than in the Benelux countries.

In Europe Fortis holds a leading position in bancassurance in Spain and Portugal. Fortis is also a leading motor insurer in the UK. Fortis will continue to grow by optimising its current portfolio and leveraging its key strengths in bancassurance and broker-based insurance outside the Benelux (via acquisitions and/or partnerships).

In Asia, Fortis has a strong presence in three high-growth countries (China, Malaysia and Thailand) and is recognised as a true leader in bancassurance. Fortis will continue to grow by reaching the full potential of its existing positions and targeting new attractive markets to further expand its bancassurance concept.

## **4. Strategy and Policy**

Fortis Bank's strategy is based on the following objectives:

- improve home market performance in distribution/relationship intensive businesses covering a broad range of financial services;
- European leadership in skill-based activities;
- continue to grow selective businesses with a global reach.

## 5. Capital Adequacy – Rating

The Basle Committee on Banking Regulations and Supervisory Practices has developed guidelines for the measurement of capital adequacy of international banking organisations. These guidelines set minimum capital adequacy ratios of 4 per cent. for Tier 1 capital and 8 per cent. for total capital (Tier 1 and 2).

The table below sets out the Tier 1 and total capital ratios which come from Fortis' annual accounts and are in accordance with Fortis' accounting principles for Fortis Bank:

	31-Dec-2001	31-Dec-2002	31-Dec-2003	31-Dec-2004
Tier 1 capital ratio	8.50%	8.2%	7.9%	8.3%
Total capital ratio	13.50%	13.0%	12.4%	12.3%

As the statutory minimum for the Tier 1 capital ratio is 4 per cent., Fortis Bank is in a comfortable position.

The current ratings of Fortis Bank regarding its senior unsecured debt are the following:

	Long-Term Debt	Short-Term Debt
Moody's Investors Services, Inc., New York	Aa3	P-1
Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc., New York	AA-	A-1+
Fitch Ratings Ltd., London	AA-	F1+

## 6. Management, Decision-making and Supervision

In accordance with the principle of autonomy of the banking function, the decision-making and management structure of Fortis Bank is based on a distinction between the Management Committee and the Board of Directors.

The management of Fortis Bank is the exclusive responsibility of the Management Committee, which consists of a number of managing directors and operates within the framework of the general policy outlined by the Board of Directors.

The Board of Directors is responsible for the supervision of the management and control of the financial position of Fortis Bank, and for defining the general policy and holds the power to nominate and discharge the members of the Management Committee within the limits of the Protocol on banking autonomy.

All matters not determined by law or the articles of association for the General Shareholders Meeting are the responsibility of the Board of Directors or the Management Committee.

### ***Management of Fortis Bank***

#### *Board of Directors*

Jean-Paul Votron	Chairman of the Board of Directors
Herman Verwilt	Chairman of the Management Committee
Jean-Pierre Cardinael	Managing Director
Jos Clijsters	Managing Director
Karel De Boeck	Managing Director

Filip Dierckx	Managing Director
Patrick Evrard	Managing Director
Joop Feilzer	Managing Director
Gilbert Mittler	Managing Director
Christian Schaack	Managing Director
Jozef De Mey	Director
Jacques van Ek	Director
Victor Goedvolk	Director
Walter Mersch	Director
Jean Meyer	Director
Jean Stephenne	Director
Robert van Oordt	Director
Michel van Pée	Director
Luc Vansteenkiste	Director

*Management Committee*

Herman Verwilst  
Jean-Pierre Cardinael  
Jos Clijsters  
Karel De Boeck  
Filip Dierckx  
Patrick Evrard  
Joop Feilzer  
Gilbert Mittler  
Christian Schaack

The business address of the Board of Directors is at 1000 Brussels, Montagne du Parc 3, Belgium.

*Accredited Statutory Auditors*

PricewaterhouseCoopers, Réviseurs d'Entreprises S.C.C., of Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Brussels, Belgium, represented by Luc Discry, Partner.

Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.C., of Avenue du Bourget 40, B-1130 Brussels, Belgium, represented by Virgile Nijs, Partner.

## GENERAL INFORMATION

1. Save as disclosed in this document, there has been no material adverse change in the financial position of the Issuer since 31st December, 2004.
2. Save as disclosed in this document, neither the Issuer nor any of its subsidiaries is involved in any litigation, claims or arbitration proceedings which are material in the context of any issue of Warrants nor, so far as the Issuer is aware, are any such proceedings or claims threatened or pending against the Issuer or any member of the group to which the Issuer belongs.
3. Dealings in securities on the Stock Exchange are required to be settled within two trading days from the transaction date. Such settlement can either be effected by physical delivery of the share certificates and executed instruments of transfer or, if the securities are admitted for deposit, clearing and settlement in CCASS, through CCASS. Dealings in the Warrants will take place in the relevant Board Lots in Hong Kong Dollars. For further details on transfers of Warrants and their exercise, see the section headed "Terms and Conditions of the Warrants".
4. The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy at the aggregate rate of 0.007 per cent. in respect of each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the relevant securities. Under the terms and conditions of the Warrants, Warrant holders are required to pay all the charges arising on the transfer of Shares following the exercise of Warrants. See the section headed "Terms and Conditions of the Warrants".
5. The joint auditors of the Issuer, SCC – BCV Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren/Reviseurs d'Entreprises and SCCRL – BCVBA PricewaterhouseCoopers Bedrijfsrevisoren/Reviseurs d'Entreprises, have given and have not withdrawn their written consent to the inclusion of their report dated 23rd March, 2005 and/or the references to their name, included herein, in the form and context in which they are included. The report was not prepared for incorporation into this document. Neither of the joint auditors have any shareholding in the Issuer, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer.
6. Fortis Bank S.A./N.V. Hong Kong Branch has been authorised to accept service of process and any other notices required to be served on the Issuer.
7. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Allen & Overy, 9th Floor, Three Exchange Square, Central, Hong Kong:
  - (a) the 2003 and 2004 annual reports (including the notes thereto);
  - (b) the consent letter of the Auditors referred to in paragraph 5 above;
  - (c) this Base Listing Document and any addenda or successor documents to this Base Listing Document; and
  - (d) a Chinese translation of this Base Listing Document and any addenda or successor document to this Base Listing Document.

## **EXHIBIT A**

### **ANNUAL ACCOUNTS OF THE ISSUER FOR THE YEAR ENDED 31ST DECEMBER, 2004**

The information in this Exhibit A has been extracted from the Management Report Annual Accounts 2004 of the Issuer for the year ended 31st December, 2004. References to section numbers in this Exhibit A are to sections of such document.

## V. NOTES TO THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

### 1. Principal changes within the group of consolidated companies

Fortis Bank continued to restructure the group in 2004, primarily in the Netherlands and Luxembourg.

BGL sold its interests in several subsidiaries active in trust operations to Fortis Bank Nederland at the end of 2004.

Several new participating interests were also acquired, including one in Fortis Lease Immobilier France and various interests in the Private Equity Business. A number of other participating interests were sold or wound up, the most important sales being those of Fortis Bank Asia and GWK (Grenswisselkantoren).

A detailed list of participating interests is provided in the notes to the consolidated annual accounts.

Consistent with previous years, Fortis Bank's participating interests in insurance companies have been reported using the equity method rather than fully consolidated.

### 2. Consolidated balance sheet

**Total assets** increased €60bn to €486bn – a rise of 14% compared to 2003. The share of total assets accounted for by the parent company, Fortis Bank, was €289bn, with Fortis Bank Nederland (holding company) accounting for €117bn and Banque Générale du Luxembourg for €24bn. The increase in total assets was primarily attributable to internal growth in banking operations at Fortis Bank Nederland and the Fortis Bank parent company in particular.

**Amounts receivable from credit institutions** fell 12% to €74bn due to a €4bn decline in monetary reserve balances and the reclassification of amounts receivable from credit institutions to amounts receivable from customers (€4bn). These investments account for 15% of total assets, down 5% on 2003 year-end. Repo transactions represent 54% of this balance sheet item.

**Amounts receivable from customers** rose 19% in 2004 to €207bn, representing 43% of total assets.

Loans to corporate customers (term loans) were 24% higher in 2004 at €97bn – an increase that was primarily attributable to increased lending via repo transactions with non-credit institutions (€4bn of this relates to the reclassification of amounts receivable from credit institutions as amounts receivable from customers). Lending in relation to securities trading almost tripled to €20bn.

Low interest rates had a positive impact on mortgage loans, which rose 6% to €60bn.

Fixed-rate loans fell 28% to €2.7bn.

Leasing contracts were up 10% to €3.7bn, comprising both internal growth in these operations and growth through acquisitions, including Fortis Lease UK. Overdraft facilities rose 11% compared to 2003 to €17bn. Other credit receivables, including commercial bills and our own acceptances, fell €4bn to €5.5bn, due primarily to the reclassification of transitory accounts to other assets.

The portfolio of **bonds and other fixed-income securities** rose 6% or €7bn in 2004. It accounts for 26% of total assets. The increase occurred on the part of non-public (+€8bn) issuers, while government securities declined slightly (-€0.8bn). Government securities continue to account for the majority (65%) of the interest-bearing portfolio. The increase in this item reflects an adjustment in Fortis Bank's interest risk profile in line with the evolution of interest rates, and increased trading activities in fixed-income securities.

Investment in **corporate shares and other variable income securities** increased threefold to €17bn or 3.5% of total assets. The increase was wholly attributable to the trading book, which represented 94% of the total equity portfolio at the end of 2004.

**Financial fixed assets** comprise investments in associates accounted for under the equity method. These consist primarily of Fortis Bank's participating interests in insurance companies and its stake in Banque Générale du Luxembourg Investment Partners, and of interests in companies that provide services closely associated with the banking business and in credit companies. They also include participating interests in non-consolidated companies and shares in other companies acquired with the goal of creating a lasting relationship with them.

The €0.8bn increase in financial fixed assets resulted mainly from the acquisition of several substantial interests in financial institutions (Banca Intermobiliare and ICBC (Asia)). Other factors affecting this item are the evolution of Fortis Bank's share of net assets of associates (for investments in associates accounted for under the equity method) and the evolution of the write-downs of some of the participating interests.

**Consolidation differences** comprise goodwill relating to the acquisition of participating interests. The fall in this item in 2004 (-€0.1bn) is chiefly the result of write-offs.

The €0.6bn increase in **tangible fixed assets** reflected a number of factors, including the increase in other tangible fixed assets due to the further development of operating lease transactions, offset by a reduction in tangible fixed assets due to the closure and sale of agency buildings, primarily in Belgium.

**Other assets** increased by €5bn. In addition to options premiums paid (+€2.7bn) and various receivables (reclassification of suspense accounts from amounts receivable from customers of €+3bn), these assets include deferred tax assets (- €0.2bn), calculated in accordance with the valuation rules. Other assets also include the positive difference between the value of investments and obligations in respect of extra-legal pension schemes (+€0.2bn).

**Deferred charges and accrued income** increased by €11.6bn due to the increase in acquired income to €38.2bn at 2004 year-end, and also includes deferred expenses (€0.4bn).

Under **liabilities**, the **amounts payable to credit institutions** rose 8% compared to the previous financial year to €118bn at 2004 year-end. A substantial proportion of this increase was attributable to repo transactions with other credit institutions. The net amount of interbank borrowing and lending compared with total assets was virtually unchanged.

**Client funds**, in the form of deposits, savings certificates and bonds, remained the largest liabilities component (52%), increasing in 2004 by €31bn to €250bn.

**Amounts payable to customers**, include savings deposits which increased by 10% (€4bn), due to specific commercial actions in this field, primarily in Belgium.

**Other amounts payable at fixed term or period of notice** also increased (€23bn) in response to growth in Repo transactions.

**Amounts payable represented by a security** rose 11% or €4bn, which was entirely attributable to certificates of deposits (+€8bn). Issued savings certificates fell further relative to 2003 (-€3bn). This item also includes €0.7bn in issued preference shares with fixed dividend, which the holder can ask to have redeemed at any time and for any reason. These shares have been reported as debts rather than participating interests in order to comply with 'fair view' requirements (Article 3 of the Royal Decree of 23 September 1992 on the annual accounts of credit institutions).

The €4bn increase in **Other amounts payable** was the result of a rise in option premiums received (+€2bn) and the reclassification of transitory accounts from 'Amounts payable to customers' (+€2bn).

The €11bn rise in **accrued charges and deferred income** reflected the trend in balance-sheet and off-balance-sheet transactions, and includes charges (€35.7bn) and income (€1.6bn) brought forward.

The €0.1bn increase in **provisions for risks and charges, deferred taxes** was primarily due to the creation of additional pension provisions, the creation of a provision for the further development of Fortis Bank group, and the reporting of various other provisions. The item was reduced by the further use of restructuring provisions formed in previous years.

The **fund for general banking risks** fell by €11m due to exchange differences. The level of the fund for general banking risks relative to the weighted volume of credit and market risks for the banking business require no further allocations to be made to the fund from the financial year 2002.

**Subordinated amounts payable** increased by €0.7bn, due to the Fortis Bank's policy of increasing supplementary equity to hedge credit and market risks.

**Shareholders' equity** after profit appropriation was €10,394m – an increase of €1,074m from 2003.



The increase was chiefly due to the following factors:

- \* Profit for the period (€1,827m) less dividends payable (€706m).
- \* In accordance with the application of the valuation rules regarding provisions for pensions, which are based on international accounting practices, the minimum provision for pension benefits accrued to balance sheet date rose by €28m (after taxes).
- \* A €16m decline in exchange differences compared to 2003.

**Third party interests** fell €204m or 22% in 2004, due to the redemption of non-cumulative preference shares worth €200m, issued in 1999 by Fortis Capital Company Limited.

### 3. Income statement

The **interest margin** was €4,554m in 2004 – up €282m or 6.6% from the previous financial year. The trend reflects a number of factors, including the acquisition of Fortis Hypotheekbank (formerly ASR Bank) at the end of 2003, profits of which were consolidated in 2004 for the first time, together with an increase in the commercial margin.

**Income from variable-income securities** increased more than threefold to €159m. The rise occurred in income from equities and variable-income securities in the trading and investment portfolios (€18m), and in income from participating interests and equities included in financial fixed assets (€94m).

**Commission received** increased by €254m (11%) in 2004. This reflected a favourably developing stock market climate, primarily in commission receipts on issues, placements and management of securities (chiefly collective investment funds). Commission received in connection with custody services and asset management also increased in 2004, as did commission receipts on payment transactions (rate increases), factoring, trust and insurance.

**Commission paid** increased by €58m or 12%, primarily in respect of fees for placement and management of collective investment funds.

**Profit from financial operations involving foreign exchange transactions and transactions in securities and other financial instruments** decreased by €359m or 39% in 2004. Losses were incurred in the first three quarters of 2004 due to trading in variable-income securities and currency dealing.

**Net capital gains realized on securities in the investment portfolio** remained significant (€429m), although they fell 19% compared to their level in 2003.

**General administrative expenses** increased by €319m or 8%. Contributory factors included the consolidation of Fortis Hypotheekbank (formerly ASR Bank), which was acquired at the end of 2003 and the results of which were consolidated for the first time in 2004.

Personnel costs rose by €223m and these accounted again for 64% of general administrative expenses. The 8% increase reflected higher provisions for variable fees and increased pension costs. The impact of the decline in average staff numbers was offset by higher costs emanating from increases in salary scales and adjustments to index-linking. As in the past, this item includes expenses relating to the implementation of early retirement programmes and the offsetting of those expenses using the provisions previously established.

Other administrative expenses, which include items such as consultancy, IT, office overheads, marketing, telephone and postage costs, increased by €96m or 6% compared to the previous year.

**Depreciation and amounts written off** were up €102m, due primarily to increased depreciation on positive consolidation differences. There was also an increase in depreciation on property leased by Fortis Bank's specialist subsidiaries.

**Write-offs and write-backs on credit risks** fell by €443m (63%) compared to 2003, due to the reserve policy pursued in previous years, the improved economic situation and significant releases in 2004 of provisions formed for credit and country risk.

The €21m decline compared to 2003 in **amounts written off on the investment portfolio** was mainly attributable to bonds. Write-offs on equities increased slightly.

**Write-backs of provisions and provisions for other risks and charges** had a positive impact on the result of €42m in 2004.

There were no further allocations in 2004 to the **fund for general banking risks**, as the level of the fund relative to the weighted volume of credit and market risks for the banking business was deemed to be appropriate.

**Other operating income** increased by €53m or 9%, due to factors such as increased income from operating lease transactions. **Other operating charges**, which consist mainly of non-recoverable VAT, decreased by €11m.

**Current profit** totalled €2,277m – an increase of €569m or 33% compared to 2003.

**Extraordinary income** decreased by €61m in 2004, due primarily to lower capital gains on the disposal of financial fixed assets. This chiefly related in 2004 to the sale of Fortis Bank Asia and in 2003 to the sale of Theodoor Gilissen.

**Extraordinary charges** increased by €48m in 2004, due mainly to the formation of various provisions, including one for early withdrawal. This was partially offset by lower write-downs on financial fixed assets and smaller capital losses on the disposal of fixed assets relating to operating lease transactions

**Profit before taxes** increased by €460m or 27% in 2004 to €2,190m. Increased **taxes** reflect the higher profit and have been calculated to be €605m, which was €208m more than in 2003.

**Deferred taxes** had a negative impact of €31m on the income statement, compared with a negative impact of €54m in 2003. Deferred taxes on provisions for restructuring have been booked to **Tax adjustments**, consistent with the procedure for the non-consolidated income statement.

The tax burden increased from 19% in 2003 to 25% in 2004, which was largely attributable to the specific fiscal treatment of capital gains and losses on shares and participating interests.

The **part of the results of participating interests valued by the equity method** increased by €297m on 2003. This relates chiefly to the share in the net profit of the insurance companies which are part of Fortis Bank.

**Consolidated profit** increased 42% to €1,876m.

**Third party interests** in the profit decreased by €2m. The reduction, due to the redemption of non-cumulative preference shares issued in 1999 by Fortis Capital Company Limited, was €9m; this was offset by the third party interests in increased profits at Bank van De Post / Banque de La Poste and BGL.

**Group profit** was €1,827m – an increase of 44.3% compared to 2003.

**VI. CONSOLIDATED**

**BALANCE SHEET AND**

**INCOME STATEMENT**

	Codes	Financial year	Previous financial year
		(in thousands EUR)	
<b>1. BALANCE SHEET AFTER APPROPRIATION</b>			
<b>ASSETS</b>			
<b>I. Cash in hand, balances with central banks and giro offices</b>	<b>101.000</b>	<b>2,041,256</b>	<b>1,178,378</b>
<b>II. Government securities eligible for refinancing at the central bank</b>	<b>102.000</b>	<b>2,462,360</b>	<b>2,481,204</b>
<b>III. Amounts receivable from credit institutions</b>	<b>103.000</b>	<b>73,824,438</b>	<b>83,692,486</b>
A. At sight	103.100	10,431,524	4,664,522
B. Other amounts receivable (at fixed term or period of notice)	103.200	63,392,914	79,027,964
<b>IV. Amounts receivable from customers</b>	<b>104.000</b>	<b>206,652,646</b>	<b>174,304,909</b>
<b>V. Bonds and other fixed-income securities</b>	<b>105.000</b>	<b>124,734,090</b>	<b>117,390,440</b>
A. Of public issuers	105.100	81,376,738	82,178,031
B. Of other issuers	105.200	43,357,352	35,212,409
<b>VI. Corporate shares and other variable-income securities</b>	<b>106.000</b>	<b>16,858,630</b>	<b>5,043,488</b>
<b>VII. Financial fixed assets</b>	<b>107.000</b>	<b>3,432,226</b>	<b>2,657,898</b>
A. Companies valued by equity method			
1. Participating interests	107.100	1,582,475	1,054,989
2. Subordinated loans	107.200	100,000	100,000
B. Other companies			
1. Participating interests and shares	107.300	1,721,155	1,476,885
2. Subordinated loans	107.400	28,596	26,024
<b>VIII. Formation expenses and intangible fixed assets</b>	<b>108.000</b>	<b>166,654</b>	<b>175,280</b>
<b>IX. Consolidation differences</b>	<b>109.000</b>	<b>364,167</b>	<b>478,716</b>
<b>X. Tangible fixed assets</b>	<b>110.000</b>	<b>4,431,497</b>	<b>3,791,187</b>
<b>XI. Own shares</b>	<b>111.000</b>		
<b>XII. Other assets</b>	<b>112.000</b>	<b>11,913,522</b>	<b>6,892,675</b>
A. Investments concerning operations linked with an investment fund of "life insurance" and of which the risk is not borne by the company			
B. Share of reinsurers in technical provisions			
C. Other		11,913,522	6,892,675
<b>XIII. Deferred charges and accrued income</b>	<b>113.000</b>	<b>38,636,986</b>	<b>26,996,718</b>
<b>TOTAL ASSETS</b>	<b>199.000</b>	<b>485,518,472</b>	<b>425,083,379</b>

	Codes	Financial year	Previous financial year
		(in thousands EUR)	
<b>LIABILITIES</b>			
<b>I. Amounts payable to credit institutions</b>	<b>201.000</b>	<b>118,119,063</b>	<b>109,036,175</b>
A. At sight	201.100	4,993,652	9,228,883
B. Resulting from refinancing by rediscounting of trade bills	201.200	11,301	701
C. Other amounts payable at fixed term or period of notice	201.300	113,114,110	99,806,591
<b>II. Amounts payable to clients</b>	<b>202.000</b>	<b>249,988,965</b>	<b>219,001,437</b>
A. Savings deposits	202.100	44,943,270	40,708,637
B. Other amounts payable	202.200	205,045,695	178,292,800
1. At sight	202.201	71,335,672	67,531,809
2. at fixed term or period of notice	202.202	133,710,023	110,760,338
3. resulting from refinancing by rediscounting of trade bills	202.203		653
<b>III. Amounts payable represented by a security</b>	<b>203.000</b>	<b>42,141,559</b>	<b>37,938,507</b>
A. Bills and bonds in circulation	203.100	14,576,667	17,841,465
B. Other	203.200	27,564,892	20,097,042
<b>IV. Other amounts payable</b>	<b>204.000</b>	<b>12,908,774</b>	<b>9,060,808</b>
<b>V. Accrued charges and deferred income</b>	<b>205.000</b>	<b>37,345,656</b>	<b>26,629,235</b>
<b>VI. Provisions for risks and charges, deferred taxes</b>	<b>206.000</b>	<b>1,212,759</b>	<b>1,141,376</b>
A. Provisions for risks and charges	206.100	1,065,539	1,023,527
1. Pensions and similar obligations	206.101	245,428	182,844
2. Fiscal charges	206.102	9,160	17,328
3. Other risks and charges	206.103	810,951	823,355
B. Deferred taxes	206.200	147,220	117,849
<b>VII. Fund for general banking risks</b>	<b>207.000</b>	<b>1,755,686</b>	<b>1,766,306</b>
<b>VIII. Subordinated amounts payable</b>	<b>208.000</b>	<b>10,933,925</b>	<b>10,266,657</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>10,393,716</b>	<b>9,320,022</b>
<b>IX. Capital</b>	<b>209.000</b>	<b>3,111,839</b>	<b>3,111,839</b>
A. Subscribed capital	209.100	3,111,839	3,111,839
B. Uncalled capital	209.200		
<b>X. Share premiums</b>	<b>210.000</b>	<b>4,874,776</b>	<b>4,874,776</b>
<b>XI. Revaluation surpluses</b>	<b>211.000</b>		
<b>XII. Reserves and profit brought forward</b>	<b>212.000</b>	<b>2,420,469</b>	<b>1,331,861</b>
<b>XIII. Consolidation differences</b>	<b>213.000</b>	<b>1,270</b>	
<b>XIV. Exchange differences</b>	<b>214.000</b>	<b>(14,639)</b>	<b>1,546</b>
<b>XV. THIRD PARTY INTERESTS</b>	<b>215.000</b>	<b>718,369</b>	<b>922,856</b>
<b>TOTAL LIABILITIES</b>	<b>299.000</b>	<b>485,518,472</b>	<b>425,083,379</b>

	Codes	Financial year	Previous financial year
		(in thousands EUR)	
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>I. Contingent liabilities</b>	<b>301.000</b>	<b>43,878,913</b>	<b>37,777,951</b>
A. Unnegotiated acceptances	301.100	765,151	500,309
B. Guarantees in the nature of credit substitutes	301.200	3,408,969	3,290,535
C. Other guarantees	301.300	34,810,751	29,994,901
D. Documentary credits	301.400	4,893,900	3,992,206
E. Assets pledged by secured guarantees on behalf of third parties	301.500	142	
<b>II. Commitments which can give rise to a credit risk</b>	<b>302.000</b>	<b>93,964,840</b>	<b>89,523,934</b>
A. Firm commitments to make funds available	302.100	10,236,091	11,967,658
B. Commitments in respect of spot purchases of transferable securities or other assets	302.200	1,174,394	711,173
C. Available margin under confirmed credit lines	302.300	82,422,201	76,741,727
D. Commitments to underwrite and place securities	302.400	132,154	103,376
E. Repurchase commitments resulting from imperfect repurchase agreements	302.500		
<b>III. Assets entrusted to the consolidated institutions</b>	<b>303.000</b>	<b>457,696,520</b>	<b>393,265,564</b>
A. Assets held on an organized trusteeship basis	303.100	2,940,439	4,167,545
B. Assets in safe custody and under similar arrangements	303.200	454,756,081	389,098,019
<b>IV. To be paid upon corporate shares and units</b>	<b>304.000</b>	<b>202,841</b>	<b>126,886</b>

	Financial year	Previous financial year
	(in thousands EUR)	
<b>2. INCOME STATEMENT</b>		
<b>I. Interest and similar revenues</b>	<b>16,113,268</b>	<b>13,465,052</b>
of which : from fixed-income securities	4,563,634	4,190,212
<b>II. Interest and similar charges</b>	<b>(11,559,717)</b>	<b>(9,193,161)</b>
<b>III. Income from variable-income securities</b>	<b>158,704</b>	<b>47,628</b>
A. Corporate shares and units and other variable-income securities	41,358	23,822
B. Participating interests in affiliated enterprises	117,346	23,806
<b>IV. Commission received</b>	<b>2,535,697</b>	<b>2,281,768</b>
<b>V. Commission paid</b>	<b>(555,688)</b>	<b>(497,490)</b>
<b>VI. Profit from (loss on) financial operations</b>	<b>563,701</b>	<b>923,160</b>
A. Foreign exchange transactions and transactions in securities and other financial instruments	135,139	392,587
B. Realization of investment securities	428,562	530,573
<b>VII. General administrative expenses</b>	<b>(4,476,883)</b>	<b>(4,157,412)</b>
A. Wages and salaries, social charges and pensions	2,863,324	2,640,254
B. Other administrative expenses	1,613,559	1,517,158
<b>VIII. Depreciation of and amounts written off on formation expenses and intangible and tangible fixed assets</b>	<b>(784,126)</b>	<b>(682,278)</b>
<b>IX. Write-back of amounts written off (Amounts written off) on amounts receivable and provisions for headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section</b>	<b>(259,413)</b>	<b>(701,965)</b>
<b>X. Write-back of amounts written off (Amounts written off) on the investment portfolio of bonds, shares and other fixed-income or variable-income securities</b>	<b>(4,084)</b>	<b>(25,107)</b>
<b>XI. Uses and write-back of provisions for risks and charges other than those referred to by heading "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section</b>	<b>383,875</b>	<b>192,971</b>
<b>XII. Provisions for risks and charges other than those covered by headings "I. Contingent liabilities" and "II. Liabilities which may give rise to a credit risk" in the off-balance sheet section</b>	<b>(328,437)</b>	<b>(370,310)</b>
<b>XIII. Transfers from (Appropriation to) the fund for general banking risks</b>		
<b>XIV. Other operating income</b>	<b>673,149</b>	<b>619,753</b>
<b>XV. Other operating charges</b>	<b>(183,215)</b>	<b>(194,558)</b>
<b>XVI. Current profit (Current loss) before taxes</b>	<b>2,276,831</b>	<b>1,708,051</b>



	Financial year	Previous financial year
	(in thousands EUR)	
<b>XVII. Extraordinary income</b>	<b>180,081</b>	<b>240,843</b>
A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets	15,742	
B. Write-back of amounts written off on financial fixed assets	14,905	14,856
C. Write-back of provisions for exceptional risks and charges	4,686	316
D. Capital gains on disposal of fixed assets	131,557	113,122
E. Other extraordinary income	13,191	112,549
<b>XVIII. Extraordinary charges</b>	<b>(266,788)</b>	<b>(218,287)</b>
A. Extraordinary depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets	1,097	12,642
B. Amounts written off on financial fixed assets	32,917	57,375
C. Provisions for extraordinary risks and charges	40,603	20,205
D. Capital losses on disposal of fixed assets	39,639	55,048
E. Other extraordinary charges	152,532	73,017
<b>XIX. Consolidated profit (Loss) for the year before taxes</b>	<b>2,190,124</b>	<b>1,730,607</b>
<b>XX. A. Transfers to deferred taxes</b>	<b>(110,853)</b>	<b>(122,091)</b>
<b>B. Transfers from deferred taxes</b>	<b>79,448</b>	<b>68,310</b>
<b>XXI. Taxes on result</b>	<b>(550,175)</b>	<b>(329,567)</b>
A. Taxes	(605,212)	(397,021)
B. Adjustment of income taxes and write-back of tax provisions	55,037	67,454
<b>XXII. Consolidated profit (Loss) of the year</b>	<b>1,608,544</b>	<b>1,347,259</b>
<b>XXIII. Part of the results of participating interests valued by equity method</b>	<b>266,957</b>	<b>(30,266)</b>
A. Profits	296,331	47,939
B. Losses	(29,374)	(78,205)
<b>XXIV. Consolidated profit</b>	<b>1,875,501</b>	<b>1,316,993</b>
<b>XXV. Third party interests</b>	<b>48,762</b>	<b>51,023</b>
<b>XXVI. Group profit</b>	<b>1,826,739</b>	<b>1,265,970</b>

### 3. NOTES

#### I. CRITERIA FOR FULL CONSOLIDATION, PROPORTIONAL CONSOLIDATION AND VALUATION BY EQUITY METHOD AND EXCLUSIONS.

The consolidated accounts are prepared in accordance with the Royal Decree of 23 September 1992 concerning the consolidated accounts of credit institutions. This decree largely refers to the Royal Decree of 6 March 1990 concerning the consolidated accounts of companies.

#### LIST OF CONSOLIDATED COMPANIES

##### 1. Changes to the consolidation scope in 2004

###### 1.1. Restructurings in the group:

- \* Fortis Project Finance has been sold to Fortis Bank Nederland (Holding);
- \* BGL MeesPierson Trust Luxembourg S.A.; BGL Reads Group, MeesPierson Channel Islands Ltd; MeesPierson Trust Schweiz AG and MeesPierson Trust Liechtenstein have been transferred from Banque Générale de Luxembourg to Fortis Bank Nederland (Holding);
- \* BGL-Bail has been sold to Fortis Lease France and afterwards has been merged with Fortis Lease France;
- \* Soginvest Luxembourg has been merged with Cofhylux;
- \* Bank MeesPierson has been merged with MeesPierson Beheermaatschappij I BV;
- \* Demetris Sud-Ouest has been merged with Demetris.
- \* Benkers has been merged with Beta Capital MeesPierson SA;
- \* Fortis Investment Overseas has been liquidated.

###### 1.2. Modifications to the group of fully consolidated companies:

###### 1.2.1. Entries in the consolidation scope:

- \* Cristián Correa S. – Asesoría en Inversiones SA, before 2004 accounted under the proportionally method, have now been fully consolidated;
- \* Zoë S. Company, MeesPierson Depositofonds and Courtage Haussonville, were previously not consolidated;
- \* NeSBIC Investment Fund II BV, before 2004 accounted under the equity method, have now been fully consolidated;
- \* Moray Investments SARL, Cranbourne Investments SARL, The Rowallan Trust, Fortis Lease Group SA and Fortis Lease Group Services are new companies within the consolidation of Banque Générale de Luxembourg;
- \* Advies- en Assurantiekantoor "De Kruispost" B.V., Airmavest, Amade Holding B.V., Anbeco, Anderson Allingham Roll & Ross, Anglo Continental Holdings, Arvem S.A., Ashlea Ltd, Assurantiebedrijf Lentjes & Drossaerts; Baraca Holding B.V., Bego Vastgoed II, Beleggingsmaatschappij Ipenrode B.V., Brown Carib, Cerroni BV, Chatham Ltd, Chrisanda (Nominees), CP JER Holding B.V., Dina Nominees, Disacor BV, Dublin GCM, Econosu, Econosu II, Etesian Windparken, Fortis (IOM) Nominees, Fortis Arbitrage Europe, Fortis Asia Limited, Fortis Capital Company, Fortis Chameleon, Fortis Commercial Finance Italy SPA, Fortis Commercial Paper Holding, Fortis Finance UK Ltd, Frazer Holding, Fund Services London, Gorillapark BV, Grondwaardeplan B.V., Grosta Beteiligungsverwaltungs, Horwart Management Services Ltf, Horwart Tax, Horwath Business Service Ltd, Intertrust BVI Ltd, Intertrust Guernsey, Intertrust Ireland, Intertrust Isle of Man, Intertust Isle of Man (FIOM) Intertrust London, Intertrust Singapore, Jansen A.F. Beheer BV, Jarwell Ltd, JEB Lyd, Joint Express Investments, Joyeagle, Kelburne Ltd, Krijgsman Beheer B.V. IR. C.,

Kruijssen Van B.V., Laboras Inc., Leplatex-Verein Holding S.A., Management Services Singapore, McKinley Corporation, MECS Investerings Coöperatief U.A., MeesPierson Fonds Services GMBH, MeesPierson Horwath Management Consultants Shangai Ltd, MeesPierson Intellectual Property Group Holding, MeesPierson International Holding, MeesPierson Intertax(HK), MeesPierson Intertrust (Anguilla), MeesPierson Intertrust (Caribbean) Ltd, MeesPierson Intertrust (Denmark), MeesPierson Intertrust (Rotterdam), MeesPierson Intertrust (Singapore), MeesPierson Intertrust Engineering, MeesPierson Intertrust España, MeesPierson Intertrust Group Holding S.A., MeesPierson Private Equity (Hong Kong) Ltd, Metropolitan Management B.V., Modbury International, Mody Ltd, Moeara Enim Petroleum Maatschappij, Molberg B.V., Monte Corbier B.V., Multi Trade Services Limited; Nagro S.A., NeSBIC CTE Fund II SPV 1 BV, NeSBIC CTE Fund II SPV 2 BV, NeSBIC CTE Fund SPV I BV, NeSBIC INK BV, NeSBIC INK Holding BV, NeSBIC Investment Fund II Invest I BV, Nucletron Beheer, Oakey Holding, OCA Pom, Olivijn Beheer B.V., Onroerend-goed maatschappij Coolsingel BV, Pagoo Netherlands BV, PCS Ltd, PCS Secretaries, Plashof Holding B.V., Poole Holdings Antilles N.V., Portofolio & Investments Management Services, Prinza, Rakigoro Holding B.V., Rocabel, Rometra BV, Roslea Ltd, Rustem, S.H.G. Poesen B.V. Holding, San Maramba (BVI) Ltd, Satepe Beheer B.V., Sequoia 5 BV, Slock International, Socotel S.A., Softnosu, SR-Hypotheken, Sternlan Holding BV, Tacupai Corporation N.V., Tapman (Nominees), Tekapol B.V., Temli Beheer, Valdemore Holding, Verliss Holding, Verne Business Excellence B.V., Verolon Holding, Verose Holding B.V., Vreedenlust Fund II BV and Zuidvoorne beheer are new companies within the scope of Fortis Bank Nederland (Holding);

- \* Fortis Energy, Fortis Energy Leasing X 2 BV, Fortis Energy Leasing X I BV, Fortis Private Equity France Fund, Fortis Private Equity Asia Fund, Camomile Investments LTD, Camomile Ulster Investments (UK) Ltd, Camomile Liffey Investments (UK) Ltd, Vintners London Investments (Nile) Ltd, Fortis Lease Zeebrugge, Fortis Lease Immobilier France, Fortis Lease Iberia, Upper Hatch Securities, et GIE Services Group Fortis are new companies within the scope of Fortis Banque;
- \* Fortis Investments Management Japan and Fortis Investment Management Cayman were established by FIM.

#### 1.2.2. Exits from the consolidation scope:

- \* Fortis Bank Asia and Fortis Securities Asia have been sold;
- \* Fortis Pension Fund Services has been sold to AMEV;
- \* Fortis Bank Nederland (Holding) NV sold, wound-up or merged the following companies:
  - A. Harder Holding BV, Adelina Corporation, Adilla BV, Adm. Kantoor van Binnen- en Buitenlandse Fondsen, Adm. Kantoor van de Nederlandse Overzee Bank BV, Administratiekantoor Hebo BV, Administratiekantoor van aandelen der ATT Comp. BV, Advantis Merchants Inc, Aerospace Lease BV, AFL Lease BV, Agusta Beheermaatschappij BV, Alfrano Holding BV, Alpha Taibout 2 B.V., Alpha Taibout 3 B.V., Alpha Taibout B.V., Alspan B.V., Anvalee BV, Arconville NV, Ardenas Holding B.V., Arenaria NV, Assilem NV, Associatie voor Beheer- en Trustzaken B.V., ATT Inc., Aura Ltd., Bakwamie Investments, Baladanov Holding BV, Balze Invest Ltd, Baseline Holding NV, Beels & Co BV, Beheersmaatschappij Have B.V., Beheersmaatschappij Jan Bouw B.V., Beheersmaatschappij SBV, Beleggingsinstelling Metro NV, Beleggingsmaatschappij Amileta NV, Beleggingsmaatschappij Anbeco NV, Beleggingsmaatschappij Ardelisa NV, Beleggingsmaatschappij Barendina NV, Beleggingsmaatschappij Cristaldina NV, Beleggingsmaatschappij Duberlysse NV, Beleggingsmaatschappij Dulcelana NV, Beleggingsmaatschappij Edelmira NV, Beleggingsmaatschappij Estervina NV, Beleggingsmaatschappij Feliciene NV, Beleggingsmaatschappij Firmania NV, Beleggingsmaatschappij Giovanna NV, Beleggingsmaatschappij Godelinde NV,

Beleggingsmaatschappij Haifnella NV, Beleggingsmaatschappij Hypolita NV, Beleggingsmaatschappij Idzerdina NV, Beleggingsmaatschappij Judegien NV, Beleggingsmaatschappij Kasmie NV, Beleggingsmaatschappij Lyla Marie NV, Beleggingsmaatschappij Mischa NV, Beleggingsmaatschappij Notburga NV, Beleggingsmaatschappij Ofelia NV, Beleggingsmaatschappij Pascualita NV, Beleggingsmaatschappij Reginalda NV, Beleggingsmaatschappij Shahaira NV, Beleggingsmaatschappij Tabeia NV, BGK Projectontwikkeling B.V., Blauwduif Holding NV, Blauwpoort Beheer BV, Blighton Corporation NV, Bodam BV, Bourganville Hold., Bouw en aannemingsbedrijf Gebroeders Heemskerk B.V., Boxator Holding B.V., Brabant, mij tot beheer en ontw. V. deel. NV, Brakkeput Holdings AVV, Brehag AG, Brown Sugar NV, Building Automation Investments B.V., Buildream Investment NV, Buiswater Beheer BV, BV Deelnemingen MeesPierson, BV tot Financiering van Industriële Ondernemingen "Finindo", Cabaret Corporation NV, Camarc BV, Cambridge Vastgoed B.V., Caparica NV, Carawara BV, Cardome Holding BV, Caval BV, Ceteris Holding B.V., Charterhouse Vermogensbeheer B.V., Cider Holding BV, Cilandra Beheer BV, Chicorei Beheer BV, Clairmont NV, Clorinette Inv. Comp. NV, Cobe Beheer, Columba Corp. NV, Culkin NV, Cybele (PEP) Nominees Ltd, Cypress Park NV, Cyrillic Holding BV, Dagkar Beheer BV, D'Agnolo Onroerend Goed B.V., Dallion Holding BV, Dancorp Danish Entertainments Rights BV, Data Venture Curacao NV, De Geren BV, De Grenswisselkantoren NV, Deelnemingen MeesPierson BV, Dennenhoek B.V., Domaro Int'l NV, Donders Beleggingsmaatschappij B.V., Dyanthus NV, Elie International NV, Emmomax International NV, Environmental Allies, Esbeek NV, Euripides BV, Exploitatie- & beheersmaatschappij Datema BV, F.C.H. Indonesia BV, Financieringsmaatschappij Coin BV, Financieringsmaatschappij Logon BV, FINOB Equipment Leasing XXV BV, Finnegand Nominees Ltd, Fleurestra International BV, Floodlight Holding BV, Fortis Bank (Cayman), Fortis Bank Assurantien (Rotterdam) BV, Fortis Bank Holding (Curacao) NV, Fortis Commercial Finance Ltd., Fortis Fund Services (Cayman) Ltd., Fortis Investment Asia Lit., Fortis NL Betalingsverkeer, Foxell Ltd, Galadriel Holding BV, Gemini International BV, Generale Bank Fondsenbeheer B.V., Generale Bank Informatica B.V., Generale Bank Participaties B.V., Generale Bank Particuliere Participatiemaatschappij B.V., Giordano Holding BV, Grondzee Holding BV, Groniber SA., Groote Reede BVBA, Guus Wauben Holding BV, GWK Bank NV, Hama BV, Handels- en Exploitatiemaatschappij Ummels de Waal BV, Handelsmaatschappij Koraal BV, Hast BV, Hintac BV, HJ Merck & Co GMBH, Hoefslag NV, Holdmij C. Joosten Wesseem BV, Holland Venturs Associates BV, Hopam Trustcompagnie BV, Houdstermaatschappij Koek en Reinders B.V., Houdstermaatschappij Reuzer II BV, Hullkol NV, Idecor Corporation, Inflight Phones, Intertrust Management NV., Istomo N.V., J.F. Knijff, Jan de Bruin Beheer B.V., Janol BV, Jemar BV, Jocomar Beheer BV, Jothima Investment BV, Juwana BV, Kalloni NV, Kamioka NV, Kaneel BV, Karumist BV, Kazan Beleggingen B.V., KBW Bemiddeling B.V., KBW Global Custody N.V., Kinikini Corp NV, Kitrin Int'l NV, , Klein Boerlo BV, Kora BV, Koraal Beheer BV., L. Smit Holding BV, La Porte Ind. NV, Lamaist Holding B.V., Larangeira NV, Leamaat Betha BV, Lentjes & Drossaerts Asset Management (Curacoa) NV, Les Hauts de la Mirandole B.V., Lissa & Kann BV, Long Tree BV, Maatschappij onroerend goed BV., Macletis BV, Mahejo Beheer BV, Man. Trad. Centre (MTC) BV, Manber Hungary Film Distribution Ltd, Mare Librum NV, Mark Invest BV, Marlus Holding B.V., Maryland Holding NV, Mavic Lease B.V., Mawood BV, MBR Filmdistribution Ltd., Meelhuysen Vermogensbeheer B.V., Mees & Hope Securities Holdings Ltd, Mees & Hope Securities Ltd, MeesPierson (Sint-Maarten), MeesPierson Asset Management (Curacoa) NV, MeesPierson Capital Management (Channel Islands) Ltd., MeesPierson Capital Management (España) SA, MeesPierson Capital Management (Far East) Ltd., MeesPierson Capital Management (UK) Ltd., MeesPierson Corporate Finance Ltd, MeesPierson Derivatives Off Floor BV, MeesPierson

Finance GmbH, MeesPierson Finance NV, MeesPierson Fund Services (Bahamas) Ltd, MeesPierson Investeringsmaatschappij I BV, MeesPierson Investments Inc., MeesPierson Lease Finance Ltd, MeesPierson Management Services (C.I.) Ltd, MeesPierson Market Maker BV, Memphisville Holding NV, Metagenis Trading NV, Micora NV, Mierik Beheer BV, Mij voor Roerende en Onr. Goed. Bez. Marono BV, Militai NV, Mobrina Beheer BV, Mol Roosendaal BV, Moonflake NV, Motiel N.V., Nana BV, NCB Management Company BV, Neira NV, NeSBIC Mees & Hope BV, News Group Credit Netherlands Antilles N.V., Nijstad Beleggingsmaatschappij BV, Nilaneus BV, NV Kontiki, Orthocal NV, OT Administrators B.V., OTC I BV, P. Kralt BV., P. Kralt Beheer B.V., P. Kralt Pensioen B.V., Palmerswaerd Investment NV, Paninvest Holding BV, Panseiku BV, Paplu B.V., Paragrasse Hld. Corp NV, Paramito BV, Partlease Rotterdam VII Bv, Partship Prins Willem Van Oranje BV, Partship XI BV, Partship XII BV, Patoka NV, Peltenburg Beheer B.V., Pentin B.V., Ph. Sinke Beheer BV, Philius Finance NV, Pierson Assurantien BV, Pilon Corp NV, Polka Corporation NV, Powertell, Precise, Preidor Holding B.V., Printinvest, Quellhorst Holding BV, R&L Vermogensbeheer BV, Rabanne Investment NV, Racine Beheer BV, Radushi BV, Randstad Bank N.V., Result Holding BV, Rhapsody Corporation NV., Romir Holding B.V., Rouche BV, Scame Holding B.V., Scheepsvaartmaatschappij Noordkaap NV, Scheldewal NV, Sedulity Corporation NV, Seteruas NV, Share-Invest B.V., Shimaco NV, Sites BV, Sol y Sombra BV, Solid Factors BV, Standard Beleggingsmaatschappij NV, Stratum Invest Ltd., T. Bekker Beheer BVBA, T. Wooldveld BV, T.G. Petroleum Holding I BV, Tallost Holding B.V., TCF Counter Trade Beheer BV, The (UK) Industrial Fund Ltd., Theuns B.V., Thijss N.V., Tinashi Int'l NV, Torenvalk Holding NV, Tot Fin. Van Industr. Ondernemingen "Finindo" BV, Triba BV, Trinitaria BV, Trust- en Beheersmaatschappij "Unitrust" BV, Trustmij MeesPierson Vermogensregie BV, Tuteurutu BV, Twentsche Bouwmaatschappij B.V., Valobor NV, Van Der Heijden Beheer B.V., Van Kollem & Zoon BV, Van Kruijssen B.V., Van Lee BV, Velmiljoen BV, Vermacon BV, VOF Pierson, Heldring & Pierson, W.A.K. Beleggingsmaatschappij BV, W.A.K. Holding, Wayaca BV, Westby Investments NV, Westvoorne BV, White Beauty Corp. NV, William Investments BVBA, Xgama Industries Ltd NV;

### 1.3. Changes in the group of proportional consolidated companies:

#### 1.3.1. Entries into the consolidation scope:

- \* Fortis Agency Limited, Fortis China Limited, Fortis Far East Limited, Fortis Futures Limited, Fortis Greater China, Fortis Group Ltd, Fortis Haitong Inv. Man. Ltd, Fortis Insurance Limited, Fortis International Limited, Fortis Limited, Fortis Management Limited, Fortis Services Limited, Haitong-Fortis Private Equity Fund Management Company Ltd., MeesPierson Accounting Services et Lighthouse Capital Insurance Company are new companies

### 1.4. Changes to the group of companies accounted for under the equity method:

#### 1.4.1. Entries into the consolidation scope:

- \* In FBN's subconsolidation, AAC Group B.V., Besin Holding BV, Brabant Participatiemaatschappij, CEC Group, H2 Equity Partners BV, H2 Equity Partners II Fund BV, H2 Lighting BV, Holding Vreedenust Fund II, Holding Vreedenust Fund III, K & H Options, MeesPierson Horwath Management Consultants (Guangzhou), Nestrust B.V., SPC Beheer B.V. were accounted for under the equity method;
- \* MeesPierson Trust (Hong Kong) previously fully consolidated, was accounted for under the equity method;

- \* Holland Venture Deelnemingen BV, Japan Asia Venture Fund NV, NeSBIC CTE Fund II Partners and Sluiswachter previously not consolidated, were accounted for under the equity method;
- \* Fortis Brokerage Lux previously not consolidated;
- \* Fortis Investment Management Asia has been established by FIM;
- \* Ninia SA/NV is a new participation of FB Assurance;

#### 1.4.2. Exits from the consolidation scope:

- \* Amsterdam Option Traders (AOT) Edele Metalen BV, Camomile Nursing Homes Ltd, Christchurch Holdings Plc, Clearwater B.V., Dornier Printing Machinery Ltd., Optima Options BV, Prime Aviation II A/S, Subsea & Workocer Contrators BV and Triasma Homes Ltd have been sold;
- \* Tertou's Maison has been merged with Tous Propriétaires S.A.;
- \* Medimmo has been sold;
- \* Credit Social Nivelles has been merged with Credit Jodoigne and is no longer an associated company.

#### 1.5. Name changes:

- \* Esvebe Holding B.V, previously Directie Pensioenfonds ESVEBE B.V.;
- \* Benkers Capital S.A.U., previously Benkers AV SA;
- \* Beleggingsmaatschappij Giever BV, previously Giever;
- \* Cobel NV, previously JHM Coelen;
- \* FB Aviation & Intermodal Finance Holding BV, previously MeesPierson Transport & Logistics Holding B.V.;
- \* Fortis Capital Investments Inc, previously Fortis Securities Inc;
- \* Fortis Clearing (Futures) Hong Kong, previously Fortis Future Clearing Services (Asia) Ltd;
- \* Fortis Clearing (Options) Hong Kong, previously Fortis Options Clearing Services (Asia) Ltd;
- \* Fortis Securities LLC, previously Fortis (USA) Investments Services;
- \* Fortis Commodity Investments Finance Ltd, previously MeesPierson Commodity Investment Finance Ltd;
- \* Fortis Custody (Curacao) NV, previously Fortis Effectenbewaarbedrijf (Curacao) NV;
- \* Fortis Escrow Services, previously E-commerce Administration & Management Services;
- \* Fortis Hypotheek Bank, previously ASR bank;
- \* Fortis Investment Management USA Inc, previously Harbor Capital Management CY;
- \* Fortis Prime Fund Solutions (Asia), previously MeesPierson Fund Services (Asia) Ltd;
- \* Fortis Prime Fund Solutions (IOM), previously MeesPierson Fund Services (Isle of Man) Ltd;
- \* Fortis Prime Fund Solutions (UK), previously Fortis Securities (UK)
- \* Fortis Private Equity France, previously Robertsau Gestion;
- \* Fortis TCF Participations (International) Ltd, previously MeesPierson TCF Participations (International) Ltd;
- \* Furlon Holding B.V., previously Groenveld en Lindhout B.V.;
- \* GSLA Arbitrage Ltd, previously MHF Futures Ltd;
- \* Hoffinvest NV, previously Viehoff;
- \* I-Cap Belgium, previously Masterpiece;
- \* MeesPierson Intertrust Belgium, previously Intertrust Belgium SA/NV;
- \* MeesPierson Fund Services (Dublin), previously Fortis Fund Services (Ireland) Ltd;
- \* MeesPierson Intertrust (Amsterdam), previously Holland Intertrust Corporation BV;
- \* MeesPierson Intertrust (Suisse) SA, previously Intertrust (Suisse) SA;
- \* MeesPierson Intertrust B.V., previously MeesPierson Trust BV;

- \* MeesPierson Private Wealth Management (Curacao) NV, previously MeesPierson Asset Management (Ned. Ant.) NV;
- \* MP Beheermaatschappij 2, previously Bank MeesPierson;
- \* MPI Securities (Asia) Ltd, previously MeesPierson Securities (Asia) Ltd;
- \* PT Fortis Investments, previously PT MeesPierson Finas Investment Management Ltd;
- \* Radcliff Holding B.V., previously Riso Beheer B.V.;
- \* United Reforce II BV, previously Leemaat Charlie BV;
- \* Van Der Giessen Holding, previously Druivi BV;
- \* Fortis Bank Global Clearing NV, previously Fortis Clearing Amsterdam BV;
- \* Fortis Banque Courtagé, previously BPC Courtagé;
- \* MeesPierson Equipment Leasing XXII B.V., previously FINOB Equipment Leasing XXII BV;
- \* MeesPierson Equipment Leasing XXIII B.V., previously FINOB Equipment Leasing XXIII BV;
- \* MeesPierson Equipment Leasing XXIV B.V., previously FINOB Equipment Leasing XXIV BV;
- \* Credit Social de la Province du Brabant Wallon, previously Credit Social Nivelles;
- \* Fortis Bank Global Market Holding, previously Fortis Global Market Holding.

## 2.

The Decree requires the consolidation of all subsidiaries, defined as entreprises in which the parent company has the right - directly or indirectly through a subsidiary - to exercise a dominant influence on the appointment of the majority of the board of directors or on the latter's conduct of its management.

Excluding subsidiaries from the consolidation is permitted under Article 5 of the Royal Decree of 23 September 1992 which refers to Articles 12 -18 of the Royal Decree of 6 March 1990.

- \* Companies with insurance activities are reported using the equity method, in accordance with the periodic reporting of credit institutions related to their financial position;
- \* Companies managing real estate and real estate certificates are excluded from the consolidated accounts in accordance with Article 13.2° of the Royal Decree of March 1990 ;
- \* In order to respect the true and fair view, the participating interest of Fortis Bank in Fortis Insurance NV is not reported using the equity method pursuant to Article 23 of the Royal Decree of 6 March 1990. The participation is reported in the consolidated accounts under the heading *VII.B.1.Financial fixed assets: other companies - participating interests*;
- \* Under the terms of Article 13.1° of the Royal Decree of 6 March 1990, subsidiaries of minor importance were excluded from the consolidated accounts :  
Aerochange SARL, ASLK-CGER Services ESV, AVISA sa, BGL International NL, BGL Trustees (GB), Fortis Banque Courtages, BPC developpement, Channel Corporate Services, Comcolux SA, Commerce Holdings, CommonWealth Administratie BV, CommonWealth Informatie BV, CommonWealth Private Equity BV, Cosecheros Abastecedores SA, Ecoreal SA, Est-Developpement, Eurl Gourville, Exviesa, Fortis Epargne Retraite France, Fortis L Capital, Fortis Services Monétiques, Genconsultoria LTD, Generale Branch Nominees LTD, FP Consult (Guernsey), GeschäftsführungsGmbH der Generale Bank, Isep Medical Research, MeesPierson Intereast Finance Co. Ltd., Monterey Management, Monterey Services, Northumberland Group Limited, Parisienne d'Acquisition Fonçière, Prominter Curacao nv, SCI Norlum, Svenson, Sybeta sa, Tertio Management, Universal Management Services, Velleman International, Villamejor, Wa Pei Nominees Ltd.  
The joint subsidiaries Caso ESV, Electical Oil Services and Legibel ESV were excluded from the consolidated accounts for the same reason;

- \* The following subsidiaries were accounted for under the equity method because of their minor importance to the consolidated financial statements:  
Asian Pacific Growth Fund Investment NV, B.I.A.O. Côte d'Ivoire, CommonWealth Investment BV, Comptoir Agricole de Wallonie, Comptoir Agricole de Mons, Comptoir du Hainaut, Coppefis, Credissimo, Discontokantoor van Turnhout, Explotaciones Industriales de Optica, Fortis Investment Management Asia, Fortis Securities Polska, Krediet voor Sociale Woningen Watermaal Bosvoorde, Landbouwkantoor Vlaanderen, Maison Sociale Tournai Ath, Mijn Huis Edouard Pecher, Mine.Be, NBM Bank Nigeria, NeSBIC Holdings III BV, NeSBIC Buy out Fund Invest VI BV, Titrison Belge SA, Textainer Marine Containers;
- \* The following associates were not accounted for under the equity method because of their insignificance (Article 68 of the Royal Decree of 6 March 1990 on True and fair view) :  
Algonomics, Altsys, Anaxis, Baekeland Fonds, Bedrijvencentrum Zaventem, Bexco, Brussels I3 Fund, CDM, Cetrel Lux sc, Composite Damping Material, Conticlina, Coolstar, Corn. Van Loocke, Dibag-Diproteg, Etna, Europay Lux sc, Flanders Engineering, Fun Belgium, Gemma Frisius-Fonds K.U. Leuven NV, Gemma Frisius-Fonds K.U. Leuven II, Genève Credit & Leasing SA, Gudrun Xpert, Hemag (Atlantic), IMEC Incubatie Fonds, Immo Royal Conseil, Immo Regenboog, Industria Beheer B.V., Kaasbrik Holding, L.C.H. Investment NV, Lesire Software Engineering, Marfil, Meta International, Metalogic, N&V, Nova Electro int., P.X.L., Polysto, Prisme, Q-Face B.V., Retail Partners, Rodilla Sanchez, Rovast Real Estate Fund Management bv, SBI-BMI, Salyp NV, Société Financière des sociétés de développement régional, Sophis System, Visalux, Xenics;
- \* As the subsidiary IDBP will be disposed of in the near future, it has not been consolidated but accounted for under the equity method (Article 13.4°).
- \* The participating interest in Petrochem UK Limited, Petrochem Carless and Carless Refining and Marketing, will be disposed of in the near future and was therefore not consolidated (artikel 13,4°);
- \* Under the terms of Article 13,3°, Belgolaise's African participating interests, in the subsidiaries A.M.B. - West Africa, Allied Bank International Uganda, Banque Internationale pour l'Afrique au Togo, Eurafrique Bank Tanzania and the participations in Banque Commerciale du Congo, Banque Crédit de Bujumbura, Banque de Kigali, Banque Internationale Afrique au Niger, Banque Internationale pour Centrafrique, Middle East Bank Kenya and The Trust Bank were not consolidated because of the risk of an unacceptable delay in reporting and because of their insignificance to the consolidated financial statements.
- \* Pursuant to Article 14 (dissimilar activities), the following company was not consolidated :  
Fagus.



**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
A.B.M.I. Holdings Ltd	George Town Cayman Isl.		100.00
A.G.M. Hendriks Beleggingen B.V.	Rotterdam		100.00
A.S.L.K. - C.G.E.R. FINANCE N.V.	AMSTERDAM		100.00
ACE EQUIPMENT LEASING	ANTWERPEN	BE 440.910.431	100.00
ACE LEASE B.V.	s-Hertogenbosch	NL 8008.50.932.B.01	100.00
ACE LEASING	BRUSSEL	BE 435.610.370	100.00
Administratie- en Trustkantoor "Securitas" BV	Amsterdam		100.00
Administratie- en Trustkantoor 's-Gravenhage BV	s-Gravenhage		100.00
Administratiekantoor Drasco BV	Amsterdam		100.00
Advies- en Assurantiekantoor "De Kruispost" B.V.	Amsterdam		100.00
AGRILEASE B.V.	's-Hertogenbosch		100.00
Airmavest	Amsterdam		100.00
Albany Associates Ltd	Tortola Br.Virgin Isl.		100.00
Albion Financial Service Ltd	Hong Kong		100.00
Alexandra Nominees Holdings Ltd	Hong Kong		100.00
ALFAM Holding B.V.	Bunnik		100.00
Alfam Nederland B.V.	Bunnik		100.00
Algemeen Kantoor van Administratie te Amsterdam B.V.	Amsterdam		100.00
Algemene Handelsmaatschappij Almij B.V.	Amsterdam		100.00
Alkmaar Hypotheken B.V.	Amsterdam		100.00
Alluvium AG	Zug		100.00
Alpha Credit Nederland B.V.	Bunnik		100.00
ALPHA CREDIT S.A./N.V.	BRUXELLES	BE 445.781.316	100.00
Alrenta Service AG	Zug		100.00
Altheus Ltd	Douglas		100.00
Amande Holding B.V.	Amsterdam		100.00
AMEV Bank N.V.	Utrecht		100.00
AMEV Hypotheekbedrijf N.V.	Utrecht		100.00
AMEV Praktijkvoorziening N.V.	Utrecht		100.00
AMEV Woning Hypotheken N.V.	Utrecht		100.00
Anbeco	Willemstad Curacao		100.00
Anderson Allingham Roll & Ross	Bermuda		100.00
Andraka Beteiligungsverwaltungs GmbH	Vienna		100.00
Angelique Corporation NV	Willemstad Curacao		50.50
Anglo Continental Holdings	Amsterdam		100.00
Anneke Geertuida B.V.	Amsterdam		100.00
Anrodata NV	Willemstad Curacao		100.00
ARCAS, WESSELS ROLL & ROLLS B.V.(2)	AMSTERDAM		89.97
Ardgowan Holdings Ltd	Tortola Br.Virgin Isl.		100.00
AREMAS	BRUXELLES	BE 466.301.368	100.00
Argenta Ltd	St Peter Port Guernsey		99.89
Armadu Holding B.V.	Curacao		100.00
Arvem S.A.	Amsterdam		100.00
Ashlea Ltd	Hong Kong		100.00
ASLK-CGER INVESTMENTS IRELAND	DUBLIN 2		100.00
Assurantiebedrijf Lentjes & Drossaerts	Amsterdam		100.00
ASTRO MANAGEMENT S.A.	BRUXELLES	BE 430.189.456	100.00
Athos Group Ltd	Tortola Br.Virgin Isl.		99.89
Atila Corporation NV	Willemstad Curacao		100.00
Bachem NV	Willemstad Curacao		100.00
Bakkerijgrondstoffen Industrie Riso B.V.	Amsterdam		100.00
BANK VAN DE POST N.V.	BRUSSEL	BE 456.038.471	50.00
BANQUE BELGOLAISE	BRUXELLES	BE 403.200.294	100.00
BANQUE GENERALE DU LUXEMBOURG S.A.	LUXEMBOURG		99.89
BANQUE MEESPIERSON BGL (CH) (1)	NYON		99.87
Baraca Holding B.V.	Amsterdam		100.00
Barela NV	Willemstad Curacao		100.00
BATICAL (1)	NANCY		87.66
Becom Management BV	Amsterdam		100.00
Beekman Trading B.V.	Amsterdam		100.00
Bego vastgoed II	Amsterdam		100.00
Beleggingsmaatschappij Beurshave N.V.	Amsterdam		99.95

(1) Subconsolidation BGL

(2) Subconsolidation FIM

Capital letters = Consolidated by FORTIS BANK BELGIUM

Small letters = Consolidated by FORTIS BANK NEDERLAND

**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
Beleggingsmaatschappij FBIB Capital Structures NV	Delft		99.95
Beleggingsmaatschappij Giever BV	Antwerpen	BE 458.403.390	100.00
Beleggingsmaatschappij Ipenrode B.V.	Amsterdam		100.00
Beleggingsmaatschappij Luijp B.V.	Utrecht		100.00
Beleggingsmaatschappij Mihul NV	Willemstad Curacao		100.00
Beleggingsmaatschappij Quirina NV	Willemstad Curacao		50.50
Beleggingsmaatschappij Sanamij BV	Amsterdam		100.00
Benedicta	London		100.00
BETA BOLSA, SA	MADRID		100.00
BETA CAPITAL ALLICANTE	MADRID		51.00
BETA CAPITAL CORDOBA S.A.	MADRID		100.00
BETA CAPITAL MEESPIERSON S.A.	MADRID		100.00
BETA CAPITAL GALICIA SL	MADRID		100.00
BETA CAPITAL SOCIEDAD DE VALORES Y BOLSA	MADRID		100.00
BETA EUROPA MANAGEMENT S.A.	LUXEMBOURG		100.00
BETA PENSION SGFP S.A.	MADRID		100.00
BGL FINANCE HOLDING S.A.(1)	LUXEMBOURG		99.88
BGL MeesPierson Trust	Luxembourg		99.82
BGL Reads Group	Saint Peter Port		99.83
Bodorobe NV	Willemstad Curacao		100.00
Boley Beheer NV	Willemstad Curacao		100.00
Bordage Properties Ltd	St Peter Port Guernsey		99.89
Brassington Corporation NV	Willemstad Curacao		99.98
Brown Carib	Amsterdam		100.00
Buffington NV	Willemstad Curacao		100.00
Burginhall Ltd	Hong Kong		100.00
BV Mij tot aankoop, verkoop & verhuur van Huizen	Rotterdam		100.00
Camomile Court BV	Rotterdam		100.00
CAMOMILE INVESTMENTS UK LTD	LONDON		100.00
CAMOMILE LIFFEY INVESTMENTS (UK) LTD	GEORGE TOWN		49.00
CAMOMILE ULSTER INVESTMENTS (UK) LTD	GEORGE TOWN		49.00
Canonie NV	Willemstad Curacao		100.00
CAPITAL BALEARES SL	MALLORCA		85.00
Caribbean Depositary Company NV	Willemstad Curacao		100.00
Caribbean Management Company NV	Willemstad Curacao		100.00
Caribbean Participation Company NV	Willemstad Curacao		100.00
Caritrust Management Corporation N.V.	Willemstad Curacao		100.00
Carmody NV	Willemstad Curacao		100.00
Carneth Administratie Company NV	Willemstad Curacao		100.00
Catanzaro Holding BV	Amsterdam		100.00
Cavetto Corporatio NV	Willemstad Curacao		100.00
Cayena BV	Willemstad Curacao		100.00
CecileHidde Finance B.V.	Amsterdam		100.00
Cecilla Beleggingsmaatschappij NV	Willemstad Curacao		100.00
Centraal Incasso Bureau C.I.B. B.V.	Bunnik		100.00
Cerroni BV	Amsterdam		100.00
CERTIFIMMO V	BRUXELLES	BE 450.355.261	100.00
Change Express B.V.	Amsterdam		100.00
Chatham Ltd	Hong Kong		100.00
Chiddingtone NV	Willemstad Curacao		100.00
Chirtsimols BV	Antwerpen		33.93
Chrisanda (Nominees)	Hong Kong		100.00
Christián Correa S.- Asesoría En Inversiones S.A.	Santiago, Chili		33.33
Claudine Philippine B.V.	Amsterdam		100.00
Cobel NV	Vorst	BE 458.931.744	100.00
COFHYLUX S.A. (1)	LUXEMBOURG		99.89
Cordwell Securities Ltd	Cook Islands		100.00
COURTAGE HAUSSONVILLE (1)	NANCY		85.81
CP JER Holding B.V.	Amsterdam		100.00
CRANBOURNE INVESTMENTS SARL	LUXEMBOURG		98.89
Cronos Equipment Funding Ltd	Nassau		100.00
Culture Club NV	Willemstad Curacao		50.50

(1) Subconsolidation BGL

(2) Subconsolidation FIM

Capital letters = Consolidated by FORTIS BANK BELGIUM

Small letters = Consolidated by FORTIS BANK NEDERLAND

**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
Danza Corporation NV	Willemstad Curacao		100.00
Dashvest Holding BV	Amsterdam		100.00
DB Nominees Ltd	Hong Kong		100.00
Defam Credit B.V.	Bunnik		100.00
Defam Financieringen B.V.	Bunnik		100.00
Defam Flex B.V.	Bunnik		100.00
Defam Totaal B.V.	Bunnik		100.00
DEMETRIS	GROOT-BIJGAARDEN BE 452.211.723		100.00
DIKODI B.V.	AMSTERDAM		100.00
Dina Nominees	Hong Kong		100.00
Direktbank Financieringen BV	Amsterdam		100.00
Direktbank N.V.	Amsterdam		100.00
Disacor B.V.	Amsterdam		100.00
Dolphin Beheer BV	Amsterdam		100.00
Dreamsville Corporation NV	Willemstad Curacao		100.00
Drs M. Box Financial Consultants B.V.	Eindhoven		80.00
Dublin GCM	Dublin		100.00
Dutch Coporate Governance Service BV	Amsterdam		100.00
Ebru Holding B.V.	Rotterdam		100.00
Econosu	Amsterdam		13.00
Econosu II	Amsterdam		13.00
Ecuvalent BV	Amsterdam		100.00
Edsaco Participation Limited	Jersey, Channel Islands		100.00
Eight Vessels Company Lts	Nassau - Bahamas		100.00
ELFA-AUTO (1)	LUXEMBOURG		99.90
Elwood Holdings Ltd	Douglas		100.00
Emerald Shipping B.V.	Rotterdam		99.14
Emilia Shipping	Nassau - Bahamas		100.00
ENC Beheer BV	Antwerpen		33.93
EQUIFIN N.V.	ZWIJNAARDE	BE 438.091.788	100.00
ES-FINANCE	BRUSSEL	BE 430.506.289	100.00
Esprit Nominees Ltd.	London		100.00
Esvebe Holding B.V.	Amsterdam		100.00
Etesian Windparken	Rotterdam		100.00
EUROLEASE FACTOR (1)	LUXEMBOURG		99.90
Expert Management II BV	Rotterdam		100.00
EXPLOITATIE AMSTERDAMSE HANDELSCOMPAGNIE	ROTTERDAM		100.00
F.I. Mortgage Securities B.V. (via Stichting Trustee FIMS)	Utrecht		100.00
Favorita Corporation NV	Willemstad Curacao		100.00
FB Acquisition Finance Holding B.V.	Amsterdam		100.00
FB Asset Based Finance BV	Amsterdam		100.00
FB Aviation & intermodal Finance Holding BV	Amsterdam		100.00
FB Corporate Holding BV	Amsterdam		100.00
FB Corporate Participaties B.V.	Rotterdam		100.00
FB Energy Holding B.V.	Amsterdam		100.00
FB Global Market Holding B.V.	Amsterdam		100.00
FCM PRIVATE EQUITY	MADRID		99.97
Feaore NV	Willemstad Curacao		100.00
FIMAGEN HOLDING	PARIS		100.00
FIMAPIERRE (2)	PARIS		99.97
Financial Participations TCF BV	Rotterdam		100.00
Financiële- en Clearing Maatschappij BV	Willemstad Curacao		100.00
Financierings- en Beleggingsmij Radboud BV	Amsterdam		100.00
Financieringsmaatschappij N.O.B. BV	Amsterdam		100.00
FINOB Asset Based Finance B.V.	Amsterdam		100.00
FINOB Equipment Leasing IL B.V.	Rotterdam		100.00
FINOB Equipment Leasing L B.V.	Rotterdam		100.00
FINOB Equipment Leasing LI B.V.	Rotterdam		100.00
FINOB Equipment Leasing XLVII B.V.	Rotterdam		100.00
FINOB Equipment Leasing XLVIII B.V.	Rotterdam		100.00
FINOB Equipment Leasing XXXIV B.V.	Rotterdam		100.00
FINOB Equipment Leasing XXXV B.V.	Rotterdam		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
Fire Invest B.V.	Utrecht		96.85
Florijn BV	Amsterdam		100.00
Flute Corporation NV	Willemstad Curacao		100.00
FMN Autolease B.V.	's-Hertogenbosch		100.00
Focus Asset Management Int.BV	Amsterdam		100.00
Fondesd BV	Amsterdam		99.83
FONDO NAZCA FCR	MADRID		100.00
Fortis (GSLA) BV	Amsterdam		100.00
Fortis (Hong Kong) LTD	Hong Kong		100.00
Fortis (IOM) Nominees	Dublin		100.00
FORTIS (USA) FINANCE LLC	NEW YORK, NY		100.00
FORTIS (USA) FINANCIAL MARKETS LLC	NEW YORK, NY		100.00
Fortis Arbitrage Europe	Denmark		100.00
Fortis Asia Limited	Wanchai		50.00
Fortis Bank (Curaçoa) N.V.	Willemstad Curacao		100.00
Fortis Bank (Nederland) N.V.	Rotterdam		100.00
Fortis Bank (Nederlandse Antillen) NV	Willemstad Curacao		100.00
Fortis Bank Assurantiën (Utrecht) B.V.	Utrecht		100.00
Fortis Bank Global Clearing N.V.	Amsterdam		100.00
FORTIS BANK NEDERLAND (HOLDING) N.V.	UTRECHT		100.00
Fortis Bank Nominees (UK) Ltd	London		100.00
FORTIS BANK POLSKA	KRAKOW		99.10
FORTIS BANQUE	BRUXELLES	BE 403.199.702	100.00
FORTIS BANQUE FRANCE	PARIS		99.97
Fortis Capital Company Ltd	New Jersey		100.00
FORTIS CAPITAL CORPORATION INC.	STAMFORD		100.00
FORTIS CAPITAL INVESTMENTS INC	STAMFORD		100.00
Fortis Chameleon	Utrecht		100.00
Fortis Clearing (Futures) Hong Kong	Hong Kong		100.00
Fortis Clearing (Options) Hong Kong	Hong Kong		100.00
FORTIS CLEARING CHICAGO LLC	CHICAGO		100.00
Fortis Clearing London Ltd.	London		100.00
Fortis Clearing London Nominees Ltd.	London		100.00
Fortis Clearing Sydney Pte Ltd.	Sydney		100.00
Fortis Commercial Finance	Turnhout	BE 414.392.710	100.00
Fortis Commercial Finance (FR)	Paris		100.00
Fortis Commercial Finance GmbH	Dusseldorf		100.00
Fortis Commercial Finance Holding N.V.	's-Hertogenbosch		100.00
Fortis Commercial Finance Italy SPA	Assago - Milano		100.00
Fortis Commercial Finance UK	Tunbridge Wells		61.54
Fortis Commercial Paper Holding	Amsterdam		100.00
Fortis Commerical Finance (NL) N.V.	s-Hertogenbosch		100.00
Fortis Commodity Investment Finance Ltd	London		100.00
FORTIS CREDIT CARD	BRUXELLES	BE 460.581.536	55.00
Fortis Custody (Curacao) N.V.	Willemstad Curacao		100.00
Fortis Custody N.V.	Rotterdam		100.00
Fortis Effectenbewaarbedrijf NV	Amsterdam		100.00
FORTIS ENERGY	WILMINGTON		100.00
FORTIS ENERGY LEASING X 1 BV	s-Hertogenbosch		100.00
FORTIS ENERGY LEASING X 2 BV	s-Hertogenbosch		100.00
Fortis Equipment Leasing XI B.V.	Amsterdam		100.00
Fortis Equipment Leasing XL B.V.	Amsterdam		100.00
Fortis Equipment Leasing XLI B.V.	Amsterdam		100.00
Fortis Equipment Leasing XLII B.V.	Amsterdam		100.00
Fortis Equipment Leasing XLIII B.V.	Rotterdam		100.00
Fortis Equipment Leasing XLIV B.V.	Rotterdam		100.00
Fortis Equipment Leasing XLV B.V.	Rotterdam		100.00
Fortis Equipment Leasing XLVI B.V.	Rotterdam		100.00
Fortis Equipment Leasing XV B.V.	Amsterdam		100.00
Fortis Equipment Leasing XXII B.V.	Amsterdam		100.00
Fortis Equipment Leasing XXX B.V.	Amsterdam		100.00
Fortis Escrow Services	Rotterdam		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
Fortis Finance UK Ltd	London		100.00
Fortis Financial Products Holding GmbH	Frankfurt am Main		100.00
FORTIS FINANCIAL SERVICES LLC	NEW YORK, NY		100.00
Fortis Floor Broker BV	Amsterdam		100.00
Fortis Fund Services (Bahamas)	Nassau		100.00
FORTIS FUNDING LLC	NEW YORK, NY		100.00
FORTIS FUNDS (NEDERLAND) NV (2)	UTRECHT		99.95
Fortis GBN Effectenbewaardbedrijf N.V.	Amsterdam		100.00
Fortis Global Arbitrage (Asia) Ltd	Hong Kong		100.00
Fortis Global Custody Management and Trustee	Dublin		100.00
Fortis Global Custody Services N.V.	Amsterdam		100.00
Fortis Groenbank B.V.	Amsterdam		100.00
Fortis GSLA	Amsterdam		100.00
Fortis Holding (Curacao) N.V.	Willemstad Curacao		100.00
Fortis Holding (UK) Ltd.	London		100.00
Fortis Hypotheek Bank	Utrecht		100.00
FORTIS IFICO	GRAND CAYMAN		100.00
Fortis Information Bank Holding (Ireland) Ltd.	Dublin		100.00
FORTIS INTERNATIONAL FINANCE (DUBLIN)	DUBLIN		100.00
Fortis Investment Far East Ltd	Hong Kong		100.00
FORTIS INVESTMENT FINANCE FRANCE (2)	PARIS		99.97
FORTIS INVESTMENT MANAGEMENT CAYMAN (2)	George Town Cayman Isl.		99.96
FORTIS INVESTMENT MANAGEMENT FRANCE SA (2)	PARIS		99.97
FORTIS INVESTMENT MANAGEMENT JAPAN (2)	CHIYODA-KU, TOKYO		99.96
FORTIS INVESTMENT MANAGEMENT LUXEMBOURG (2)	LUXEMBOURG		99.97
FORTIS INVESTMENT MANAGEMENT Netherlands N.V. (2)	UTRECHT		99.97
FORTIS INVESTMENT MANAGEMENT NL HOLDING (2)	UTRECHT		99.97
FORTIS INVESTMENT MANAGEMENT SA	BRUXELLES	BE 462.748.891	99.97
FORTIS INVESTMENT MANAGEMENT USA Inc (2)	BOSTON		99.95
Fortis Investment Mortgage Securities	Amsterdam		100.00
Fortis Investment Research GmbH	Hamburg		100.00
FORTIS INVESTMENT SERVICES LLC	NEW YORK, NY		100.00
Fortis Investments (Far East)	Chiyoda-Ku, Tokyo		100.00
Fortis Investor Services (UK) Ltd.	London		100.00
FORTIS LEASE (B)	BRUXELLES	BE 403.269.481	100.00
FORTIS LEASE (F)	PUTEAUX CEDEX	351.382.429 LILLE	100.00
FORTIS LEASE CT	BRUXELLES	BE 401.108.064	100.00
FORTIS LEASE DEUTSCHLAND AG	DÜSSELDORF		100.00
FORTIS LEASE GROUP SA (1)	LUXEMBOURG		99.88
FORTIS LEASE GROUP SERVICES (1)	BRUSSEL		100.00
FORTIS LEASE HOLDINGS UK LTD	LONDON		100.00
FORTIS LEASE IBERIA	MADRID		100.00
FORTIS LEASE IMMOBILIER FRANCE	PUTEAUX CEDEX		100.00
FORTIS LEASE ITALY	ASSAGO		99.90
FORTIS LEASE NL	DEN BOSCH		100.00
FORTIS LEASE POLSKA	WARSAW		100.00
FORTIS LEASE UK	LONDON		100.00
FORTIS LEASE ZEEBRUGGE	ZEEBRUGGE	BE 865.778.250	100.00
FORTIS LUX FINANCE	LUXEMBOURG		100.00
FORTIS LUXEMBOURG FINANCE	LUXEMBOURG		100.00
Fortis ME Holding B.V.	Amsterdam		100.00
Fortis Obligatie Groei Fonds N.V.	Amsterdam		99.95
Fortis Prime Fund Solutions (ASIA)	Hong Kong		100.00
Fortis Prime Fund Solutions (IOM)	Douglas		100.00
Fortis Prime Fund Solutions Bank (Ireland) Limited	Dublin		100.00
Fortis Prime Fund Solutions UK	London		100.00
FORTIS PRIVATE EQUITY	ZWIJNAARDE	BE 421.883.286	100.00
FORTIS PRIVATE EQUITY ASIA FUND	BRUSSEL	BE 866.161.894	100.00
FORTIS PRIVATE EQUITY FRANCE	LUXEMBOURG		100.00
FORTIS PRIVATE EQUITY FRANCE FUND	STRASBOURG		100.00
Fortis Private Equity Holding Nederland BV	Utrecht		100.00
Fortis Project Finance	London		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
FORTIS PROPRIETARY CAPITAL	STAMFORD		100.00
FORTIS PROPRIETARY INVESTMENT (IRELAND) LTD.	DUBLIN		100.00
Fortis SAMS Analytical Service B.V.	Amsterdam		100.00
FORTIS SECURITIES FRANCE	PARIS	FR 73 552 040 180	100.00
FORTIS SECURITIES LLC	NEW YORK, NY		100.00
Fortis TCF Participations (International) Ltd	St Peter Port Guernsey		100.00
Fortis Trading Partners B.V.	Amsterdam		100.00
Fortis Vastgoed Lease BV	's-Hertogenbosch		100.00
Fortis Venturing Holding B.V.	Amsterdam		100.00
Frazer Holding	Hong Kong		100.00
FSI HOLDING INC	NEW YORK		100.00
Fund Management Services Ltd	Douglas		100.00
Fund Services London	London		100.00
Furlon Holding B.V.	Amsterdam		100.00
G I FINANCE	DUBLIN		100.00
Gardonia Corporation NV	Willemstad Curacao		50.50
Generale Bank Deelnemingen N.V.	Rotterdam		100.00
GENERALE BANK PREF II	ROTTERDAM		100.00
GENERALE BELGIAN FINANCE CY	HONG KONG		100.00
GENERALE BELGIAN HOLDING B.V.	ROTTERDAM		100.00
GENERALE DE CONSEIL	PARIS		99.85
GENFINANCE INTERNATIONAL S.A.	BRUXELLES	BE 421.429.267	100.00
GENFINANCE N.V.	AMSTERDAM	NL 146.361	100.00
GESBETA SGIIC S.A.	MADRID		94.48
GIE IMMOBILIER GROUPE FORTIS PARIS	PUTEAUX		100.00
GIE SERVICES GROUP FORTIS	PUTEAUX		99.99
Gorillapark B.V.	Amsterdam		85.78
Gramkas B.V.	Rotterdam		100.00
Greighton Services	Tortola Br. Virgin Isl.		99.89
GROEIVERMOGEN NV (2)	UTRECHT		99.97
Grondwaardeplan B.V.	Amsterdam		100.00
Gronefka BV	Amsterdam		100.00
Grosta Beteiligungsverwaltungs	Vienna		100.00
GS LA Arbitrage Ltd.	London		100.00
H.A.C. Consulting Engineers B.V.	Amsterdam		100.00
H.A.C. Disconto & Financieringsmaatschappij B.V.	Amsterdam		100.00
Handelsmaatschappij d'Oude Wijnberg B.V.	Amsterdam		100.00
Have Assurantiën B.V.	Amsterdam		100.00
He-Mar BV	Amsterdam		100.00
Hepplewhite Corporation NV	Willemstad Curacao		50.50
Hidayat Participaties B.V.	Amsterdam		100.00
Hoffinvest NV	Antwerpen	BE 459.477.716	100.00
Holding maatschappij 'De Hondsrug' BV	Amsterdam		100.00
Holland Administration Center (H.A.C.) B.V.	Rotterdam		97.50
Holme Head Ltd	Tortola Br. Virgin Isl.		99.89
Honey Comb NV	Willemstad Curacao		100.00
Horizon Ltd	Douglas		100.00
Horwart Management Service Ltf	Hong Kong		100.00
Horwarth Tax	Hong Kong		100.00
Horwath Business Service Ltd	Hong Kong		100.00
Hypotrust 21 BV	Amsterdam		100.00
Hypotrust 22 BV	Amsterdam		100.00
Hypotrust 23 BV	Amsterdam		100.00
I-Cap Belgium NV	Antwerpen	BE 451.627.545	100.00
Icestar Branch	London		100.00
Icestar BV	Rotterdam		100.00
IMMOBILIERE SAUVENIERE S.A.	BRUXELLES	BE 403.302.739	100.00
INB Holdings Ltd	Hong Kong		100.00
Index Click Fonds N.V.	Amsterdam		100.00
Informatie & automatisering Fortis Nederland BV	Amsterdam		100.00
Interhof B.V.	Utrecht		100.00
International Card Services B.V.	Amsterdam		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
International Mezzanine Capital BV	Amsterdam		13.33
Interprom NV	Willemstad Curacao		100.00
INTERSELEX S.A./N.V.	BRUXELLES	BE 415.213.646	100.00
Intertrust (Far East) Limited	Tortola Br.Virgin Isl.		100.00
Intertrust (Luxembourg) SA	Luxembourg		100.00
Intertrust BVI Ltd	Tortola Br.Virgin Isl.		100.00
Intertrust Finance Limited (Anguilla)	Anguilla, Br. W. Indies		100.00
Intertrust Finance NV	Nederlandse Antillen		100.00
Intertrust Group NV	Nederlandse Antillen		100.00
Intertrust Guernsey	Guernsey		100.00
Intertrust Holdings Limited	Anguilla, Br. W. Indies		100.00
Intertrust Insurance NV	Nederlandse Antillen		100.00
Intertrust Ireland	Dublin		100.00
Intertrust Isle of Man	Isle of Man		100.00
Intertrust Isle of Man (FIOM)	Isle of Man		100.00
Intertrust London	London		100.00
Intertrust Management (Antilles) LTD	Willemstad		100.00
Intertrust Management (Luxembourg) SA	Luxembourg		100.00
Intertrust Management NV - Geneva Branch	Geneva		100.00
Intertrust Singapore	Singapore		100.00
Intimis Management Company NV	Willemstad Curacao		100.00
Inversiones Musca SA	Willemstad Curacao		100.00
ISEP	BRUXELLES	BE 425.499.309	100.00
Jansen A.F. Beheer B.V.	Utrecht		100.00
Jarwell Ltd	Hong Kong		100.00
JAVF Custodian BV	Amsterdam		100.00
JD Molenaar & zoon B.V.	Amsterdam		100.00
JEB Ltd	Liberia		100.00
Jema Stein BV	Willemstad Curacao		100.00
JFM Baars Beheer Brielle BV	Willemstad Curacao		100.00
Joint Express Investments	Bahamas		100.00
Joyeagle	British Virgin Island		100.00
JulieMaud Finance BV	Amsterdam		94.16
Jurrian SA	Parijs		100.00
Karmust BV	Willemstad Curacao		100.00
Kazan Securities Ltd	Cook Islands		100.00
KBW Wesselius Trust Service N.V.	Amsterdam		100.00
Kelburne Ltd	Hong Kong		100.00
KG MeesPierson Effekten GmbH & Co	Pampow		100.00
Kranendonk Beheer B.V.	Amsterdam		100.00
Krijgsman Beheer B.V. IR. C.	Amsterdam		100.00
Kruijssen Van B.V.	Amsterdam		100.00
Laboras Inc.	British Virgin Island		100.00
Lauderdale Associates BV	Willemstad Curacao		100.00
Leamaat Dzeta BV	Rotterdam		100.00
Leamaat Eta BV	Rotterdam		100.00
Leamaat Theta BV	Rotterdam		100.00
Leisteen Beheer N.V.	Amsterdam		100.00
Leplatex-Verein Holding S.A.	Amsterdam		100.00
Lippizaner N.V.	Amsterdam		100.00
Litrustco N.V.	Curacao		100.00
Livestock Bus CP NV	Willemstad Curacao		100.00
Locherben Company Ltd	Central Hong Kong		100.00
Locum NV	Willemstad Curacao		100.00
Lohuis & Co BV	Amsterdam		100.00
Lotom Holding SA	Willemstad Curacao		100.00
Maas Capital Investments B.V.	Rotterdam		100.00
Maatschappij voor Executele en Trustzaken BV	Amsterdam		100.00
Maatschappij voor Trust-en Administratiezaken B.V.	Amsterdam		100.00
Magic Mix NV	Willemstad Curacao		100.00
Mahonie Corporation NV	Willemstad Curacao		100.00
Malmsbury Nominees Ltd	Hong Kong		100.00

(1) Subconsolidation BGL

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**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
Management Services Singapore	Singapore		100.00
McKinley Corporation	Willemstad Curacao		100.00
MECS Investerings Coöperatief U.A.	Amsterdam		94.22
Medi Lease Finance B.V.	's-Hertogenbosch		100.00
Medifix R&D B.V.	Amsterdam		100.00
Mees & Hope C.V.	Rotterdam		100.00
Mees & Hope Participaties CV	Rotterdam		100.00
Mees Jota BV	Rotterdam		100.00
Mees Pierson Immobiliën	Zug		100.00
Mees Pierson International AG	Zug		100.00
Mees Pierson Investment Finance SA	Geneva		100.00
MeesPierson (Channel Islands) Ltd	St Peter Port Guernsey		99.89
MeesPierson (Bahamas) Ltd	Nassau Bahamas		100.00
MeesPierson (Bermuda) Ltd	Hamilton Bermuda		100.00
MeesPierson (Cayman) Ltd.	George Town Cayman Isl.		100.00
MeesPierson (Deutschland) GmbH	Pampow		100.00
MeesPierson (Isle of Man) Ltd	Douglas		100.00
MeesPierson (Isle of Man) Nominees Ltd	Douglas		100.00
MeesPierson (Japan) Ltd	Tokyo		100.00
MeesPierson Accounting & Consulting Services BV	Amsterdam		100.00
MeesPierson Activa Management BV	Amsterdam		100.00
MeesPierson Administrative Services N.V.	Willemstad Curacao		100.00
MeesPierson AIS Holding BV	Amsterdam		100.00
MeesPierson Asia (HK) Ltd	Hong Kong		100.00
MeesPierson Asia (Nominees) Ltd	Singapore		100.00
MeesPierson Asia (Taiwan) Ltd	Hong Kong		100.00
MeesPierson Asia Ltd	Singapore		100.00
MeesPierson Asset Management (Aruba) NV	Oranjestad Aruba		100.00
MeesPierson Beheer BV	Amsterdam		100.00
MeesPierson Beheermaatschappij I NV	Antwerpen	BE 429.852.926	100.00
MeesPierson Beteiligungsgesellschaft GmbH	Hamburg		100.00
MeesPierson Capital Corporation	Dallas - Texas		100.00
MeesPierson Capital Management (BVI) Ltd	Tortola Br. Virgin Isl.		100.00
MeesPierson Capital Management (Cayman) Ltd	George Town Cayman Isl.		100.00
MeesPierson Capital Management (Curaçao) Ltd	Willemstad Curacao		100.00
MeesPierson Capital Management International Ltd	George Town Cayman Isl.		100.00
MeesPierson Corporate Finance (Belgium)	Antwerpen	BE 463.120.065	100.00
MeesPierson Corporate Services Ltd	Hong Kong		100.00
MeesPierson Corporation Advisory Service Pte Ltd	Singapore		100.00
MeesPierson Corporation Service Pte Ltd	Singapore		100.00
MeesPierson Currency and Investment Centre Ltd	Zug		100.00
MeesPierson Deelnemingen (Curacao) NV	Willemstad Curacao		100.00
MeesPierson Defeasance XXIV BV	Rotterdam		100.00
MeesPierson Depositofonds B.V.	Amsterdam		13.69
MeesPierson ECAZ Maatschappij BV	Amsterdam		100.00
MeesPierson Effekten GmbH	Schwerin		100.00
MeesPierson Equipment Leasing XII BV	Amsterdam		100.00
MeesPierson Equipment Leasing XIII BV	Amsterdam		100.00
MeesPierson Equipment Leasing XIV BV	Amsterdam		100.00
MeesPierson Equipment Leasing XIX BV	Amsterdam		100.00
MeesPierson Equipment Leasing XVI BV	Amsterdam		100.00
MeesPierson Equipment Leasing XVII BV	Amsterdam		100.00
MeesPierson Equipment Leasing XVIII BV	Amsterdam		100.00
MeesPierson Equipment Leasing XX BV	Amsterdam		100.00
MeesPierson Equipment Leasing XXI BV	Amsterdam		100.00
MeesPierson Equipment Leasing XXIII B.V.	Rotterdam		100.00
MeesPierson Equipment Leasing XXIII BV	Amsterdam		100.00
MeesPierson Equipment Leasing XXIV B.V.	Rotterdam		100.00
MeesPierson Equipment Leasing XXIV BV	Amsterdam		100.00
MeesPierson Equipment Leasing XXIX BV	Amsterdam		100.00
MeesPierson Equipment Leasing XXV BV	Amsterdam		100.00
MeesPierson Equipment Leasing XXVIII BV	Amsterdam		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

Capital letters = Consolidated by FORTIS BANK BELGIUM

Small letters = Consolidated by FORTIS BANK NEDERLAND



**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
MeesPierson Equipment Leasing XXXI BV	Amsterdam		100.00
MeesPierson Equity Capital BV	Rotterdam		100.00
MeesPierson Family Office B.V.	Den Haag		100.00
MeesPierson Financial Management KFT	Boedapest		97.50
MeesPierson Financial Products GmbH	Frankfurt am Main		100.00
MeesPierson Fonds Services GMBH	Hamburg		100.00
MEESPIERSON FORTIS PATRIMOINE	PUTEAUX		99.97
MeesPierson Fund Custodian BV	Amsterdam		100.00
MeesPierson Fund Services (Curacao) NV	Willemstad Curaçao		100.00
MeesPierson Fund Services (Dublin)	Dublin 2		85.57
MeesPierson GSLA GmbH	Frankfurt am Main		100.00
MeesPierson Horwath Management Consultants Shanghai Ltd	Shanghai		100.00
MeesPierson Intellectual Property Group Holding	Geneva		100.00
MeesPierson International Holding	Nassau - Bahamas		100.00
MeesPierson Intertax (HK)	Hong Kong		100.00
MeesPierson Intertrust (Amsterdam)	Amsterdam		100.00
MeesPierson Intertrust (Anguilla)	Anguilla		100.00
MeesPierson Intertrust (Caribbean) Ltd	Anguilla		100.00
MeesPierson Intertrust (Denmark)	Denmark		100.00
MeesPierson Intertrust (Hong Kong) Limited	Hong Kong		100.00
MeesPierson Intertrust (Rotterdam)	Rotterdam		100.00
MeesPierson Intertrust (Singapore)	Singapore		100.00
MeesPierson Intertrust (Suisse) SA	Geneva		100.00
MeesPierson Intertrust B.V.	Amsterdam		100.00
MeesPierson Intertrust Belgium NV/SA	Brussel	BE 435.177.929	100.00
MeesPierson Intertrust Engineering	Luxembourg		100.00
MeesPierson Intertrust España	Madrid		100.00
MeesPierson Intertrust Group Holding S.A.	Geneva		100.00
MeesPierson Intertrust Limited	Isle of Man		100.00
MeesPierson Intertrust Limited (UK)	London		100.00
MeesPierson Intertrust Management (Ireland) Limited	Dublin 2		100.00
MeesPierson Investeringsmaatschappij II BV	Amsterdam		100.00
MeesPierson Investment (Luxembourg) SA	Luxembourg		100.00
MeesPierson Investment Holding BV	Amsterdam		100.00
MeesPierson IPB Asia Ltd	Hong Kong		100.00
MeesPierson Leasing BV	Amsterdam		100.00
MeesPierson Licensing International BV	Amsterdam		100.00
MeesPierson Management (B.V.I.) Ltd	Tortola Br.Virgin Isl.		100.00
MeesPierson Management (BVI) Ltd	Central Hong Kong		100.00
MeesPierson Management (Cayman) Ltd	George Town Cayman Isl.		100.00
MeesPierson Management (Curacao) NV	Willemstad Curacao		100.00
MeesPierson Management (Guernsey) Ltd	St Peter Port Guernsey		99.83
MeesPierson Management (IOM) Ltd	Douglas		100.00
MeesPierson Management (Jersey) Ltd	St Peter Port Guernsey		99.82
MeesPierson Management Services (Austria) Ltd	Wien		100.00
MeesPierson Management Services (Denmark) Ltd	Copenhage		100.00
MeesPierson Nominees (Cayman) Ltd	George Town Cayman Isl.		100.00
MeesPierson Nominees (Curaçao) N.V.	Willemstad Curacao		100.00
MeesPierson Nominees (Guernsey) Ltd	St Peter Port Guernsey		99.83
MeesPierson Onroerend Goed BV	Amsterdam		100.00
MeesPierson Participaties BV	Amsterdam		100.00
MeesPierson Participations NV	Willemstad Curacao		100.00
MeesPierson Private & Trust Holding BV	Amsterdam		100.00
MeesPierson Private Equity (Far East) Ltd	George Town Cayman Isl.		60.00
MeesPierson Private Equity (Hong Kong) Ltd	Wanchai		60.00
MeesPierson Private Wealth Management (Curacao) NV	Willemstad Curacao		100.00
MeesPierson Secretarial Serv. Ltd.	London		100.00
MeesPierson Services Ltd	Hong Kong		100.00
MeesPierson Treasury Holding BV	Amsterdam		100.00
MEESPIERSON TREASURY SERVICES (2)	AMSTERDAM		99.97
MeesPierson Trust (Aruba) N.V.	Willemstad Curacao		100.00
MeesPierson Trust (Asia) Ltd	Tortola Br.Virgin Isl.		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

Capital letters = Consolidated by FORTIS BANK BELGIUM

Small letters = Consolidated by FORTIS BANK NEDERLAND

**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
MeesPierson Trust (Belgie) NV	Antwerpen	BE 449.131.378	100.00
MeesPierson Trust (Curacao) NV	Willemstad Curacao		100.00
MeesPierson Trust (Espana) S.A.	Madrid		100.00
MeesPierson Trust (Schweiz)	Zug		99.82
MeesPierson Trust (Sint Maarten) NV	Willemstad Curacao		100.00
MeesPierson Trust International (Canada) Ltd	St Johns Newfoundland		100.00
MeesPierson Trust Liechtenstein	Liechtenstein		99.82
MeesPierson Trust Services (Curaçao) N.V.	Willemstad Curacao		100.00
MeesPierson Trust Services (UK) Ltd	London		100.00
Melan NV	Willemstad Curacao		100.00
Meon NV	Willemstad Curacao		100.00
Metropolitan Management B.V.	Amsterdam		100.00
Minka BV	Willemstad Curacao		100.00
Modbury International B.V.	Amsterdam		100.00
Mody LTD	Hong Kong		100.00
Moeara Enim Investeringsmaatschappij I B.V.	Amsterdam		84.75
Moeara Enim Investeringsmaatschappij II B.V.	Amsterdam		94.16
Moeara Enim Investeringsmaatschappij III B.V.	Amsterdam		94.16
Moeara Enim Investeringsmaatschappij IV B.V.	Amsterdam		94.16
Moeara Enim Investeringsmaatschappij V B.V.	Amsterdam		94.16
Moeara Enim Petroleum Maatschappij	Amsterdam		94.16
Molberg B.V.	Amsterdam		100.00
Monte Corbier B.V.	Amsterdam		100.00
MORAY INVESTMENTS SARL (1)	LUXEMBOURG		98.89
Morning Bloom NV	Willemstad Curacao		100.00
Mould NV	Willemstad Curacao		100.00
Mount Kellet NV	Willemstad Curacao		100.00
MPB Nominees Ltd	Nassau		100.00
MPF Nominees Ltd	Nassau		100.00
MPGF Euro Liquiditeiten Fonds N.V.	Amsterdam		33.29
MPI Securities (Asia) Ltd	Hong Kong		100.00
Multi Trade Services Limited	Hong Kong		100.00
Nagel Invest B.V.	Utrecht		99.14
Nagro S.A.	Amsterdam		100.00
Navy Lion Partners Ltd	Nassau Bahamas		100.00
NAZCA CAPITAL	MADRID		100.00
NAZCA INVERSIONES	MADRID		100.00
Nederlandse Overzee Bank BV	Amsterdam		100.00
NeSBIC Agritech Management B.V.	Maasbergen		51.00
NeSBIC B.V.	Utrecht		100.00
NeSBIC C.V.	Utrecht		100.00
NeSBIC CTE Fund II SPV 1 B.V.	Utrecht		16.91
NeSBIC CTE Fund II SPV 2 B.V.	utrecht		16.36
NeSBIC CTE Fund SPV I B.V.	Utrecht		11.28
NeSBIC Fund in Fund B.V.	Utrecht		99.67
NeSBIC Fund Management B.V.	Utrecht		100.00
NeSBIC Groep B.V.	Utrecht		100.00
NeSBIC Holdings II B.V.	Utrecht		82.72
NeSBIC Holdings IV B.V.	Utrecht		93.45
NeSBIC III C.V.	Amsterdam		100.00
NeSBIC INK B.V.	Utrecht		18.09
NeSBIC INK Holding B.V.	Utrecht		16.87
NeSBIC Investment Fund C.V.	Utrecht		99.14
NeSBIC Investment Fund II B.V.	Utrecht		34.63
NeSBIC Investment Fund II C.V.	Utrecht		99.14
NeSBIC Investment Fund II Invest I B.V.	Utrecht		13.33
NeSBIC PPM C.V.	Amsterdam		100.00
NeSBIC Special Partnerships Fund B.V.	Utrecht		99.67
NeSBIC Strategy Investments B.V.	Utrecht		100.00
NeSBIC Venture Fund C.V.	Utrecht		96.85
NeSBIC Venture Management B.V.	Amsterdam		100.00
NeSBIC Ventures B.V.	Utrecht		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
Nesbic Volmac BV	Utrecht		100.00
New Publishers NV	Willemstad Curacao		100.00
Nimox Invest B.V.	Utrecht		99.14
NISSAN FINANCE BELGIUM	BRUSSEL	BE 445.305.917	100.00
Noordijk Pensioen BV	Willemstad Curacao		100.00
Nucletron Beheer B.V.	Nederlandse Antillen		100.00
Nustursa	Amsterdam		100.00
Nut-Holding N.V.	s-Gravenhage		100.00
Oakey Holding	Amsterdam		100.00
OCA Pom	Amsterdam		100.00
OHG MeesPierson Deutschland GmbH & Co	Schwerin		100.00
Olivijn Beheer B.V.	Amsterdam		100.00
Onroerend-goed Maatschappij Coolsingel BV	Rotterdam		100.00
Ook & Eigen N.V.	Amsterdam		100.00
Oosteroever Hypotheken B.V.	Amsterdam		100.00
Orsay International B.V.	Amsterdam		100.00
Ouderkerk Beleggingsmaatschappij NV	Willemstad Curacao		100.00
Overseas Investments Ltd	Douglas		100.00
Overture Corporation NV	Willemstad Curacao		50.50
Oyens Aruba Management Corporation N.V.	Aruba		100.00
Oyens Asset Management (Curacao) N.V.	Curacao		100.00
Oyens Film Distribution Hungary Ltd	Budapest		100.00
P.B.I. HOLDING (1)	ZUG		99.89
Packskill BV	Rotterdam		100.00
Pagoo Netherlands B.V.	Amsterdam		100.00
Panorama NV	Willemstad Curacao		50.50
Participatiemaatschappij PHP BV	Amsterdam		100.00
Particuliere Participatiemij Mees & Hope BV	Amsterdam		100.00
Partlease Rotterdam II BV	Rotterdam		100.00
Partlease Rotterdam III BV	Rotterdam		100.00
Partlease Rotterdam IV BV	Rotterdam		100.00
Partlease Rotterdam V BV	Rotterdam		100.00
Partship Holding BV	Amsterdam		100.00
Partship Ventures NV	Willemstad Curacao		100.00
Partship XV BV	Rotterdam		100.00
PCS Ltd	Hong Kong		100.00
PCS Secretaries	Hong Kong		100.00
Pehapex NV	Willemstad Curacao		100.00
Penseiku BV	Willemstad Curacao		100.00
Pink Skirt NV	Willemstad Curacao		100.00
Plantalop Investments B.V.	Amsterdam		100.00
Plashof Holding B.V.	Amsterdam		100.00
Podocarpus Holding BV	Amsterdam		100.00
Poole holdings Antilles N.V.	Amsterdam		100.00
Portfolio & Investment Management Services	Hong Kong		100.00
Porthos Group Ltd	Tortola Br. Virgin Isl.		99.83
Prinza	Hong Kong		100.00
PT FORTIS INVESTMENTS (2)	JAKARTA		78.60
Puritani Corporation NV	Willemstad Curacao		100.00
Purple Crocus NV	Willemstad Curacao		100.00
PW Management Ltd	Hong Kong		100.00
Quion 9 B.V.	Amsterdam		100.00
Quion VII B.V.	Rotterdam		100.00
Radcliff Holding B.V.	Amsterdam		100.00
Rakigoro Holding B.V.	Amsterdam		100.00
Reefer Three BV	Rotterdam		100.00
Rigoletto Corporation NV	Willemstad Curacao		100.00
Rimeda Holding & Investment Company NV	Willemstad Curacao		100.00
Ringzicht NV	Antwerpen	BE 453.599.516	100.00
Rocabel	Amsterdam		100.00
Rokin Derivatives Traders B.V.	Amsterdam		100.00
Rometra B.V.	Amsterdam		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
Rosencranz BV	Willemstad Curacao		100.00
Roslea LTD	Hong Kong		100.00
Roundtrip NV	Willemstad Curacao		100.00
Rustem	British Virgin Islands		100.00
S.H.G. Poesen B.V. Holding	Amsterdam		100.00
SADE (1)	STRASBOURG		87.66
Saltory B.V.	Amsterdam		100.00
San Maramba (BVI) Ltd	Hong Kong		100.00
Sandwell Investment Ltd	Hong Kong		100.00
Sanote Holding B.V.	Amsterdam		100.00
Satepe Beheer B.V.	Amsterdam		100.00
Seckford Finance B.V.	Amsterdam		100.00
Segerstam Holding BV	Amsterdam		100.00
Seminis BV	Willemstad Curacao		100.00
Sequoia 10 B.V.	Utrecht		30.94
Sequoia 5 BV	Utrecht		100.00
Sevanille Holding B.V.	Amsterdam		100.00
Severin & Bruckner & Co AG	Schwerin		100.00
Shannigaen B.V.	Amsterdam		100.00
SICOMI RHONE ALPES (1)	LYON		87.66
Silver Creek Ltd	Hong Kong		100.00
Skytop Investments B.V.	Utrecht		66.09
Slock International	Amsterdam		60.00
SOCARIV	PARIS		99.97
Socotel S.A.	Amsterdam		100.00
Softnosu	Amsterdam		13.00
SR-Hypotheken	Rotterdam		50.00
Stachys Beheer BV	Amsterdam		100.00
Sternlan Holding BV	Amsterdam		99.89
Stocksfeild Ltd	Tortola Br.Virgin Isl.		99.89
Syborch Vermogensbeheer BV	Amsterdam		100.00
SYNERFI S.A.	AUDERGHEM	BE 431.044.244	100.00
Tacupai Corporation N.V.	Curacao		100.00
Tapman (Nominees)	Hong Kong		100.00
Tegelaar Scheepvaart B.V.	Amsterdam		100.00
Tekapol B.V.	Amsterdam		100.00
Temli Beheer	Amsterdam		100.00
Tex Holding Lelystad B.V.	Lelystad		100.00
TG Netto Geldmarkt Fonds N.V.	Amsterdam		100.00
THE BANK OF TDW & BGL (1)	LUXEMBOURG		74.92
The Offshore Management Company NV	Willemstad Curacao		100.00
THE ROWALLAN TRUST (1)	LONDRES		98.89
Trade Commodity Finance Holding BV	Rotterdam		100.00
Triviaal III B.V.	Utrecht		100.00
Troubadour Corporation BV	Willemstad Curacao		100.00
Trustmaatschappij Curacao II BV	Amsterdam		93.33
Trustmaatschappij MeesPierson BV	Den Haag		100.00
Tunnelzicht NV	Antwerpen	BE 453.599.912	33.93
Twine International Proms Ltd	St Peter Port Guernsey		99.89
Uninter B.V.	Amsterdam		100.00
United Reforce II B.V.	Amsterdam		100.00
UPPER HATCH SECURITIES	DUBLIN		100.00
Valdemore Holding	Amsterdam		100.00
Valutapartners A/S	Oslo		100.00
Van Der Giessen Holding B.V.	Willemstad Curacao		100.00
Vental B.V.	Utrecht		100.00
Verliss Holding	Amsterdam		100.00
Verne Business Excellence B.V.	Culemborg		100.00
Verolon Holding	Amsterdam		100.00
Verose Holding B.V.	Amsterdam		100.00
Victory Ultramax	Marshall Islands		85.00
Vijverberg Trust BV	Amsterdam		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**II. A. List of fully consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding
Vijverberg Trust Custodian B.V.	Amsterdam		100.00
Vijverduin NV	Willemstad Curacao		100.00
WINTNERS LONDON INVESTMENTS (NILE)	LONDON		49.00
Vivenda Regina NV	Willemstad Curacao		100.00
Vreedenlust Fund II BV	Maarssen		19.31
VSB Cards B.V.	Amsterdam		100.00
W.A.K. Holding II BV	Antwerpen		100.00
WA PEI CREDIT LIMITED	WANCHAI		100.00
WA PEI FINANCE COMPANY LTD	HONGKONG		100.00
WA PEI PROPERTIES	HONGKONG		100.00
Weijdenblom Beheer B.V.	Amsterdam		100.00
Whitefriars Holdings Ltd	Douglas		100.00
Windermere Asset Management Ltd	Tortola Br. Virgin Isl.		100.00
Woodcourt Trust	Amsterdam		100.00
Yacht Finance & Services BV	Amsterdam		100.00
Yvomanta Corporation NV	Willemstad Curacao		100.00
Zeewater Holding BV	Willemstad Curacao		100.00
Zefanja Corporation NV	Willemstad Curacao		100.00
Zoë S. Company Ltd	Nassau		100.00
Zonet Corporation NV	Willemstad Curacao		100.00
Zuidvoorne Beheer	Amsterdam		100.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**II.B List of not consolidated affiliated companies**

Name	Head-office	VAT/NN	Percent of holding	Reasons
A.M.B. - WEST AFRICA	ABIDJAN 01		100.00	Unjustified delay
AEROCHANGE	LUXEMBOURG		49.95	In liquidation
ALLIED BANK INTERNATIONAL UGANDA LTD	KAMPALA		77.82	Unjustified delay
ASLK-CGER Services	BRUSSEL	BE 458.523.354	89.00	In liquidation
AVISA S.A.	ZUG		100.00	Immaterial interest
BANQUE INTERNATIONALE POUR L'AFRIQUE AU TOGO	LOME		60.18	Unjustified delay
BGL INTERNAT NL	ROTTERDAM		99.89	Immaterial interest
BGL Trustees (GB)	Saint Peter Port		100.00	Immaterial interest
BPC DEVELOPPEMENT	PARIS		99.94	Immaterial interest
CARLESS REFINING AND MARKETING	ROTTERDAM		100.00	Temporary participation
CERTIFIMMO	BRUXELLES	BE 430.926.656	51.00	Real estate certificate
CERTIFIMMO II	BRUXELLES	BE 431.434.224	51.20	Real estate certificate
CERTIFIMMO III	BRUXELLES	BE 432.368.392	51.00	Real estate certificate
CERTIFIMMO IV S.A.	BRUXELLES	BE 441.620.808	100.00	Real estate certificate
CERTIMMO	BRUSSEL	BE 449.936.577	100.00	Real estate certificate
Channel Corporate Services	Saint Peter Port		99.83	Immaterial interest
COMCOLUX SA	LUXEMBOURG		99.82	Immaterial interest
Commerce Holdings	Guernsey		99.82	Immaterial interest
CommonWealth Administratie BV	Den Haag		50.00	Immaterial interest
CommonWealth Informatie BV	Den Haag		50.00	Immaterial interest
CommonWealth Private Equity BV	Den Haag		50.00	Immaterial interest
Cosecheros Abastecedores SA	Madrid		93.58	Immaterial interest
DISTRI-INVEST	BRUXELLES	BE 431.242.105	51.00	Real estate certificate
ECOREAL SA	LUXEMBOURG		99.80	Immaterial interest
ELECTRICAL OIL SERVICES LTD	HEMPSTEAD		50.00	Immaterial interest
ELIMMO	LUXEMBOURG		99.97	Real estate management
EST-DEVELOPPEMENT	FRANCE		87.42	Immaterial interest
EURAFRICAN BANK (TANZANIA) LTD.	DAR ES-SALAAM		73.80	Unjustified delay
EURL GOURVILLE	PARIS		99.97	Immaterial interest
EXVIESA	MADRID		100.00	Immaterial interest
FAGUS	ZWIJNAARDE	BE 475.207.255	55.00	Other activity
FINEST	BRUXELLES	BE 449.082.680	100.00	Real estate certificate
FORTIS BANQUE COURTAGE	PARIS		89.98	Immaterial interest
FORTIS EPARGNE RETRAITE FRANCE	PUTEAUX		70.00	Immaterial interest
FORTIS L CAPITAL	LUXEMBOURG		99.89	Immaterial interest
FORTIS SERVICES MONETIQUES	PARIS		99.97	Immaterial interest
FP CONSULT (GUERNSEY) LTD (2)	GUERNSEY		99.95	Immaterial interest
GENCONSULTORIA LTDA.	SAO PAULO		100.00	Immaterial interest
GENERALE BRANCH NOMINEES LTD	LONDON		100.00	Immaterial interest
GENERALE DE CONSEIL	PUTEAUX		99.88	Immaterial interest
GESCHAFTSFUHRUNGS GMBH DER GENERALE BANK	KöLN		100.00	Immaterial interest
IMMO CERTREST	BRUSSEL	BE 458.406.954	100.00	Real estate management
IMMO KOLONEL BOURGSTRAAT	BRUSSEL	BE 461.139.879	50.00	Real estate management
IMMOBILIERE DAVOUT	DIJON		87.66	Real estate management
IMMOLOUNEUVE	BRUSSEL	BE 416.030.426	50.05	Real estate certificate
IMMOREGION	LYON		87.66	Real estate management
ISEP MEDICAL RESEARCH	BRUSSEL	BE 470.218.287	100.00	Immaterial interest
MeesPierson Intereast Finance Co Ltd	Tortola Br.Virgin Isl.		100.00	In liquidation
MONTEREY MANAGEMENT BV	ROTTERDAM		99.83	Immaterial interest
MONTEREY SERVICES SA	LUXEMBOURG		99.83	Immaterial interest
NORTHUMBERLAND GROUP LIMITED	London		99.89	In liquidation
PARISIENNE D'ACQUISITION FONCIERE	PARIS		99.97	Immaterial interest
PETROCHEM CARLESS	LEATHERHEAD		100.00	Temporary participation
PETROCHEM UK LTD	LEATHERHEAD		100.00	Temporary participation
PROMINTER CURACAO NV	CURACAO		99.89	In liquidation
SCI NORLUM	LILLE		99.97	Immaterial interest
SOCIETE ANONYME DU ROND POINT SCHUMAN	BRUXELLES	BE 429.378.715	55.81	Real estate certificate
SVENSON	MADRID		90.49	Immaterial interest
SYBETRA S.A. EN LIQUIDATION	CHARLEROI	BE 400.398.281	76.30	Immaterial interest
TERTIO MANAGEMENT (2)	LUXEMBOURG		99.97	Immaterial interest
UNIVERSAL MANAGEMENT SERVICES	LUXEMBOURG		99.82	Immaterial interest
VELLEMAN INTERNATIONAL	GAVERE	BE 866.481.994	69.95	Immaterial interest
VILLAMEJOR	Madrid		50.83	Immaterial interest
WA PEI NOMINEES LTD	WANCHAI		100.00	Immaterial interest

Capital letters = Non-consolidated by FORTIS BANK BELGIUM

Small letters = Non-consolidated by FORTIS BANK NEDERLAND

(2) Subconsolidation FIM

**III. A List of common companies proportionally consolidated**

Name	Head-office	VAT/NN	Percent of holding
AES ICS Nominees Ltd	London		50.00
Almadri Holding BV	Amsterdam		50.00
ALSABAIL (1)	STRASBOURG		35.92
Betafin BV	Diemen		50.00
BSL ICS Nominees Ltd	London		50.00
CF Leasing	Hamilton - Bermuda		50.00
Diana Shipping Investment CorporationLtd	Monrovia		50.00
Fortis Agency Limited	Hong Kong		50.00
Fortis China Limited	Hong Kong		50.00
Fortis Far East Limited	Hong Kong		50.00
Fortis Futures Limited	Hong Kong		50.00
Fortis Greater China	Hong Kong		50.00
Fortis Group Ltd	Hong Kong		50.00
FORTIS HAITONG INV. MAN. LTD (2)	HAITONG		32.99
Fortis Insurance Limited	Hong Kong		50.00
Fortis International Limited	Hong Kong		50.00
Fortis Limited	Hong Kong		50.00
Fortis Management Limited	Hong Kong		50.00
Fortis Services Limited	Hong Kong		50.00
HAITONG-FORTIS PRIVATE EQUITY FUND MANAGEMENT COMPANY LTD	HAITONG		33.00
Leamaat Alpha BV	Rotterdam	241 815 68	35.00
Lighthouse Capital Insurance Company	Cayman Islands		50.00
MeesPierson Accounting Services	Hong Kong		50.00
Pershing ICS Nominees Ltd	London		50.00
Pritchard ICS Nominees Ltd	London		50.00
WICS ICS Nominees Ltd	London		50.00
Zantingh Greenlease BV	Amsterdam		51.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

Capital letters = Consolidated by FORTIS BANK BELGIUM

Small letters = Consolidated by FORTIS BANK NEDERLAND

**III. B List of common companies not proportionally consolidated**

Name	Head-office	VAT/NN	Percent of holding	Reasons
CASO G.I.E.	BRUXELLES	BE 476.677.497	49.98	Immaterial interest
CERTIFICAT ETOILE S.A.	LUXEMBOURG		25.00	Real estate certificate
IMMO-BEAULIEU	BRUXELLES	BE 450.193.133	25.00	Real estate certificate
LEGIBEL	BRUXELLES	BE 446.584.931	20.00	Immaterial interest

Capital letters = Non-consolidated by FORTIS BANK BELGIUM  
 Small letters = Non-consolidated by FORTIS BANK NEDERLAND



**IV. A List of participating interests valued by equity method**

Name	Head-office	VAT/NN	Percent of holding
AAC Group	Valkenswaard		14.73
ALPHA CARD S.C.R.L.	WATERMAEL-BOITSFORT	BE 476.677.497	49.99
Amsterdam Depositary Company NV	Amsterdam	33095788	25.00
Amsterdam Options Traders (Deutschland) GmbH	Koln		49.00
AOT Floor Broker Specialist B.V.	Amsterdam		25.00
Arrow Capital NV	Willemstad Curacao		20.30
Asian Pacific Growth Fund Investment NV	Willemstad - Curacao		90.64
ASTRIDIM	BRUXELLES	BE 448.726.354	99.95
B.I.A.O. COTE D'IVOIRE	ABIDJAN		70.00
BANK CARD COMPANY	BRUXELLES	BE 412.945.628	33.53
BANKSYS S.A.	BRUXELLES	BE 418.547.872	33.38
BENELUX ASSIST	BRUSSEL	BE 467.108.052	29.99
Besin Holding BV	Zeist		39.53
B.F.M. High Income Fund NV	Willemstad Curacao		46.42
BGL INVESTMENT PARTNERS (1)	LUXEMBOURG	2000 22 09609	41.27
BG-Ré S.A. (1)	LUXEMBOURG		99.87
Brabant Participatiemaatschappij	Utrecht		30.94
C & C Tankers Holding BV	Amsterdam	33256951	21.74
CARDS MANAGEMENT COMPANY	BRUXELLES	BE 428.932.515	40.00
CEC Group	Nassau		12.50
CGER-ASLK INVEST	LUXEMBOURG	1995 2204 419	99.95
CommonWealth Investment BV	Den Haag		50.00
COMPTOIR AGRICOLE DE WALLONIE	NAMUR	BE 400.364.530	100.00
COMPTOIR AGRICOLE DE MONS	MONS	BE 401.101.531	100.00
COMPTOIR DU HAINAUT	Péruwelz	BE 456.850.303	100.00
COPPEFIS	BRUSSEL	BE 453.987.813	100.00
CREDISSIMO	SERAING	BE 403.977.482	100.00
CREDIT POUR HABITATIONS SOCIALES	WATERMAEL-BOITSFORT	BE 402.204.461	50.03
DISCONTOKANTOOR VAN TURNHOUT	TURNHOUT	BE 404.154.755	100.00
EUROPAY BELGIUM	BRUXELLES	BE 434.197.536	39.49
EXPLORACIONES INDUSTRIALES DE OPTICA S.A.	MADRID		100.00
FAIR - FONDS ACCOMP. INNOV. REGIONALE SA	LIEGE	BE 440.028.325	25.10
FASTNET BELGIUM (1)	BRUSSEL	BE 460.019.728	47.75
FASTNET EUROPE(1)	LUXEMBOURG		27.97
FASTNET FRANCE(1)	IVRY SUR SEINE		11.41
FASTNET LUXEMBOURG (1)	LUXEMBOURG	B 62.713	47.75
FASTNET NETHERLANDS(1)	AMSTERDAM		47.74
FB ASSURANCES	BRUXELLES	BE 248.196.274	99.95
FB ASSURANCES MANAGEMENT	LUXEMBOURG	B 58.713	99.95
FB BROKERAGE	WOLUWE-SI-LAM	BE 403.295.712	99.90
FB BROKERAGE LUX SA	LUXEMBOURG		99.95
FORTIS INVESTMENT MANAGEMENT ASIA	WANCHAI		99.97
First Ukrainian International Commerce Bank	Kiev		20.00
FORTIS BANK REINSURANCE LUXEMBOURG	LUXEMBOURG	B 35.682	100.00
FORTIS LUXEMBOURG - VIE S.A.	LUXEMBOURG		49.99
FORTIS SECURITIES POLSKA	WARSAWA		99.10
Foster Church Merchant Trading Co Ltd.	London		28.75
Generale Bank Nederland Agri-Pref II B.V.	Rotterdam		33.02
German Equity Partners B.V.	Amsterdam		31.20
H2 Equity partners BV	Amsterdam		20.25
H2 Equity partners II Fund BV	Amsterdam		44.85
H2 Lighting BV	Amsterdam		30.21
HET WERKMANSHUIS	TONGEREN	BE 400.986.518	41.04
Holding Vreedenlust Fund II	Amsterdam		78.69
Holding Vreedenlust Fund III	s-Gravenhage		31.15
Holland Venture BV	Amsterdam	331 907 93	33.13
Holland Venture Deelnemingen BV	Amsterdam		14.11
I.D.B.P. SA	PARIS	414 878 777 00013	99.33
International Mezzanine Investment N.V.	Amsterdam		13.33
ISABEL	BRUXELLES	BE 455.530.509	25.33
Japan Asian Venture Fund N.V.	Amsterdam		16.00
K & H Options Ltd	London		20.00

(1) Subconsolidation BGL

(2) Subconsolidation FIM

Capital letters = Consolidated by FORTIS BANK BELGIUM

Small letters = Consolidated by FORTIS BANK NEDERLAND

**IV. A List of participating interests valued by equity method**

Name	Head-office	VAT/NN	Percent of holding
KREDIETMAATSCHAPPIJ VOOR GOEDKOPE WONINGEN	WESTERLO	BE 405.791.580	20.24
LA MAISON SOCIALE TOURNAI-ATH	TOURNAI	BE 402.495.065	99.72
LANDBOUWKANTOOR VLAANDEREN	WEVELGEM	BE 405.460.889	100.00
LA PROPRIETE SOCIALE BINCHE	BINCHE	BE 401.198.136	20.82
MeesPierson Horwath Management Consultants (Guangzhou)	Guangzhou		40.00
MeesPierson Trust (Hong Kong)	Hong Kong		20.00
MIJN HUIS & EDOUARD PECHER	ANTWERPEN	BE 404.476.340	50.26
MINE.BE	BRUSSEL	BE 471.793.053	100.00
NBM BANK	LAGOS		62.66
NeSBIC Holdings I B.V.	Utrecht		41.36
NeSBIC Holdings III B.V.	Utrecht		96.01
NesBIC Buy Out Fund B.V.	Utrecht		21.51
NeSBIC Buy out Fund Invest I B.V.	Utrecht		30.00
NeSBIC Buy Out Fund Invest VI BV	Utrecht		50.00
NeSBIC Converging Technologies Europe (CTE) Fund B.V.	Utrecht	301 271 32	31.82
NeSBIC Converging Technologies Europe (CTE) Fund II B.V.	Utrecht		27.76
NeSBIC CTE Fund II Partners	Utrecht		10.00
NeSBIC CTE Side Fund BV	Utrecht		36.84
NeSBIC Investment Fund II Partners B.V.	Utrecht		20.00
Nestrust B.V.	Utrecht		13.58
NINIA SA/NV	ST. JOOST-TEN-NOODE		100.00
NIEUWE MAATSCHAPPIJ ROND DEN HEERD	KORTRIJK	BE 426.351.028	23.26
Nimbus B.V.	Apeldoorn		21.00
Rovast Onroerend Goed advies BV	Amsterdam	332 195 29	20.00
Sluiswachter	Hellevoetsluis		16.30
SOCIETE REGIONALE DE CREDIT AU LOGEMENT	ETTERBEEK	BE 403.276.312	42.99
SPC Beheer B.V.	s-Hertogenbosch		19.85
Tarapaca Investment NV	Willemstad Curacao		33.33
Textainer Marine Containers Ltd	Hamilton HMHX		100.00
TITRISATION BELGE S.A. - BELGISCHE EFFECTISERINGN.V.	BRUXELLES	BE 457.416.465	50.00
Vining Sparks Europe Ltd	Engeland		20.00
VISA BELGIUM S.C.	BRUXELLES	BE 435.551.972	24.96

(1) Subconsolidation BGL

(2) Subconsolidation FIM

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**IV. B List of participating interests not valued by equity method**

Name	Head-office	VAT/NN	Percent of holding	Reasons
ALGONOMICS	ZWIJNAARDE	BE 466.416.184	23.11	Immaterial interest
ALTERNATIVE SYSTEMS en abrégé "ALTSYS"	MALONNE	BE 436.528.704	21.44	In liquidation
ANAXIS N.V.	HASSELT	BE 472.699.311	31.03	Immaterial interest
BAEKELAND-FONDS	GENT	BE 465.509.235	33.33	Immaterial interest
BANQUE COMMERCIALE DU CONGO	KINSHASA	CG A 05565 Z	25.61	Unjustified delay
BANQUE DE CREDIT DE BUJUMBURA	BUJUMBURA		55.00	Unjustified delay
BANQUE DE KIGALI	KIGALI		49.99	Unjustified delay
BANQUE INTERNATIONALE AFRIQUE AU NIGER	NIAMEY		35.00	Unjustified delay
BANQUE INTERNATIONALE POUR CENTRAFRIQUE	BANGUI		35.00	Unjustified delay
BEDRIJVENCENTRUM ZAVENTEM	ZAVENTEM	BE 426.496.726	27.08	Immaterial interest
BEXCO	HAMME	BE 412.623.251	26.62	Immaterial interest
BRUSSELS I3 FUND	ELSENE	BE 477.925.433	33.33	Start-up
CDM	SINT-AMANDS	BE 441.544.790	29.97	Immaterial interest
CETREL S.C.	LUXEMBOURG	LU 130 693 41	26.15	Immaterial interest
COMPOSITE DAMPING MATERIAL	OVERIJSE	BE 428.322.207	25.02	Immaterial interest
CONTICLIMA	SINT-KRUIS-WINKEL	BE 457.655.403	22.36	Immaterial interest
COOLSTAR	ANDERLECHT	BE 433.254.359	32.14	Immaterial interest
CORN. VAN LOOKE	BRUGGE	BE 405.150.984	25.07	Immaterial interest
DIBAG-DIPROTEG	FUENTPELAYO		34.49	Immaterial interest
ETNA	AALST-EREMBODEGEM	BE 419.508.766	20.97	Immaterial interest
EUROPAY LUXEMBOURG SC	MUNSBACH	B 30.764	35.16	Immaterial interest
FLANDERS ENGINEERING	ERPE	BE 425.252.552	39.97	Immaterial interest
FORTIS INSURANCE N.V.	UTRECHT	301 545 41	25.00	Fair view
FUN BELGIUM	BRUGGE	BE 440.072.766	37.34	Immaterial interest
GEMMA FRISIUS-FONDS K.U.LEUVEN N.V.	LEUVEN	BE 461.734.351	40.00	Immaterial interest
GEMMA FRISIUS-FONDS K.U.LEUVEN II NV	LEUVEN	BE 477.960.372	40.00	Start-up
GENEVE CREDIT & LEASING SA	GENEVE		51.00	Start-up
GU DRUN XPRT	BRUSSEL	BE 474.457.880	26.00	Start-up
HEMAG (Atlantic)	ARDOOIE	BE 426.085.267	25.00	Immaterial interest
IMEC INCUBATIE FONDS	HEVERLEE	BE 475.887.839	25.00	Start-up
IMMO ROYAL CONSEIL	LUXEMBOURG	B 29.447	49.95	Immaterial interest
IMMO REGENBOOG N.V.	MECHELEN	BE 448.859.481	30.01	Immaterial interest
Industria Beheer B.V.	Capelle aan den IJssel		27.50	Immaterial interest
KAASBRIK HOLDING	HALEN	BE 863.954.749	35.71	Immaterial interest
L.C.H. Investment NV	Willemstad Curacao		27.05	Immaterial interest
LESIRE SOFTWARE ENGINEERING	LEUVEN	BE 462.388.211	24.65	Immaterial interest
MARFIL	HULSHOUT	BE 458.805.248	16.94	Immaterial interest
META INTERNATIONAL	HEULE	BE 473.507.280	36.61	Immaterial interest
METALOGIC	HEVERLEE	BE 444.184.576	21.45	Immaterial interest
MIDDLE EAST BANK KENYA LTD	NAIROBI		25.03	Unjustified delay
NOVA ELECTRO IN	TONGEREN	BE 441.210.537	26.84	Immaterial interest
N & V	SHELLE	BE 441.210.537	41.13	Immaterial interest
P.X.L.	IXELLES	BE 444.311.963	25.01	Immaterial interest
POLYSTO	TEMSE	BE 471.912.027	41.88	Immaterial interest

Capital letters = Non-consolidated by FORTIS BANK BELGIUM

Small letters = Non-consolidated by FORTIS BANK NEDERLAND

**IV. B List of participating interests not valued by equity method**

Name	Head-office	VAT/NN	Percent of holding	Reasons
PRISME	JOUY EN JOSAS		29.07	Immaterial interest
Q-Face B.V.	Zoetermeer	271 138 39	24.50	In liquidation
RETAIL PARTNERS	UTRECHT		49.50	Immaterial interest
RODILLA SANCHEZ	MADRID		46.71	Immaterial interest
Rovast Real Estate Fund Management BV	Amsterdam	332 195 23	20.00	Immaterial interest
S.B.I - B.M.I.	BRUXELLES	BE 411.892.088	20.91	Immaterial interest
SALYP	IEPER	BE 468.785.459	28.58	Immaterial interest
SOCIETE FANANCIERE DES SOCIETES DE DEVELOPPEMENT REGIONAL	PARIS		21.95	Immaterial interest
SOPHIS SYSTEMS	WEVELGEM	BE 424.871.975	27.25	In liquidation
THE TRUST BANK LTD.	ACCRA		35.00	Unjustified delay
VISALUX	MUNSBACH	150.901.46	33.09	Immaterial interest
XENICS	HEVERLEE	BE 473.044.848	21.51	Immaterial interest

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Small letters = Non-consolidated by FORTIS BANK NEDERLAND

**V. List of participating interests not consolidated and not valued by equity method in which the group holds rights representing at least 10% of the capital subscribed**

Name	Head-office	VAT/NN	Percent of holding	Monetary unit	Shareholders' equity as at 31/12/03 (in thousands)	Net result as at 31/12/03 (in thousands)
4 AZA BIOSCIENCE	LEUVEN	BE 476.677.497	16.37	EUR	2,957	(1,805)
ANTWERPS INNOVATIE CENTRUM	EDEGEM	BE 472.386.634	19.71	EUR	4,757	(721)
ANDROMEDA TECHNOLOGIES	ZAVENTEM	BE 429.996.446	17.02	EUR		
ARCO INFORMATION	MECHELEN	BE 449.888.671	14.78	EUR	(612)	(1,107)
BEDRIJVENCENTRUM DENDERMONDE	DENDERMONDE	BE 438.558.081	19.61	EUR	869	101
BEDRIJVENCENTRUM REGIO AALST	EREMBODEGEM	BE 428.749.502	14.24	EUR	696	(33)
BEDRIJVENCENTRUM REGIO KORTRIJK N.V.	WEVELGEM	BE 424.213.266	11.56	EUR	885	22
BEDRIJVENCENTRUM TIENEN	TIENEN	BE 432.419.961	10.17	EUR	916	26
BEDRIJVENCENTRUM VILVOORDE N.V.	VILVOORDE	BE 434.222.577	11.02	EUR	1,047	3
BEDRIJVENCENTRUM WAASLAND N.V.	SINT-NIKLAAS	BE 427.264.214	16.03	EUR	866	(35)
BELNEP RPRODUCTION	TOURNAI	BE 437.121.095	14.71	EUR	23	(84)
BERLAYMONT 2000	ETTERBEEK	BE 441.629.617	14.85	EUR	23,477	5,341
BOURSE DE LUXEMBOURG S.A.	LUXEMBOURG	B 6.222	12.38	EUR	16,992	4,279
CREDIT SOCIAL DE LA PROVINCE DU BRABANT WALLON	NIVELLES	BE 400.351.068	12.10	EUR	1616	77
CREDIT SOCIAL ET LES PETITS PROPRIETAIRES REUNIS	CHATELET	BE 401.609.593	12.38	EUR	1,939	71
D.M.O. CONSULTING	BLEGNY	BE 449.853.732	19.00	EUR	(71)	(841)
DOMUS FLANDRIA	ANTWERPEN	BE 436.825.642	11.22	EUR	26,216	2,147
ERUDICT	GROOT-BIJGAARDEN	BE 437.673.896	15.87	EUR	699	979
ESOFAC INSURANCE SERVICES	LUXEMBOURG	B 31.919	19.17	EUR	191	16
EUFIGEST	LUXEMBOURG	B 30.641	17.17	EUR	344	2
EUROSCREEN	ANDERLECHT	BE 453.325.639	15.89	EUR	7,322	(647)
FININVESTMA	HERENTALS	BE 454.688.686	14.28	EUR	771	(6)
GEMIDIS	ZWIJNAARDE	BE 866.667.482	13.20	EUR		
Generale Bank Nederland Agri-Pref I B.V.	Rotterdam		15.00	EUR		
German Equity Partners II LP	St Peter Port, Guernsey		16.67	EUR		
GIMV CZECH VENTURES	AMSTERDAM		14.63	EUR		
H2 Boemer B.V.	Amsterdam		14.47	EUR		
HACO	RUMBEKE	BE 405.568.183	13.64	EUR	21,784	2,799
HERACLES	CHARLEROI	BE 427.178.892	14.21	EUR	326	(240)
Holland Venture Beheer Maatschappij BV I	Amsterdam		17.50	EUR		
Holland Venture Deelnemingen III BV	Amsterdam	341 201 32	10.00	EUR	19	-
Holland Venture Environment Holding BV	Amsterdam	332 419 52	18.68	EUR	615	151
HORECA SERVE	ZEDELGEM	BE 432.000.980	11.93	EUR	(771)	(1,049)
HYPO-G	BRUSSEL	BE 461.696.244	19.90	EUR	62	6
IMMOBILIERE DISTRI-LAND	MOLENBEEK	BE 436.440.909	12.48	EUR	126	10
INNOVATION ET DEVELOPPEMENT EN BRABANT WA	SAINTES	BE 460.658.938	16.32	EUR	631	3
I.R.M.	ANS	BE 433.711.447	19.72	EUR	(7,461)	(365)
Incotec Holding B.V.	Enkhuizen		11.34	EUR		

Capital letters = Non-consolidated by FORTIS BANK BELGIUM

Small letters = Non-consolidated by FORTIS BANK NEDERLAND

**V. List of participating interests not consolidated and not valued by equity method in which the group holds rights representing at least 10% of the capital subscribed**

Name	Head-office	VAT/NN	Percent of holding	Monetary unit	Shareholders' equity as at 31/12/03 (in thousands)	Net result as at 31/12/03 (in thousands)
Interactive Entertainment Fund CV	Amsterdam		16.67	EUR		
Kas Bank N.V.	Amsterdam		11.97	EUR		
Koninklijke Swets en Zeitlinger Holding N.V.	Lisse		11.41	EUR		
LANDWAARTS SOCIAAL WOONKREDIET	GENK	BE 401.363.828	14.49	EUR	12,523	689
LE CREDIT ANDENNAIS	ANDENNE	BE 401.370.756	10.00	EUR	6	(49)
LE CREDIT SOCIAL DE TUBIZE	TUBIZE	BE 400.344.140	11.43	EUR	548	(25)
LE PETIT PROPRIETAIRE	BRUXELLES	BE 403.290.366	11.60	EUR	751	6
LEENMAATSCHAPPIJ VOOR DE ARRONDISSEMENTEN	ROESELARE	BE 405.576.992	15.12	EUR	498	40
LUXAIR	LUXEMBOURG	LU 118.682.45	12.14	EUR	20,526	3,608
MAX HAVELAAR LABEL BELGIUM	BRUXELLES	BE 465.853.089	13.33	EUR	82	180
Mel B.V.	Amsterdam		12.44	EUR		
METROPOLITAN BUILDINGS	BRUXELLES	BE 432.742.734	15.00	EUR	(1,320)	(791)
MONUMENT GROUP	BERCHEM	BE 439.707.334	12.89	EUR	7,109	(135)
NV Algemeen Nederlands Trustkantoor ANT	Amsterdam		10.00	EUR		
OLEON HOLDING NV	ERTVELDE	BE 473.266.166	10.53	EUR	40,653	(55)
PARK DE HAAN N.V.	BRUSSEL	BE 438.533.436	15.00	EUR	68	62
PAUL WURTH	LUXEMBOURG		10.97	EUR	20,795	(3,172)
PHARMADM	SCHERPENHEUVEL	BE 473.394.147	18.59	EUR	(279)	(562)
SALYP	IEPER	BE 468.785.459	15.72	EUR	4	(1,437)
SINT-JOZEFSKREDIETMAATSCHAPPIJ	BERINGEN	BE 401.349.970	11.93	EUR	18,551	765
Sito Financial Services B.V.	Zeist		14.95	EUR		
SOAGA	COTONOU		13.00	EUR		
START-IT	ANGLEUR	BE 466.790.625	16.67	EUR	5,351	(785)
SYCOMORE ASSET MANAGEMENT	PARIS		16.66	EUR	2,717	800
T-INDUSTRIE	TIELT-WINGE	BE 460.435.244	15.80	EUR	2,156	(59)
TIGENIX	LEUVEN	BE 471.340.123	14.04	EUR	2,500	(2,029)
TOUS PROPRIETAIRES S.A.	ERQUELINNES	BE 401.731.339	16.82	EUR	1,969	316
TRADIMEX	DRADIMEX	BE 422.381.451	10.00	EUR	3,270	77
TRIODOS VENTURE CAP. FUND	ZRONGEN		11.29	EUR		
ULTRAGENDA	LOCHRISTI	BE 458.951.936	13.50	EUR	1,488	459
VANERUM GROUP SERVICES	DIEST	BE 430.486.889	17.68	EUR	4,288	95
VIVABOXES INTERNATIONAL	DIEGEM	BE 479.341.138	14.48	EUR		
VIVES N.V.	OTTIGNIES	BE 862.398.591	13.63	EUR		

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## VI. SUMMARY OF VALUATION RULES FOR THE CONSOLIDATED ACCOUNTS

### GENERAL PRINCIPLES

Fortis Bank's valuation rules comply with the rules laid down in the Royal Decree of 23 September 1992 on the non-consolidated and consolidated annual accounts of credit institutions, except for a number of points for which the Banking, Finance and Insurance Commission has exempted the bank, based on article 18 of the said Royal Decree. Fortis Bank applied for these exemptions in order to harmonise its valuation rules with those of Fortis as far as possible.

Fortis continued working on the project for the conversion of the current valuation rules to IAS/IFRS (International Accounting Standards/International Financial Reporting Standards). The European Parliament and the European Commission approved on March 12th, 2002 and June 7th 2002 respectively the regulation concerning the implementation of the international accounting standards.

The valuation rules of Fortis Bank are the same as the previous year.

The following summary gives further details of the valuation rules used for the major captions in the balance sheet and income statement.

### ASSETS

Loans and advances to credit institutions and customers

Loans and advances to credit institutions and customers are posted in the balance sheet for the initial amount paid less subsequent repayments and related allowances. All expenses paid to third parties bringing transactions with customers are immediately recognised in the income statement.

Any difference between the redemption value of the loans and advances and the amounts originally granted is posted on an accrual basis as interest income or expense in the income statement.

Other receivables are recognised at their nominal value.

Allowances for doubtful loans and for loans with an uncertain future are provided for, if a portion is considered as unrecoverable based on objective sources of information. Once a loan has been classified as doubtful or uncertain, related interests are normally no longer included in the income statement.

The required allowances are recorded for countries listed by the Banking, Finance and Insurance Commission. These are based on Fortis Bank Group rules, corresponding for a minimum to the rules set out by the Banking, Finance and Insurance Commission. In addition, the bank sets up allowances for other countries with risk exposure.

The valuation rules provide for the possibility to set up an internal security fund up to cover well-defined risks, possibly arising in the future, but which cannot be individualised.

## **Bonds and shares**

Securities or receivables represented by marketable securities are included in the trading portfolio if they are acquired with the intention to sell them back based on their return over a period which normally does not exceed six months.

Trading securities are valued at market value if traded on a liquid market. In absence of a liquid market, they are valued at the lower of cost (all costs included, provisions received deducted) or market value.

For bonds in the investment portfolio, the difference between the acquisition cost (all costs included, provisions received deducted) and the redemption value is recognised in the income statement, on basis of its yield-to-maturity.

The gains and losses realised on the sale of fixed-income securities are immediately recognised in the income statement. If however they are realised on arbitrage transactions, they may be accrued, in accordance with the provisions of article 35ter §5 of the Royal Decree of 23 September 1992.

Shares in the investment portfolio are valued at the lower of cost all costs included, provisions received deducted) or market value, with all differences recognised in the income statement.

If the debtor presents a risk of non-payment, write-downs are made as for doubtful loans or loans with an uncertain future.

## **Financial fixed assets**

Equity accounting is used for investments with significant influence.

Investments with significant influence are rights in the capital of other companies, whether or not represented in the form of securities that are intended, through the creation of a lasting relationship, to contribute to the activity of the investing company. In absence of evidence to the contrary, a significant influence is presumed if the voting rights (on Fortis Bank Group level) attached to the holding represents one fifth or more of the total voting rights of the shareholders or partners of the company.

Under the equity method :

- \* the book value of the holding is replaced by the net asset value of the enterprise multiplied by the participating interest percentage
- \* the dividends received are replaced with the share of the parent company in net income of the enterprise.

The other financial fixed assets are recognised at cost. A write-off is recorded to the extent that the decrease in value presents a permanent change. When financial fixed assets are financed with borrowed funds, the translation differences on the borrowed funds are not recognised in the income statement.

Incremental costs are immediately expensed in the income statement.



## **Formation expenses and intangible fixed assets**

Capital increase and start-up costs are activated and depreciated on a straight-line basis over 5 years.

The issuing costs of subordinated loans are depreciated on a straight-line basis over the duration of the loan. The issuing costs of perpetual loans are depreciated on a straight-line basis over 5 years, or over the length of the period before the date of the first call, if this date is earlier.

If a consolidated subsidiary or an equity accounted affiliate is acquired for a price different from its net asset value; this difference is set off against the appropriate captions in the balance sheet.

As from 1 January 2002, a remaining positive difference (goodwill) is reported in the balance sheet as an intangible asset and amortised using the straight-line method over its estimated useful life. In determining the period of amortisation, the expected period of benefits to be received from the acquired company is considered. A negative difference (badwill) is not depreciated.

Consolidation differences relating to acquisitions prior to 2002 are charged to equity.

Costs relating to software developed by the bank itself or relating to standard or specific software acquired from third parties are booked directly to the results as general expenses. If it is certain that the economic life of specific software purchased from a third party is more than one year, the economic life being determined mainly on the risk of technological changes and commercial developments, the said software may be booked to assets and depreciated on a straight-line basis over the estimated useful life, with a maximum of five years.

The other intangible fixed assets are depreciated over maximum 10 years.

The option to capitalise is not used for the following :

- \* research and development costs
- \* commissions paid to third parties bringing transactions with clients with a contractual period exceeding one year.

## **Tangible fixed assets**

Tangible fixed assets are recognised on the assets side of the balance sheet at cost, including ancillary cost and non-recoverable indirect taxes, less depreciation.

Depreciation occurs on a straight-line basis over the estimated economic life.

Revaluation of tangible fixed assets is allowed, provided that the value clearly and durably exceeds their carrying value.

## **Other assets**

This account includes, amongst other items, the deferred tax assets, based on an exemption granted by the Banking, Finance and Insurance Commission following article 18 of the Royal Decree of 23 September 1992, and calculated in accordance with international accounting practice, as for instance the US GAAP Financial Accounting Standard 109 "Accounting for Income Taxes".

## **LIABILITIES**

### **Amounts owed to credit institutions and customers**

The debts to credit institutions and customers are posted in the balance sheet for the initial amount received, less subsequent repayments. All expenses paid to third parties bringing deposits are immediately recognised in the income statement.

### **Debt securities issued**

Debt securities issued with fixed capitalisation are posted for the original amount plus capitalised interests.

### **Other debts**

This account includes, amongst other items, all debts to personnel related to salaries and other social security charges incurred during the present accounting period and paid in the next accounting period.

### **Provisions for risks and charges**

Provisions for risks and charges are accumulated to cover probable or certain losses and expenses that have a cost that can be reasonably estimated and have a due date in the future that, in general, is not clearly defined.

Provisions for pensions and similar social obligations are calculated using a methodology based on the international accounting practice, as for instance the USGAAP FAS87 Standard Employers Accounting for Pensions. The main difference of using this approach is the effective booking of any differences that may arise between the projected benefit obligations and the fair value of plan assets.

Provisions are also recorded for various risks and charges, e.g. pending litigation, restructuring, etc.

Also included are the deferred tax liabilities resulting from timing differences or differences from losses that could be carried forward. These are calculated in accordance with international accounting practice, for instance the US GAAP Financial Accounting Standard 109 "Accounting for Income Taxes". Deferred taxes can also be generated from consolidation adjustments.

### **Funds for general banking risks**

Setting up the fund for general banking risks is based on a defined method, approved by the Board of Directors, applied systematically and based on the weighted volume of credit and market risks for the banking business.

## **INCOME STATEMENT**

### **Interest revenues and charges**

Interest revenues and charges are recognised when earned or due. Once a loan has been classified as doubtful or uncertain, related interests are normally reserved and no longer included in the income statement. The actuarial depreciation of the difference between the acquisition cost and the redemption price of fixed-income securities from the investment portfolio is also included in the interest revenues.

### **Income from variable-income securities**

Revenues on shares and financial fixed assets are recognised as from the moment the dividend distribution is communicated to the bank.

### **Derivatives**

The derivatives results are recorded differently depending on the type of transaction.

#### **a) Hedging Transactions**

Transactions that protect against the risk of fluctuation in exchange rates, interest rates or prices. Gains and losses are recorded in the income statement symmetrically; whereby the gains and losses on the hedged instruments are recorded in order to neutralise, entirely or partially, their impact. To be considered as a hedge, transactions must comply with the following conditions:

- The hedged component or the hedged homogeneous set should expose the bank to a fluctuation risk of exchange rates, interest rates or prices.
- The hedge transactions must be specifically indicated from inception, as well as the hedged components.
- Sufficient correlation is required between the value fluctuations of the hedged component and the hedging transaction (or the underlying instrument).

As soon as a transaction does not meet the conditions to be considered as a hedge, then it should be recorded at its fair value.

#### **b) Trading Transactions**

All transactions made in connection with the current trading activities that do not meet the requirements to be classified as hedging, are valued at market prices, with both gains and losses recognised in the income statement. If the market is not liquid, only the losses are posted to the income statement.

- c) Some forward interest rate transactions are valued in accordance with other valuation methods, based on derogation from the Banking, Finance and Insurance Commission, in conformity with article 18 of the Royal Decree of 23 September 1992 :

- Transactions concluded in the framework of the treasury management, with an initial maturity of a maximum of 1 year;
- Transactions concluded in the framework of balance sheet and off-balance sheet transactions, conducted with the objective of reducing the interest rate risk and documented as such;
- Transactions concluded in the framework of strategic ALM-transactions in BEF, euro or a currency belonging to the European Monetary Union.

These 3 categories are valued by recording the related result on an accrual basis.

- Transactions concluded in the framework of a global management, and do not have the objective of reducing the interest rate risk.

These transactions are valued by recording the related result on an accrual basis, with the condition that the potential losses resulting from the valuation at market value is recorded in the income statement.

### **Foreign currencies**

When valuing foreign currencies, a distinction is made between the monetary and non-monetary items.

Monetary items are assets and liabilities, including accruals and deferrals, rights and commitments that represent a specific amount of money, as well as shares and other non-fixed income securities in the trading portfolio. Monetary items are converted at the average rate (average of bid and ask rate on the spot exchange market) at the closing date. Items settled at specific currency rates must be valued at those specific average rates. The resulting exchange differences are posted in the income statement (with the exception of exchange gains on foreign currencies for which no liquid market exists).

Tangible, intangible and financial fixed assets are considered to be non-monetary items and are recorded at cost based on the exchange rate at the date of acquisition. When non-monetary items, exposed to a foreign exchange risk, are financed on a permanent basis with borrowed funds in the same currency, the translation differences on the borrowed funds are not recognised in the income statement.

Profit and loss components in foreign currencies are converted into euro in the income statement, at the spot exchange rate at the time of recognition as income or expense.

**VII. STATEMENT OF THE AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS** (in thousands EUR)

(heading III of the assets)

Codes	05	10
-------	----	----

A. For the heading as a whole :

1. - amounts receivable from affiliated enterprises, not consolidated

	Financial year	Previous financial year
010	141,024	138,467
020	15,934	40,459

- amounts receivable from other enterprises linked by participating interests

2. subordinated amounts receivable

	Financial year	Previous financial year
030	587,712	596,658

B. Other amounts receivable (with a term or period of notice) on credit institutions

(heading III B. of the assets)

1. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution

	Financial year	Previous financial year
040	31,168	34,233

2. Breakdown of these amounts receivable by residual term :

. up to 3 months

. over 3 months and up to one year

. over one year and up to 5 years

. over 5 years

. of indeterminate duration

	Financial year
050	54,058,508
060	6,405,208
070	1,236,286
080	1,427,115
090	265,797

**VIII. STATEMENT OF THE AMOUNTS RECEIVABLE FROM CLIENTS**

(heading IV of the assets)

Codes	05	10
-------	----	----

1. Amounts receivable

- from affiliated enterprises, not consolidated

	Financial year	Previous financial year
110	3,461,972	1,036,809
120	47,736	64,400

- from other enterprises linked by participating interests

2. Subordinated amounts receivable

	Financial year	Previous financial year
130	16,919	88,177

3. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution

	Financial year	Previous financial year
140	1,061,096	823,926

4. Breakdown of amounts receivable by residual term :

. up to 3 months

. over 3 months and up to one year

. over one year and up to 5 years

. over 5 years

. of indeterminate duration

	Financial year
150	69,968,324
160	19,841,582
170	22,219,325
180	79,684,942
190	14,938,473

**IX. STATEMENT OF BONDS AND OTHER FIXED-INCOME SECURITIES** (in thousands EUR)

(heading V of the assets)

Codes	05	10
-------	----	----

## 1. Bonds and other securities issued by :

- affiliated enterprises, not consolidated

	Financial year	Previous financial year
010	4,000	
020		

- other enterprises linked by participating interests

## 2. Bonds and securities representing subordinated loans

	Financial year	Previous financial year
030	1,637,856	351,345

## 3. Geographical breakdown of the following headings :

V.A. - public issuers

	Belgium	Foreign countries
040	19,120,800	62,255,938
050	923,181	42,434,171

V.B. - other issuers

## 4. Quotations and durations

a) . Listed securities

. Unlisted securities

	Book value	Market value
060	95,667,181	97,779,228
070	29,066,909	

b) . Residual term up to one year

. Residual term over one year

	Financial year
080	26,885,387
090	97,848,703

## 5. Bonds and securities belonging to the :

a) commercial portfolio

b) investment portfolio

	Financial year
100	19,633,353
110	105,100,737

## 6. For the commercial portfolio :

. positive difference between the higher market value and the acquisition value for bonds and securities valued at their market value

	Financial year
120	3,776,010
130	1,032

. positive difference between the market value, when higher, and the book value for bonds and securities valued in accordance with Article 35 ter §2 (2) of the Royal Decree of 23rd september 1992 on the annual accounts of credit institutions

## 7. For the investment portfolio

. positive difference in respect of all securities combined whose redemption value is higher than their book value

. negative difference in respect of all securities combined whose redemption value is lower than their book value

	Financial year
140	987,178
150	1,773,810

8. Details of the book value of the investment portfolio  
(heading V of the assets - continued)

a) ACQUISITION VALUE

At the end of the previous financial year  
Changes during the financial year :  
. acquisitions  
. transfers  
. adjustments made in accordance with article 35 ter  
§ 4 and 5 of the Royal Decree of Sept. 23, 1992 on the  
annual accounts of credit institutions  
. exchange differences  
. consolidation scope  
. other changes  
At the end of the financial year

b) TRANSFERS BETWEEN PORTFOLIOS

1. Transfers

. from the investment portfolio to the commercial portfolio  
. from the commercial portfolio to the investment portfolio

2. Impacts of these transfers on the result

c) WRITE-OFFS

At the end of the previous financial year  
Changes during the financial year :  
. charged  
. taken back because surplus  
. cancelled  
. transferred from one heading to another  
. exchange differences  
. consolidation scope  
. other differences  
At the end of the financial year

d) BOOK VALUE AT THE END OF THE FINANCIAL YEAR

( a ) + b)1. - c ) )

Codes	Financial year
010	100,597,902
020	39,511,888
030	(34,632,094)
040	484,800
050	(827,535)
	(201,654)
060	177,357
099	105,110,664
110	34,788
120	
130	
200	53,148
210	17,477
220	(16,785)
230	(6,456)
240	
250	(2,669)
260	
299	44,715
399	105,100,737

**X. STATEMENT OF CORPORATE SHARES, UNITS AND OTHER VARIABLE-INCOME SECURITIES**

(heading VI of the assets)

(in thousands EUR)

Codes	05	10
	Financial year	Previous financial year
1) Geographical breakdown of the issuers of the securities		
. Belgian issuers	010	218,829
. foreign issuers	020	4,284,659
2) Quotations		
. Listed securities	030	16,280,286
. Unlisted securities	040	641,232
3) Shares and securities belonging to the :		
. commercial portfolio	050	15,805,264
. investment portfolio	060	1,053,366
4) For the commercial portfolio :		
. positive difference between the acquisition value and the market value for securities valued at their market value	070	123,335
. positive difference between the market value, when higher, and the book value for securities valued in accordance with article 35 ter § 2 (2) of the Royal Decree of 23rd september 1992 on the annual accounts of credit institutions	080	387
5) Details of the book value of the investment portfolio		
a) ACQUISITION VALUE		
At the end of the previous financial year	100	986,940
Changes during the financial year		
. acquisitions	110	318,644
. transfers	120	(155,102)
. exchange differences	130	(18,519)
. consolidation scope		(2,873)
. other changes	140	16,266
At the end of the financial year	199	1,145,356
b) TRANSFERS BETWEEN PORTFOLIOS		
Transfers		
. from the investment portfolio to the commercial portfolio	200	908
. from the commercial portfolio to the investment portfolio	210	
Impact of these transfers on the result	220	
c) WRITE-OFFS		
At the end of the previous financial year	300	101,786
Changes during the financial year :		
. charged	310	9,564
. taken back because surplus	320	(7,071)
. cancelled	330	(10,514)
. transferred from one heading to another	340	
. exchange differences	350	(867)
. consolidation scope		
. other changes	360	
At the end of the financial year	399	92,898
d) BOOK VALUE AT THE END OF THE FINANCIAL YEAR	499	1,053,366

(a) + b)1. - c)



**XI. STATEMENT OF THE FINANCIAL FIXED ASSETS**

(in thousands EUR)

(heading VII of the assets)

**A. Breakdown of the headings VII A.1 and VII B.1**

a) economic sector of :

- participating interests valued by equity method

- other companies

Codes	05	10	15	20
	Credit institutions		Other enterprises	
	Financial year	Previous financial year	Financial year	Previous financial year
100	16,844	19,282	1,565,631	1,035,707
110	356,803	20,650	1,364,352	1,456,235

b) quotation

- participating interests valued by equity method

- other companies

	Listed	Unlisted
200	110,102	1,472,373
210	599,044	1,122,111

c) Details on the book value at the end of the financial year

(VII A.1 and VII B.1)

**A. ACQUISITION VALUE**

At the end of the previous financial year

Changes during the financial year

. acquisitions

. transfers

. transfers from one heading to another

. profit of the year

. dividends paid

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

**B. REVALUATIONS**

At the end of the previous financial year

Changes during the financial year

. charged

. acquired from third parties

. cancelled

. transferred from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

Codes	Enterprises	
	linked by equity method	Other
300	1,054,989	1,717,824
310	303,929	467,583
320	(19,912)	(192,716)
330	(7,454)	777
	280,150	
	(32,035)	
340	(1,816)	(2,535)
	(2,781)	2,980
350	7,405	538
399	1,582,475	1,994,451
400		33,084
410		
420		
430		
440		(24,895)
450		
460		
499		8,189

## C. WRITE-OFFS

At the end of the previous financial year

Changes during the financial year

. charged

. taken back because surplus

. acquired from third parties

. cancelled

. transferred from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

## D. UNCALLED AMOUNTS

At the end of the previous financial year

Changes during the financial year

At the end of the financial year

## E. NET BOOK VALUE AT THE FINANCIAL YEAR (A+B-C-D)

Codes	05	10
	Enterprises	
	linked by equity method	Other
100		241,094
110		38,453
120		(16,040)
130		
140		(18,465)
150		7,246
160		(506)
170		
199		251,782
200		32,929
210		(3,226)
299		29,703
300	1,582,475	1,721,155

## B. Breakdown of the heading VII A.2 AND VII B. 2 Subordinated loans to :

- enterprises linked by equity method

- other enterprises

Codes	Credit institutions		Other enterprises	
	Financial year	Previous financial year	Financial year	Previous financial year
400			100,000	100,000
410	2,744	3,771	25,852	22,253

Amount of subordinated amounts receivable represented by listed securities

500	
-----	--

Details of the subordinated loans

NET BOOK VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR

Changes during the financial year

. Additions

. Repayments

. Amounts written off recorded

. Amounts written off taken back

. Exchange differences

. Other changes

NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR

CUMULATED WRITE-OFFS AT THE CLOSE OF THE FINANCIAL YEAR

	Enterprises linked by equity method	Other Enterprises
600	100,000	26,024
610		6,249
620		(2,643)
630		(422)
640		790
650		
660		(1,402)
700	100,000	28,596
800		

**XII. STATEMENT OF FORMATION EXPENSES AND INTANGIBLE FIXED ASSETS**

(heading VIII of the assets)

(in thousands EUR)

## A. Detail of the formation expenses

Net book value at the end of the previous financial year

Changes during the financial year :

. New expenses incurred

. Depreciation

. Exchange differences

. consolidation scope

. Other changes

Net book value at the end of the financial year

including :

- formation and capital - increase expenses

issuing expenses for loans and other

start-up expenses

- reorganization expenses

Codes	05
	Financial year
010	47,280
020	19,224
030	(16,343)
040	33
050	199
099	50,393
110	50,393
120	

## B. Intangible fixed assets

## a) ACQUISITION VALUE

At the end of the previous financial year

Changes during the financial year :

. acquisitions including production shown as

. transfers and disposals

. transfers from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

## b) DEPRECIATIONS AND AMOUNTS WRITTEN OFF

At the end of the previous financial year

Changes during the financial year :

. charged

. taken back because surplus

. acquired from third parties

. cancelled

. transferred from one heading to another

. exchange differences

. consolidation scope

. other changes

At the end of the financial year

## c) NET BOOK VALUE AT THE END OF THE

FINANCIAL YEAR

( a ) - b )

Codes	05	10	15
	goodwill	other intangible fixed assets	including commissions for the operations of art. 27 Bis *
210	90,541	223,415	
220	75	28,054	
230	(1,569)	(15,573)	
240		335	
250	23	1,489	
	(2,590)	10,209	
260		(271)	
299	86,480	247,658	
310	41,238	144,718	
320	9,595	23,140	
330		(1)	
340		142	
350	(1,569)	(13,915)	
360		276	
370	(44)	15	
	(570)	6,980	
380		7,872	
399	48,650	169,227	
499	37,830	78,431	

\* If this heading contains an important amount

**XIII. STATEMENT OF THE TANGIBLE FIXED ASSETS**  
 (heading IX of the assets) (in thousands EUR)

**a) ACQUISITION VALUE**

At the end of the previous financial year  
 Changes during the financial year :  
 . acquisitions including own production of fixed assets  
 . transfers and disposals  
 . transfers from one heading to another  
 . exchange differences  
 . consolidation scope  
 . other changes

At the end of the financial year

**b) REVALUATIONS**

At the end of the previous financial year  
 Changes during the financial year :  
 . recorded  
 . acquired from third parties  
 . cancelled  
 . transferred from one heading to another  
 . exchange differences  
 . consolidation scope  
 . other changes

At the end of the financial year

**c) DEPRECIATIONS AND AMOUNTS WRITTEN OFF**

At the end of the previous financial year  
 Changes during the financial year :  
 . charged  
 . taken back  
 . acquired from third parties  
 . cancelled because surplus  
 . transferred from one heading to another  
 . exchange differences  
 . consolidation scope  
 . other changes

At the end of the financial year

**d) NET BOOK VALUE AT THE CLOSE OF**

THE FINANCIAL YEAR ( a + b ) - c )  
 including . land and buildings  
 . installations, machines and tools  
 . furniture and vehicles

Codes	05	10	20	25	30
	Land and buildings	Installations, machines and tools	Leasing and similar rights	Other tangible fixed assets	Fixed assets under construction and advance payments
010	2,230,169	1,320,493	4,182	2,973,183	33,247
020	76,739	117,822		1,552,552	1,622
030	(70,090)	(171,938)	(1,327)	(747,585)	(15,499)
040	(44,824)	141		(495,996)	(864)
050	5,635	843		(3,318)	34
	(3,327)	(45,145)		603,634	
060					
070	2,194,302	1,222,216	2,855	3,882,470	18,540
100	413,203	25	2,460	17,669	0
110					
120					
130	(8,161)			(2,077)	
140	663			(41)	
150	(1)				
160	(4,101)				
170	401,603	25	2,460	15,551	0
200	1,352,284	968,623	8	882,529	
210	120,708	133,501		360,245	
220	(7,925)	(20)		(7,797)	
230		879		410	
240	(50,833)	(169,928)		(289,874)	
250	(22,830)	(2,580)		31,064	
260	(1,766)	1,082		(1,752)	
	(4,947)	(32,920)		50,364	
270					
280	1,384,691	898,637	8	1,025,189	
300	1,211,214	323,604	5,307	2,872,833	18,540
310			5,307		
320					
330					

**XIV. STATEMENT OF AMOUNTS PAYABLE TO CREDIT INSTITUTIONS**

(heading I.B. and C. of the liabilities)

(in thousands EUR)

## A. For the heading as a whole :

- amounts payable to affiliated enterprises, not consolidated
- amounts payable to other enterprises linked by participating interests

Codes	05	10
	Financial year	Previous financial year
010	33,338	31,916
020	95,091	85,893

## B. Breakdown of the amounts payable other than at sight according to their residual term (heading I.B. and C. of the liabilities)

- . up to three months
- . over three months and up to one year
- . over one year and up to five years
- . over five years
- . of indeterminate duration

Codes	Financial year
110	105,791,967
120	6,845,036
130	282,469
140	205,939
150	

**XV. STATEMENT OF AMOUNTS PAYABLE TO CLIENTS**

(heading II of the liabilities)

## 1. Amounts payable to :

- affiliated enterprises, not consolidated
- other enterprises linked by participating interests

Codes	05	10
	Financial year	Previous financial year
210	8,710,488	10,382,482
220	9,850	3,338

## 2. Geographical breakdown of the amounts payable to:

- Belgium
- foreign countries

Codes	Financial year
310	97,622,788
320	152,366,177

## 3. Breakdown by residual term :

- . at sight
- . up to 3 months
- . over 3 months and up to one year
- . over one year and up to 5 years
- . over 5 years
- . of indeterminate duration

Codes	Financial year
410	91,652,545
420	83,584,585
430	12,593,995
440	11,134,754
450	8,952,263
460	42,070,823

**XVI. STATEMENT OF AMOUNTS PAYABLE REPRESENTED BY A SECURITY**

(heading III of the liabilities)

(in thousands EUR)

1. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable :

- affiliated enterprises, not consolidated
- other enterprises linked by participating interests

Codes	Financial year	Previous financial year
010	4,107,583	
020		

2. Breakdown according to the residual term :

- . up to 3 months
- . over 3 months and up to one year
- . over one year and up to 5 years
- . over 5 years
- . of indeterminate duration

	Financial year
110	16,057,252
120	10,152,377
130	12,057,449
140	3,874,481
150	

**XVII. STATEMENT OF SUBORDINATED AMOUNTS PAYABLE**

(heading VIII of the liabilities)

- A. For the heading as a whole :

- amounts payable of the parent company
- amounts payable of the other consolidated companies

	Financial year	Previous financial year
010	5,792,181	5,440,614
020	5,141,744	4,826,043

- B. For the heading as a whole

- amounts payable to affiliated enterprises, not consolidated
- other enterprises linked by participating interest

	Financial year	Previous financial year
100	538,669	379,746
110		

- C. Charges in respect of subordinated loans

	Financial year
200	550,980

## C. Mentions concerning subordinated loans : (heading VIII of the liabilities)

Reference n°	Currency	Amount	Maturity or method of determining repayment date	a) Early redemption conditions (1) b) Subordination conditions (2) c) Convertibility conditions (3)
<b>TIER 1</b>				
<b>Issued by Fortis Bank</b>				
BE	EUR	996,000	2001 / perp.	If the issuer so wishes, as from the 10 th year
NL	EUR	991,703	2004 / 2014	If the issuer so wishes, as from the 10 th year
<b>TIER 2</b>				
<b>Issued by Fortis Bank</b>				
BE	EUR	700,000	2000 / perp.	Redeemed at maturity
BE0061894316	JPY	5,000,000	1995 / perp.	If the issuer so wishes, as from the 20 th year
BE0061263082	JPY	20,000,000	1995 / perp.	If the issuer so wishes, as from the 20 th year
BE	NLG	10,000	1995 / perp.	If the issuer so wishes, as from the 10 th year
BE	NLG	20,000	1995 / perp.	If the issuer so wishes, as from the 10 th year
BE	NLG	25,000	1995 / perp.	If the issuer so wishes, as from the 10 th year
BE	NLG	40,000	1995 / perp.	In the event of a change in tax regulations
BE	EUR	2,882,501	Subordinated	
<b>Issued by Banque Belgoise</b>				
BE	BEF	1,041	1998 / 2007	Redeemed at maturity
<b>Issued by Banque De La Poste</b>				
BE	BEF	24,789	1998 / 2008	Redeemed at maturity
<b>Issued by Fortis Banque France</b>				
FR	FRF	4,871		Redeemed at maturity
<b>Issued by Fortis Luxembourg Finance sa</b>				
LU361627	DKK	576,279	1997 / 2006	Redeemed at maturity
LU9017020	DKK	386,238	1998 / 2008	Redeemed at maturity
LU	DKK	582,841	1999 / 2007	Redeemed at maturity
LU	EUR	45,261	1997 / 2007	Redeemed at maturity
LU	EUR	67,850	1997 / 2007	Redeemed at maturity
LU	EUR	71,215	1997 / 2007	Redeemed at maturity
LU	EUR	85,221	1997 / 2005	Redeemed at maturity
LU	EUR	47,255	1998 / 2008	Redeemed at maturity
LU	EUR	47,648	1998 / 2008	Redeemed at maturity
LU	EUR	67,686	1998 / 2005	Redeemed at maturity
LUGENFINANCE	EUR	74,494	1999 / 2009	Redeemed at maturity
LUGENFINANCE	EUR	99,713	1999 / 2009	Redeemed at maturity
LU99.63EUR	EUR	99,978	1999 / 2009	Redeemed at maturity
LUGENFINANCE	EUR	100,000	1999 / 2009	Redeemed at maturity
LUGENFINANCE	EUR	149,116	1999 / 2009	Redeemed at maturity
LUeo	EUR	50,000	2000 / 2010	Redeemed at maturity
LU50MIOS6%	EUR	50,000	2000 / 2010	Redeemed at maturity
LUEO 00/10	EUR	150,000	2000 / 2010	Redeemed at maturity
LUE.O.200MIO	EUR	200,000	2000 / 2010	Redeemed at maturity
LU250MIOS	EUR	250,000	2000 / 2010	Redeemed at maturity
LULU	EUR	150,000	2001 / 2016	Redeemed at maturity
LU	EUR	99,828	2003 / 2013	Redeemed at maturity
EUR EURO	EUR	37,441	2004 / 2014	Redeemed at maturity

## C. Mentions concerning subordinated loans : (heading VIII of the liabilities)

Reference n°	Currency	Amount	Maturity or method of determining repayment date	a) Early redemption conditions (1) b) Subordination conditions (2) c) Convertibility conditions (3)
EUR EURO	EUR	98,717	2004 / 2012	Redeemed at maturity
EUR EURO	EUR	99,979	2004 / 2014	Redeemed at maturity
EUR EURO	EUR	148,353	2004 / 2012	Redeemed at maturity
EUR EURO	EUR	196,037	2004 / 2014	Redeemed at maturity
LUGENFINANCE	GBP	100,000	1995 / 2006	Redeemed at maturity
LU515 SEK	SEK	515,000	1999 / 2007	Redeemed at maturity
LUGENFINANCE	USD	22,330	1995 / 2013	Redeemed at maturity
<b>Issued by GenFinance N.V.</b>				
GB	GBP	7,250	1983 / 2007	Redeemed at maturity
GB285967/11	GBP	7,250	1983 / 2007	Redeemed at maturity
<b>Issued by Banque Générale Luxembourg</b>				
LU	DEM	25,000	1998 / 2008	Redeemed at maturity
LU	EUR	5,000	1998 / 2008	Redeemed at maturity
LU	EUR	75,000	1999 / 2009	Redeemed at maturity
EUR EURO	EUR	100,000	2000 / 2010	Redeemed at maturity
LU	FRF	60,000	1998 / 2006	Redeemed at maturity
LU	LUF	2,000,000	1997 / 2005	Redeemed at maturity
LU	LUF	2,000,000	1997 / 2005	Redeemed at maturity
LU	LUF	2,000,000	1997 / 2007	Redeemed at maturity
LU	LUF	2,000,000	1998 / 2008	Redeemed at maturity
LU	LUF	2,000,000	1998 / 2008	Redeemed at maturity
LU	LUF	2,000,000	1998 / 2008	Redeemed at maturity
LU	USD	36,000	1990 / perp.	Redeemed at maturity
LU	USD	100,000	2001 / 2011	Redeemed at maturity
<b>Issued by Fortis Bank Nederland</b>				
EUR EURO	EUR	5,000	1999 / 2013	Redeemed at maturity
EUR EURO	EUR	20,000	1999 / 2009	Redeemed at maturity
EUR EURO	EUR	170,000	2001 / 2031	Redeemed at maturity
EUR EURO	EUR	6,807	2003 / 2007	Redeemed at maturity
NLFBN	NLG	500	1986 / 2006	Redeemed at maturity
NLFBN	NLG	375	1988 / 2009	Redeemed at maturity
NLFBN	NLG	800	1988 / 2008	Redeemed at maturity
NLFBN	NLG	500	1989 / 2009	Redeemed at maturity
NLFBN	NLG	500	1989 / 2009	Redeemed at maturity
NLFBN	NLG	500	1989 / 2009	Redeemed at maturity
NLFBN	NLG	1,125	1989 / 2009	Redeemed at maturity
NLFBN	NLG	450	1990 / 2010	Redeemed at maturity
NLFBN	NLG	900	1990 / 2010	Redeemed at maturity
NLFBN	NLG	2,700	1990 / 2010	Redeemed at maturity
NLFBN	NLG	3,000	1990 / 2010	Redeemed at maturity
NLFBN	NLG	12,000	1993 / 2008	Redeemed at maturity
NLFBN	NLG	50,000	1993 / 2005	Redeemed at maturity
NLFBN	NLG	50,000	1993 / 2005	Redeemed at maturity
NLFBN	NLG	2,000	1994 / 2019	Redeemed at maturity
NLFBN	NLG	5,000	1994 / 2010	Redeemed at maturity
NLFBN	NLG	5,000	1994 / 2007	Redeemed at maturity
NLFBN	NLG	10,000	1994 / 2009	Redeemed at maturity
NLFBN	NLG	10,000	1994 / 2025	Redeemed at maturity
NLFBN	NLG	25,000	1994 / 2007	Redeemed at maturity



## C. Mentions concerning subordinated loans : (heading VIII of the liabilities)

Reference n°	Currency	Amount	Maturity or method of determining repayment date	a) Early redemption conditions (1) b) Subordination conditions (2) c) Convertibility conditions (3)
NLFBN	NLG	35,000	1994 / 2008	Redeemed at maturity
NLFBN	NLG	40,000	1994 / 2007	Redeemed at maturity
NLFBN	NLG	56,000	1994 / 2009	Redeemed at maturity
NLFBN	NLG	6,000	1995 / 2010	Redeemed at maturity
NLFBN	NLG	6,000	1995 / 2015	Redeemed at maturity
NLFBN	NLG	6,000	1995 / 2020	Redeemed at maturity
NLFBN	NLG	6,000	1995 / 2025	Redeemed at maturity
NLFBN	NLG	10,000	1995 / 2008	Redeemed at maturity
NLFBN	NLG	16,000	1995 / 2025	Redeemed at maturity
NLFBN	NLG	62,791	1996 / 2008	Redeemed at maturity
NLFBN	NLG	1,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	1,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	1,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	1,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	2,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	2,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	2,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	2,500	1997 / 2010	Redeemed at maturity
NLFBN	NLG	2,500	1997 / 2010	Redeemed at maturity
NLFBN	NLG	3,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	3,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	3,500	1997 / 2010	Redeemed at maturity
NLFBN	NLG	4,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	4,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	5,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	5,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	5,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	5,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	5,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	5,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	5,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	7,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	8,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	10,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	10,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	10,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	10,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	10,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	11,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	15,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	15,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	25,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	30,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	35,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	35,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	40,000	1997 / 2012	Redeemed at maturity
NLFBN	NLG	60,000	1997 / 2009	Redeemed at maturity
NLFBN	NLG	75,000	1997 / 2007	Redeemed at maturity
NLFBN	NLG	75,000	1997 / 2010	Redeemed at maturity
NLFBN	NLG	600	1998 / 2008	Redeemed at maturity
NLFBN	NLG	20,000	1998 / 2023	Redeemed at maturity
NLFBN	NLG	1,000	1999 / 2007	Redeemed at maturity
NLFBN	NLG	3,250	1999 / 2009	Redeemed at maturity
NLFBN	NLG	6,069	1999 / 2014	Redeemed at maturity
NLFBN	NLG	15,000	1999 / 2019	Redeemed at maturity

## C. Mentions concerning subordinated loans : (heading VIII of the liabilities)

Reference n°	Currency	Amount	Maturity or method of determining repayment date	a) Early redemption conditions (1) b) Subordination conditions (2) c) Convertibility conditions (3)
NLFBN	NLG	101,371	1999 / 2014	Redeemed at maturity
NLFBN	NLG	101,371	1999 / 2014	Redeemed at maturity
NLFBN	NLG	383	2000 / 2005	Redeemed at maturity
NLFBN	NLG	1,000	2000 / 2007	Redeemed at maturity
NLFBN	NLG	60,000	2000 / 2012	Redeemed at maturity
NLFBN	NLG	90,000	2000 / 2009	Redeemed at maturity
NLFBN	NLG	125,000	2000 / 2010	Redeemed at maturity
NLFBN	NLG	125,000	2000 / 2007	Redeemed at maturity
NLFBN	NLG	5,000	2001 / 2007	Redeemed at maturity
NLFBN	NLG	6,000	2001 / 2010	Redeemed at maturity
NLFBN	NLG	450	2002 / 2010	Redeemed at maturity
NLFBN	NLG	1,000	2002 / 2007	Redeemed at maturity
NLFBN	NLG	5,000	2002 / 2007	Redeemed at maturity
NLFBN	NLG	2,000	2003 / 2009	Redeemed at maturity
NLFBN	NLG	2,500	2003 / 2009	Redeemed at maturity
NLFBN	NLG	2,500	2003 / 2010	Redeemed at maturity
NLFBN	NLG	5,000	2003 / 2007	Redeemed at maturity
NLFBN	NLG	10,000	2003 / 2007	Redeemed at maturity
NLFBN	NLG	10,000	2003 / 2010	Redeemed at maturity
NLFBN	NLG	15,000	2003 / 2007	Redeemed at maturity
NLFBN	NLG	250,000	2003 / 2007	Redeemed at maturity
NLFBN	NLG	500	2004 / 2006	Redeemed at maturity
NLFBN	NLG	8,000	2004 / 2006	Redeemed at maturity

**Issued by FORTIS IFICO**

KYIFICO	DEM	60,000	1992 / 2007	Redeemed at maturity
KYIFICO	EUR	6,190	2000 / 2012	Redeemed at maturity
KYIFICO	EUR	12,483	2000 / 2012	Redeemed at maturity
KYIFICO	EUR	51,792	2000 / 2010	Redeemed at maturity
KYIFICO	EUR	99,800	2000 / 2010	Redeemed at maturity
KYIFICO	EUR	4,899	2001 / 2010	Redeemed at maturity
KYIFICO	EUR	30,000	2001 / 2031	Redeemed at maturity
KYIFICO	JPY	15,000,000	1994 / perp.	Redeemed at maturity
KYIFICO	JPY	5,000,000	1995 / perp.	Redeemed at maturity
KYIFICO	JPY	5,000,000	1996 / perp.	Redeemed at maturity
KYIFICO	NLG	10,000	1995 / perp.	Redeemed at maturity
KYIFICO	NLG	15,000	1995 / perp.	Redeemed at maturity
KYIFICO	NLG	15,000	1995 / perp.	Redeemed at maturity
KYIFICO	NLG	20,000	1995 / perp.	Redeemed at maturity
KYIFICO	NLG	50,444	1995 / perp.	Redeemed at maturity
KYIFICO	USD	35,040	1996 / perp.	Redeemed at maturity
KYIFICO	USD	99,952	2000 / 2010	Redeemed at maturity

**XVIII. STATEMENT OF RESERVES AND PROFIT BROUGHT FORWARD**

(heading XII of the liabilities)

	Codes	Financial year
At the end of the previous financial year		1,331,861
Changes during the financial year		
- group profit	010	1,826,739
- dividends	020	(706,038)
- consolidation difference		(260)
- provisions for pensions		(28,127)
- deferred taxes		
- director's entitlements		(260)
- other		(3,446)
At the end of the financial year	040	2,420,469

**XIX. CONSOLIDATION DIFFERENCES DUE TO FULL CONSOLIDATION , AND TO VALUATION BY EQUITY METHOD**

	Codes	Positive differences	Negative differences
A. Differences due to full consolidation			
Net book value at the end of the previous financial year	100	472,588	
Changes during the financial year			
- due to increase of the percentage held	110	44,622	
- due to decrease of the percentage held	120		1,270
- depreciations	130	(109,831)	
- differences transferred to the income statement (art. 52 § 2 Royal Decree 06/03/90)	140		
- other changes	150	(43,212)	
Subtotal of changes	199	(108,421)	1,270
Net book value at the end of the financial year	200	364,167	1,270
B. Differences due to valuation by equity method			
Net book value at the end of the previous financial year	300	6,128	
Changes during the financial year			
- due to increase of the percentage held	310		
- due to decrease of the percentage held	320		
- depreciations	330		
- differences transferred to the income statement (art. 52 § 2 Royal Decree 06/03/90)	340		
- other changes	350	(6,128)	
Subtotal of changes	399	(6,128)	
Net book value at the end of the financial year	400		

**XX. BREAKDOWN OF TOTAL ASSETS AND TOTAL LIABILITIES  
BETWEEN EURO & FOREIGN CURRENCIES**

(in thousands EUR)

	Codes	05	10
		in euro	in foreign currencies (exchange value in EUR)
TOTAL ASSETS	010	346,837,842	138,680,630
TOTAL LIABILITIES	020	337,986,419	147,532,053

**XXI. TRUSTEE OPERATIONS REFERRED TO IN ARTICLE 27ter, § 1 paragraph 3, ROYAL DECREE 23/09/92**

Concerned headings of the assets and liabilities	Codes	05
		Financial year
.....	110	
.....	120	
.....	130	
.....	140	
.....	150	
.....	160	
.....	170	
.....	180	
.....	190	
.....	200	
.....	210	
.....	220	
.....	230	

**XXII. STATEMENT OF THE GUARANTEED LIABILITIES AND COMMITMENTS**

Secured guarantees provided or irrevocably promised by the credit institution on its own assets

Codes	05	10	15	20
	Mortgages	Pledging of goodwill	Pledges on other assets	Guarantees established on future assets
	(1)	(2)	(3)	(4)
010			81,635,844	
020			70,791	
030				
040				
050				
210			141	
220				
230				
240				
250				
310				
320				
330				
340				
350				

a) As security for liabilities and commitments of the consolidated entity

1. Headings of the liabilities  
 debits for mobilization and advances  
 Receivables Banque de France pledged

b) As security for liabilities and commitments of third parties

1. Headings of the liabilities  
 debits for mobilization and advances  
 .....  
 .....  
 .....  
 .....  
 2. Off-balance sheet headings  
 .....  
 .....  
 .....  
 .....  
 .....

**XXIII. STATEMENT OF THE CONTINGENT LIABILITIES AND OF COMMITMENTS****WHICH MAY GIVE RISE TO A CREDIT RISK**

(in thousands EUR)

(headings I and II of the off-balance sheet)

	05	10
	Financial year	Previous financial year
Total of contingent liabilities on account of affiliated non-consolidated companies	46,606	53,358
Total of contingent liabilities on account of other enterprises linked by participating interests	29,909	41,549
Total of the commitments to affiliated non-consolidated enterprises	101,722	16,401
Total of the commitments to other enterprises linked by participating interests	13,605	14,119

**XXIV STATEMENT OF THE FORWARD OFF-BALANCE SHEET OPERATIONS IN SECURITIES,  
FOREIGN CURRENCIES AND OTHER FINANCIAL INSTRUMENTS WHICH DO  
NOT CONSTITUTE COMMITMENTS WHICH MAY GIVE RISE TO A CREDIT RISK  
WITHIN THE MEANING OF HEADING II OF THE OFF-BALANCE SHEET**

(in thousands EUR)

TYPES OF OPERATIONS	Codes	AMOUNT AT	OF WHICH TRANSACTIONS
		FINANCIAL YEAREND	NOT CONSTITUTING
		05	HEDGING
			TRANSACTIONS (4)
			10
1. ON TRANSFERABLE SECURITIES			
forward purchases and sales of transferable securities	010	2,156,081	2,060,352
and negotiable instruments			
2. ON CURRENCIES (1)			
forward exchange operations	110	187,976,566	168,911,665
interest-rate and currency swaps	120	12,980,619	11,958,851
currency futures	130	123,314	123,314
currency options	140	35,030,677	34,291,694
forward exchange rate contracts	150	5,246,848	2,301,487
3. ON OTHER FINANCIAL INSTRUMENTS			
ON INTERESTS (2)			
1. interest-rate swaps	210	2,381,038,606	1,060,421,688
interest-rate futures	220	20,661,641	20,519,433
forward interest-rate contracts	230	42,430,810	36,593,800
interest-rate options	240	755,061,453	754,730,945
2. OTHER FORWARD PURCHASES AND SALES (3)			
other option contracts	310	43,316,093	38,505,511
other futures operations	320	6,788,599	6,788,599
other forward purchases and sales	330	637,051	537,894
TOTAL (1. + 2. + 3.1 + 3.2)	499	3,493,448,358	2,137,745,233

(1) Amounts to be delivered

(2) Nominal/notional reference amount

(3) Agreed buying/selling price

(4) Transactions which do not strictly meet the criteria for hedge accounting as specified in the Royal Decree of 23 September 1992 (articles 35c § 1. 36 § 1. And 36a § 1). For the most part, notional amounts given in this column do not represent open positions but are valued at the market price.

**XXV. DETAILS CONCERNING THE OPERATING RESULTS**

(in thousands EUR)

## A. Breakdown of operating income according to origin

Codes	05	10	15	20	
	Financial year		Previous financial year		
	Belgian establishments	establishments abroad	Belgian establishments	establishments abroad	
I. Interests and similar revenues	010	9,551,119	6,562,149	8,390,838	5,074,214
III. Income from variable-income securities					
- Corporate shares and units and other variable-income securities	110	22,824	18,534	8,074	15,748
- Participating interests and other corporate shares and units constituting financial fixed assets	120	61,309	56,037	4,390	19,416
IV. Commissions received	210	1,315,048	1,220,649	1,137,591	1,144,177
VI. Profit from financial operations					
- from exchange transactions and transactions in securities and other financial instruments	310	(92,862)	228,001	169,255	223,332
- from realization of investment securities	320	288,536	140,026	466,905	63,668
XIV. Other operating income	410	221,329	451,820	206,537	413,216

## B. 1. Personnel

(unities)

Codes	05	10
	fully consolidated enterprises	proportionally consolidated enterprises
Manual workers	500	3
Non-manual workers	510	34,334
Managerial staff	520	1,851
Other persons on the payroll	530	

(in thousands EUR)

2. Personnel and pension expenses	600	2,863,324
-----------------------------------	-----	-----------



(in thousands EUR)

## C. Extraordinary results

1. Extraordinary profit (heading XVII of the income statement)  
Breakdown of this heading if it represents a substantial amount  
Sale Fortis Bank Asia  
Restructuration
2. Extraordinary loss (heading XVIII of the income statement)  
Breakdown of this heading if it represents a substantial amount  
Restructurerung costs  
.....  
.....

Codes	Financial year
010	20,435
020	6,539
100	85,995
110	
120	

## D. Income taxes (heading XXI of the income statement)

Based on the valuation rules, the deferred taxes are booked :

## 1) MAJOR DIFFERENCES BETWEEN EXPECTED AND ACTUAL TAXATION

<b>Profit before taxes</b>	<b>2,190,124</b>
Statutory tax rate	33.99%
Expected taxation	744,423
Income from securities	(188,313)
Disallowed expenses	80,759
Foreign tax rate differential	(22,988)
Effect tax rate change on temporary differences	2,967
Taxes relating to prior years	15,590
<b>Taxation through P&amp;L</b>	<b>581,580</b>

		Financial year
2) SPECIFICATION OF DEFERRED TAXES		
<u>2.1 Deferred tax assets</u>		
Receivables from credit institutions		5,492
Receivables from clients		89,216
Shares and other non-interest bearing securities		23,916
Start-up costs and intangible fixed assets		10,108
Provisions for other risks and charges		125,346
Loss carry forwards and tax credits		209,470
	<b>TOTAL</b>	463,548
<u>2.2 Deferred taxes liabilities</u>		
Bonds and other interest bearing securities		32,349
Financial fixed assets		43,150
Tangible fixed assets		137,908
Other assets		201,630
Deffered charges and accrued income		4,424
Other creditors		240
Accrued charges and deffered income		52,372
Reserves		11,724
	<b>TOTAL</b>	483,797
<b>Net deferred tax asset</b>		<b>(20,249)</b>

## AMOUNTS FROM THE CONSOLIDATED BALANCE SHEET :

XII Other assets	126,971
C. Other	
VI. Provisions and deferred tax liabilities	(147,220)
B. Deferred tax liabilities	<b>(20,249)</b>

**XXVI. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS WHICH ARE NOT COVERED EITHER ABOVE IN THIS SECTION OR BY THE OFF-BALANCE SHEET HEADINGS**

(in thousands EUR)

A. Major commitments for the acquisition of fixed assets

.....  
 .....  
 .....  
 .....

Major commitments for the sale of fixed assets

.....  
 .....  
 .....  
 .....

B. Important legal proceedings and other important commitments

.....  
 .....  
 .....  
 .....

C. Commitments relating to the supplementary retirement and survivorship pension system in favour of personnel or directors due by the consolidated companies

**cfr. Supplemental note about pension benefits (31bis)**

.....  
 .....  
 .....

Codes	05
	Financial year
010	
020	
030	
040	
110	
120	
130	
140	
210	
220	
230	
240	

	Financial year
310	
320	
330	
340	

**XXVII. FINANCIAL RELATIONS WITH DIRECTORS AND MANAGERS**

A. Amount of remunerations of directors or managers of the consolidated enterprise assigned because of their functions in the consolidated enterprise, in affiliates or associated enterprises, including pensions assigned to former directors or managers

	Financial year
400	4,706

B. Advances and credits granted to directors and managers referred to under A

500	1,601
-----	-------

**Supplementary disclosure relating to pension benefits**

Fortis Banque funds several non-statutory pension plans, covering the greater majority of staff.

There are two kinds of plans:

- pension plans with fixed contributions, for which payment of the contributions discharges the employer from any obligation
  
- pension plans with defined benefits.

The expenses relating to the second category (15 schemes in the group) are calculated in accordance with the provisions of the various pension schemes.

In order to harmonise the methods used in the various group companies, and to evolve within Fortis Bank towards international accounting standards and the methods used by Fortis, pension obligations are calculated at consolidated level according to a method based on international accounting practice, including the US standard FAS87 "Employer's Accounting for Pensions".

**Supplementary disclosure relating to pension benefits**

The actuarial calculations are based on the following assumptions :

Discount rate :	3,80 % - 5,20 %
Expected long term rate of return :	4,50 % - 7,10 %
Rate of compensation :	2,00 % - 4,30 %

**Components of net periodic pension cost (in EUR million)**

Service cost	171
Interest cost	195
Expected return on plan assets	(195)
Amortization unrecognized net gains	45
Imputation prior service cost	8
Net periodic pension cost	224

**Situation as at 31/12/2004 : (in EUR million)**

Fair value plan assets	4,274
Plan benefit obligation	4,673
Funded status	(399)

**FREE TRANSLATION OF THE  
UNQUALIFIED STATUTORY AUDITOR'S REPORT  
ORIGINALLY PREPARED IN FRENCH AND DUTCH**

**Report of the joint Statutory Auditors on the consolidated financial statements  
for the year ended 31 December 2004 submitted to  
the General Shareholders' Meeting  
of the S.A.-N.V. Fortis Banque - Fortis Bank**

In accordance with legal and regulatory requirements, we are pleased to report to you on the performance of the audit mandate that you have entrusted to us.

We have audited the consolidated financial statements, prepared under the responsibility of the Board of Directors of the Bank, as of and for the year ended 31 December 2004, and which show a balance sheet total of 485.518.472 thousands EUR and a consolidated profit for the year (group share) of 1.826.739 thousands EUR. We have also examined the consolidated directors' report.

Unqualified audit opinion on the consolidated financial statements

Our audit was performed in accordance with the standards of the "Institut des Reviseurs d'Entreprises-Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable in Belgium.

In accordance with those standards, we considered the Group's administrative and accounting organisation as well as its internal control procedures. We have obtained the explanations and information required for our audit. We examined, on a test basis, the evidence supporting the amounts in the consolidated financial statements. We assessed the accounting and consolidation policies used and the significant accounting estimates made by the Bank, as well as the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as of 31 December 2004 and the consolidated results of its operations for the year then ended, in conformity with the legal and regulatory requirements applicable in Belgium, and the information given in the notes to the consolidated financial statements is adequate.

### **Additional certification**

We supplement our report with the following additional certification, which does not modify our audit opinion on the consolidated financial statements:

- The consolidated directors' report contains the information required by law and is consistent with the consolidated financial statements.

Brussels, 23 March 2005

SCC - BCV Klynveld Peat Marwick Goerdeler  
Bedrijfsrevisoren/Reviseurs d'Entreprises

Statutory Auditor  
represented by

V. Nijs  
Partner

SCCRL - BCVBA PricewaterhouseCoopers  
Bedrijfsrevisoren/Reviseurs d'Entreprises

Statutory Auditor  
represented by

L. Discry  
Partner

## **EXHIBIT B**

### **RISK MANAGEMENT**

The information in this Exhibit B has been extracted from the Annual Review 2004 of Fortis.



# Risk management

Risk management is a core part of Fortis's business and has an impact on all areas of management. Fortis's banking and insurance activities are exposed to a range of potential risks. To ensure that these risks are measured, monitored and managed properly at all times, Fortis has in place a strong organisational structure for internal control and risk management.

## Strong internal control and risk management

As a financial services provider, Fortis has a long-standing culture of risk and control awareness, and a strong commitment to making internal control an integral part of the way it conducts its business.

Ultimately, the Board is responsible for internal control at Fortis and for reviewing its effectiveness. Under the authority delegated by the Board, the Fortis Executive Committee, the management teams of the businesses, legal entities, support functions and subsidiaries are responsible for designing internal control systems appropriate to their respective businesses and for monitoring their effectiveness. As such, management is responsible for setting clear objectives, for maintaining strong control awareness and creating appropriate organisational structures, for identifying, assessing and monitoring the risks, for the effectiveness of all processes, including the internal control processes, and for reporting on all of these matters. Internal control relies on the contribution of all Fortis staff, whose combined actions ultimately determine whether systems and procedures are operating in the manner they are intended to.

The Board sets policies on major aspects of the business. Board policies include, among other things, standards of business conduct, external auditor independence and money laundering deterrence. The Fortis Executive Committee, the management teams of the businesses, legal entities, support functions and subsidiaries set further functional, operating and reporting standards for application Fortis-wide, across a given business, or within a geographical region.

All of these policies and standards, which form an integral part of the internal control system, are periodically reviewed and updated, properly communicated through manuals and promulgated through internal communications. The frequency of review depends on the nature of the activities, with some risk areas, such as money laundering, requiring continuous attention and the strongest procedures. Management's responsibility for designing internal control extends to designing second order controls, i.e. the control procedures which are in place to ensure that controls operate effectively and that any significant failings are reported through the control mechanisms to the appropriate level of authority and/or supervision, and are acted upon.

From an organisational point of view, the management teams of the Fortis businesses are responsible for internal control within their respective businesses. They operate their own middle- and back-office departments which are responsible for recording, processing and executing all transactions carried out within their business. Specific attention is devoted in this respect to automated systems. Controls form an integral part of these systems and are

properly tested before systems are put in place. Strict routines are applied for operations and systems security. At central level, a number of support functions set additional standards and exercise additional control. These support functions are independent from the business departments and report to the CEO, the CFO, or the Chief Operating Officer, a new position at Fortis created in October 2004. These support functions are described in greater detail below.

Central Risk Management and Credit Risk Management ensure that systems and procedures are in place to identify, control and report on the major risks, including credit risk, market risk, insurance risk, liquidity risk and operational risk. They provide independent monitoring of the risks incurred and report on them through a structure of risk committees, which ultimately cascades up to the Fortis Risk and Capital Committee and to the Board. The Operational Risk Management unit keeps track of all operational loss events, as defined under Basel II, and ensures their reporting to the risk committees. The Risk Mitigation unit monitors the adequacy of business contingency plans in all major areas of the business. These plans are aimed at continuing business activities as soon as possible in case of business disruptions or disasters, and at damage control. The risk management framework is described in further detail on page 55.

Corporate Consolidation & Accounting and Corporate Control & Reporting ensure that comprehensive internal financial control procedures are in place for the preparation and publication of financial statements and ad-hoc financial information. These departments draw up the consolidated accounts of Fortis and the statutory accounts of Fortis companies. Through an upwardly cascading process of meetings involving the business controllers as well as external auditors at different levels in Fortis, they also check that financial and accounting data communicated externally are reliable and accurate.

A multi-year budget is drawn up each year, based on targets set by the Executive Committee and the underlying budgets of each of the businesses. The budget is reviewed and approved by the Fortis Board. Results are monitored regularly and reports on progress as compared with the budget are prepared each quarter. In addition, the strategic plan of each of the businesses is updated, discussed and approved by the Fortis Board on an annual basis.

The Legal and Tax departments monitor all legal and fiscal aspects of Fortis's activities and report on a regular basis, both internally and to the external auditors, on any litigation outstanding.

The Compliance department promotes the observance of laws, rules and standards by the company and its staff and ensures adequate monitoring of compliance breaches. It develops standards, such as the Principles of Business Conduct, monitors their implementation, and reports on them to the Fortis Audit Committee. In the year under review, the Compliance department developed a whistleblowing procedure which will be rolled out in 2005. The procedure serves to ensure that all Fortis employees can report any activities which they consider to be wrongful, as defined in the procedure, with protection against reprisals. Early 2005 it was decided, as part of the overall strengthening of governance, to have local compliance officers report hierarchically to the Fortis Compliance Officer rather than to the business CEOs.

As a distinctive part of the reporting and monitoring cycle, senior managers, cascading up to the Executive Committee, sign internal management control statements annually. These statements are signed after a process of risk self-assessments, which include the definition of action plans intended to remedy identified weaknesses. Any control weaknesses reported in

the management control statements are verified by internal audit and are cascaded upwards. Major observations are reported to and discussed by the Fortis Executive Committee and ultimately by the Fortis Audit Committee. In addition, as of 2005, developments regarding the quality of internal control will be factored into the variable remuneration of the senior management of Fortis.

Fortis Audit Services, which is centrally controlled, monitors the effectiveness of internal control across the whole of Fortis. Auditors carry out assignments to evaluate the safeguarding of assets, the effectiveness of operations, compliance with applicable laws and regulations, and the reliability of financial and management information. They put forward recommendations based on their observations and follow up on these to ensure that they are implemented correctly. Fortis Audit Services focuses on the areas of the greatest risk to Fortis as determined by a structured risk assessment process. Its methodology is rooted in the COSO framework, thus ensuring benchmarking against generally accepted control standards. Fortis Audit Services is authorised to audit all aspects of operations and is provided with adequate resources, from both a qualitative and quantitative point of view, to carry out its functions effectively. Fortis Audit Services thus serves as an independent and objective assurance provider which reports directly – through the General Auditor – to the Fortis CEO and to the Fortis Audit Committee. In addition, the Fortis General Auditor has direct access to the Chairman of the Board.

Fortis's external auditors, KPMG and PricewaterhouseCoopers, are appointed by the General Meetings of Shareholders for a three-year term. They adhere to the Fortis policy on the independence of external audit firms, which imposes a pre-approval procedure for any non-audit service delivered by external auditors and a seven-year rotation period for lead audit partners.

All of the structures, procedures and control systems described above together make up Fortis's system of internal control. The system basically aims to assure that:

- business operations are carried out effectively and efficiently;
- assets entrusted to Fortis and Fortis's own assets are safeguarded;
- business and financial reporting are reliable;
- Fortis complies with applicable laws and regulations including internal procedures and policies.

As with any system of internal control, Fortis's system also has its limits. It cannot completely eliminate the risk of failure to achieve business objectives, but can manage this risk to maintain it at an acceptable level. It provides reasonable but not absolute assurance against material misstatement or loss.

The Fortis Audit Committee keeps under review the effectiveness of this system and reports regularly to the Board. The key input used by the Committee in carrying out its work includes management declarations on internal control, reports of Corporate Control & Reporting, the Compliance Officer and the external auditors, and extensive reporting on internal control by Fortis Audit Services, which includes information on operational losses (Basel II) as well as any information on litigation and supervisory reviews. In addition, the Fortis Audit Committee receives information on the activities of the Fortis Bank Audit Committee and Fortis Insurance Audit Committee.

The control system as described above was fully operational in the year under review and remains operational to date. All major aspects and improvements have been the subject of discussion in the Audit Committee, which reported on these to the Board. The control system is profoundly dynamic in nature, as it is continuously adapting to changes in the internal and external environment, including all developments on the regulatory front. Expected changes for the foreseeable future include improvements associated with the newly created position of

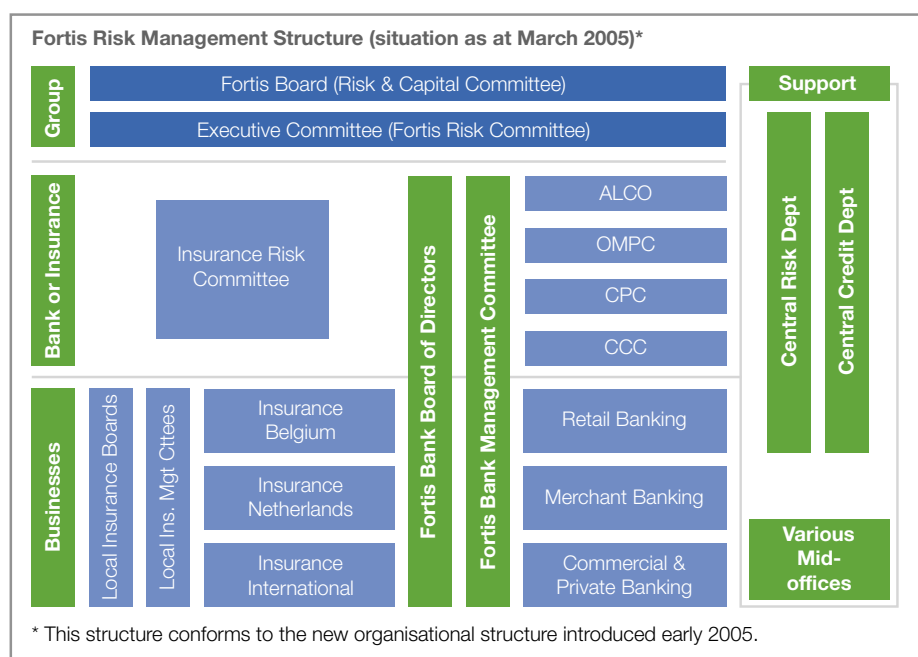
Chief Operating Officer. These include further strengthening of the central support functions across the banking and insurance businesses and reviewing the needs for further control documentation which might arise from developments currently underway in Fortis control systems or from external requirements.

Based on all information and reports received through the Fortis Audit Committee, as well as through the Risk and Capital Committee, and subject to the limits that apply to any and all control systems, the Board considers that to the best of its knowledge, throughout the year ended 31 December 2004 and to date, Fortis has operated risk and control systems which are appropriate for the size and needs of Fortis and can reasonably be expected to provide reliable insight into the effectiveness and efficiency of operations, reliable financial and other information and compliance with applicable laws, regulations, internal procedures and policies.

### Strong risk management organisation

The Board of Directors monitors Fortis's solvency and significant risks and determines the general risk/return profile. At the level of the Executive Committee, a subcommittee chaired by the CEO is responsible for setting the strategic guidelines and high-level policy for risk management, for monitoring consolidated risk reports at group level and for allocating economic capital to the various Fortis entities. The banking and insurance businesses each have their own responsibilities within this overall framework.

In the banking activities, these responsibilities lie with the Board of Directors and the Management Committee. They are assisted by a number of specific committees within Fortis Bank, such as the asset and liability committee (ALCO), the policy committee for operational and market risks (OMPC), the credit policy committee (CPC) and the credit committee (CCC).

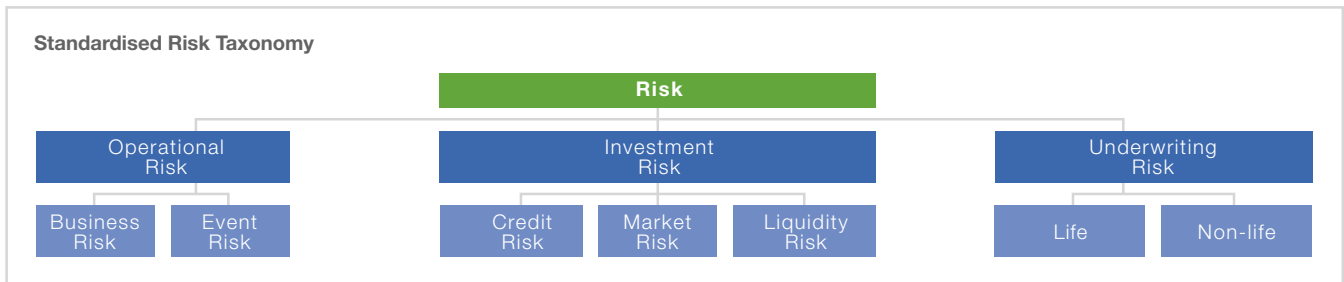


Responsibility for risk management in the insurance activities lies with the Board of each individual company, each of which has its own risk committee that meets on a regular basis. In addition, an Insurance Risk Committee, whose members include the CFOs/CEOs from each business, the Chief Risk Officer and the CFO of Fortis, also meets regularly. The responsibilities of the Insurance Risk Committee include monitoring the overall risks and solvency of the insurance business, setting risk policy for insurance companies and approving investment policies.

A central risk management team, headed by the Chief Risk Officer, is responsible for the development and implementation of the risk management framework, for supporting the work of the risk committees, for risk reporting and reviewing, and for recommending further developments in risk methodologies.

In 2004 a number of refinements were made to the framework, including the introduction of functional line reporting between the Head of Risk from each insurance business and the Chief Risk Officer (as was already in place for the banking activities).

For the past several years, Fortis has used a standardised risk taxonomy to better manage the main risks.



### Operational risk

The operational risk encompasses all risks which are not specifically connected with the performance of banking or insurance activities. For the purposes of reporting and monitoring, this risk can be divided into two categories. One category incorporates the business risk, and in particular losses due to changes in the structural and/or competitive environment. The other comprises the risk of losses due to non-recurring events such as errors and omissions, system failure, fraud, crime, legal proceedings or damage to buildings or equipment.

Fortis has defined its operational risk policy based on a description of the framework, consisting of the organisation at group, business and country level (including roles and responsibilities) and reporting lines from the various risk management departments. Specific operational risk tolerance levels have also been introduced.

Initiatives to improve the monitoring and control of this risk through better assessment and measurement were continued and intensified in 2004. To this effect, Fortis developed a set of operational risk management instruments, which are applied company-wide. These instruments encompass the reporting of operational losses, modelling of operational risks, the carrying out of risk self-assessments, follow-up of key risk indicators and business contingency planning. An internally developed IT application supports the set of operational risk instruments.

Fortis is a co-founder of the Operational Risk Data Exchange Association (ORX). This joint initiative by major international banks provides for the exchange of data to ensure that sufficient data on events is available to enable the operational risk to be analysed and modelled more accurately.

In the context of Basel II, Fortis has opted for the 'Advanced Measurement Approach' for assessing its operational risks. Moody's published a report on the status of operational risk at Fortis in October 2004 and concluded that Fortis is in an advanced stage of implementation of its framework.

### Investment risk

The credit risk is the risk arising when a borrower or counterparty is no longer able to repay their debt. This may be the result of inability to pay (insolvency) or of government restrictions on capital transfer. This risk arises both in traditional lending – mainly in the banking activities – and in the purchase of investments – mainly in the insurance activities. Both divisions of Fortis use appropriate instruments to evaluate and monitor these risks adequately.

There are three main potential sources of credit risk within the banking activities: the counterparty risk, the transfer risk and the settlement risk. Fortis Bank applies strict checking procedures within an independent credit approval process. In essence, the credit policy aims to spread the risks across several sectors, countries and markets. In addition, Fortis Bank uses an internal rating system for credit risk management, which is applied to its total credit portfolio based on statistical analyses and the expected default frequency. This enables individual credits to be priced on the basis of risk. It also generates the information needed to calculate the economic capital and the risk-adjusted returns. In 2005 the credits department of Fortis Bank will concentrate on further refining an integrated credit risk management system.

Since 2000, Fortis Bank has been actively pursuing a policy of improving the risk/return profile of its credit activities by constantly improving its risk assessment and applying risk-weighted pricing. It is also working to reduce the outstanding credit risk by securitising a part of the existing credit portfolio. In the light of Basel II, Fortis Bank has opted for the Internal Rating Based method for assessing its credit risk; this involves an assessment of the risk of failure of the counterparty based on its own historical data.

The credit risk in the insurance activities relates mainly to the counterparty risk in investments. Fortis limits this type of risk by setting strict creditworthiness standards for investments and by spreading investments across sectors and regions. A substantial part of Fortis's insurance portfolio in the Benelux countries is invested in fixed-income securities, which are covered by direct or indirect government guarantees.

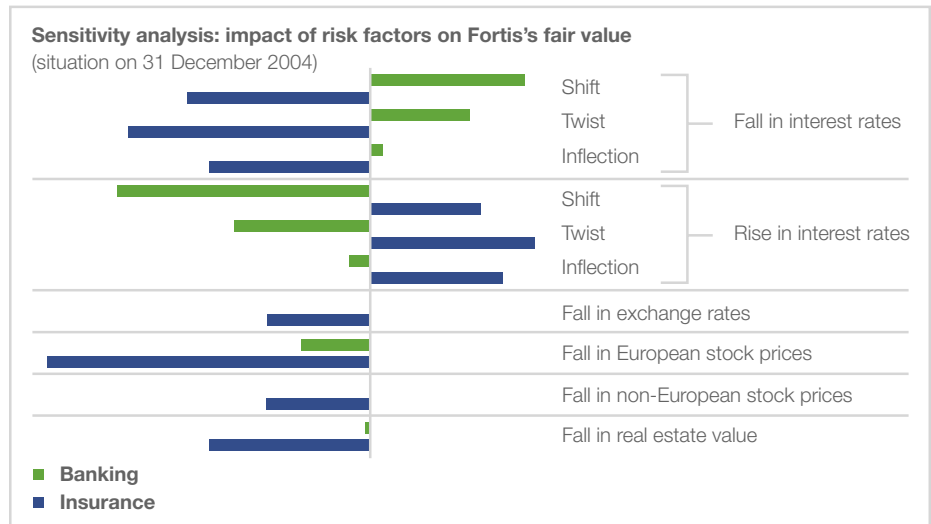
The market risk is the risk of losses due to sharp fluctuations on the financial markets – in share prices, interest rates, exchange rates or property prices. These fluctuations also create risks which impact on the structural positions of the banking and insurance activities (ALM risk) and on the trading positions taken by the banking business (trading risk).

Fortis monitors and controls its ALM risk with the aid of risk indicators such as basis point sensitivity (which indicates how much the market value of all assets and liabilities changes when each individual point on the yield curve changes by one basis point), the 'duration' of the capital and reserves (a general measure of the interest-rate risk), the 'earnings at risk' (an indicator that simulates the effect of changes in interest rates on future results) and the 'Value-at-Risk' (VaR), which calculates the potential structural loss for Fortis resulting from market fluctuations, based on a horizon of one year and a reliability interval of 99% (in accordance with regulatory requirements). For calculations of economic capital, the VaR figures are reworked because here the internal reliability interval is more severe (99.97%).

In the banking activities, the fixed-rate period of the assets is longer than that of the liabilities; this is logical, since banks traditionally receive funds in the shorter term and reinvest them for the longer term. As a result, an upward movement in the yield curve on the capital market will lead to a more pronounced fall in the value of the assets than in the value of the liabilities. This also has the effect of reducing the value of the bank (which is after all the difference between its assets and liabilities). A movement in the opposite direction naturally increases the bank's value.

In the insurance activities, by contrast, the liabilities have a longer term than the assets, since the commitments of the insurer, especially in Life business, have a longer fixed-rate period than the assets in which the insurer can invest. Moreover, traditional insurance products generally incorporate guaranteed interest rates. As a result, an upward movement in the yield curve has a favourable effect and boosts the value of the insurance activities. Conversely, a downward movement will of course reduce the value.

This fundamental difference in the balance sheet structure of the banking and insurance activities means that the combination of the two activities reduces the overall impact of interest rate movements on Fortis.

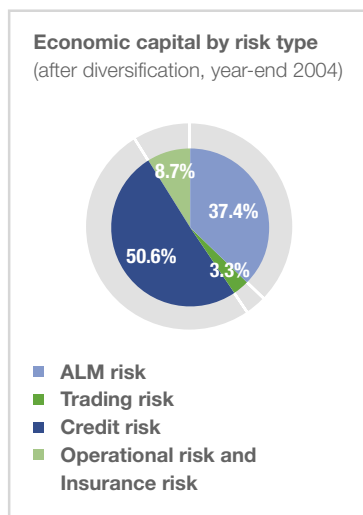


The graph above shows that a fall in the value of equities, for example, has a one-sided negative impact on the value of Fortis. In other words, it has a negative effect on both the banking and insurance activities. The impact of a change in interest rates, by contrast, is both negative and positive and the effects on the banking and insurance activities thus partially cancel each other out.

The trading risk is closely connected with the activities of Merchant Banking. This risk is also monitored using the VaR indicator, based on a holding period of one day and a reliability interval of 99%. The different components of the market risk (interest rates, exchange rates, equities and commodities such as gold and silver) are evaluated both separately and in combination, taking into account correlations between the movements in market values of these different components. For calculations of economic capital, the VaR figures are also reworked here because the internal reliability interval is more severe (99.97%).

The effectiveness of VaR calculations is tested using 'back-testing'; this involves a review of the number of days when the losses were greater than the estimated VaR. For the trading activities, for instance, Fortis applies a probability level of 99%, which means that the negative trading result may only be greater than the VaR on one day per 100 days. Back-testing analysis reveals that Fortis amply achieved this target: in 2004, there was not a single day on which the difference in market value of two successive days was greater than the estimated VaR.

A project aimed at improving the management of liquidity risk was launched in 2004. The basic principles of the Fortis group-wide liquidity policy have now been defined, and all Fortis companies will further define or adjust their current liquidity policy taking into account these basic principles and their respective needs and regulations.



### Underwriting risk

Underwriting risk relates to the risks inherent in the insurance activities (in addition to the ALM risk referred to earlier). The life insurance risk relates to variations in mortality and longevity. Risk in the Non-life activities relates to the degree of variability of future claims and the uncertainty concerning the development of existing claims.

Adequacy of the insurance charges and of the provisions are assessed regularly, with a significant portion of the provisions analysed using sophisticated stochastic analysis. Increasing emphasis is being placed on improving our understanding of diversification and concentration effects across the group. Reinsurance cover is purchased where appropriate and a portion of this is channelled through an internal captive structure to capture diversification benefits within Fortis.

### Risk mitigation

Fortis implements a broad range of measures aimed at reducing the impact of a diverse range of risks and implements and coordinates a broad range of management controls. Traditionally, Fortis insures operational event risk, for example through the insurance of such risk (such as traditional bankers blanket bond, professional indemnity, and directors' and officers' insurance). Insurance is obtained either in the external insurance and reinsurance markets or through the use of alternative risk transfer. Furthermore, several central staff functions are advised regarding insurance of (mostly) operational risks.

Fortis also ensures group-wide coordination, quality assurance and monitoring of Business Continuity Management and of information security policy. Thus, in the event of a disaster, the continued availability of key processes in Fortis's key locations is ensured by coordinated and tested business continuity planning and management.

With a view to internal management systems and control instruments, in 2004 Fortis implemented a group-wide framework and policy for management control of the portfolio of its participating interests in order to strengthen supervision and risk management of the portfolio of its subsidiaries. A new system for centralised reporting and monitoring of participating interests will be introduced in 2005.

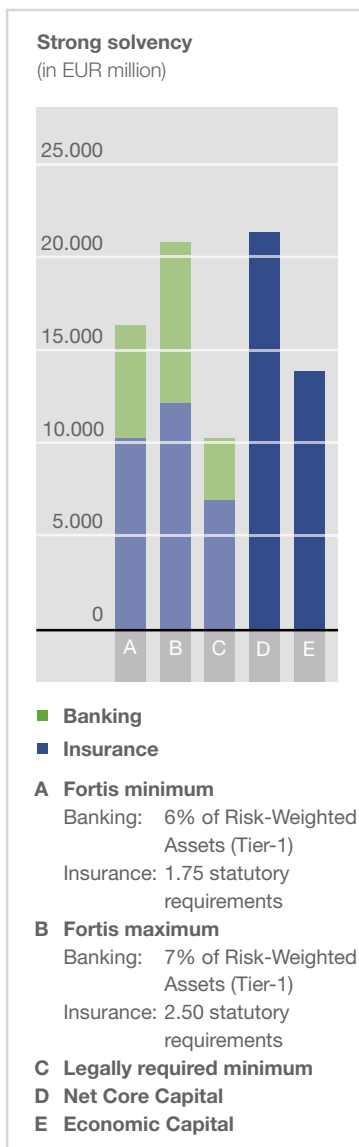
### Economic capital

'Economic capital' has been developed within Fortis in order to provide a consistent and comparable measure of risk across all risk types and geographies. It is a measure of the 'Value at Risk' to a confidence interval of 99.97% and a horizon of one year. This represents very extreme events. The methodology is refined and improved on a regular basis.

The economic capital is calculated separately for each type of risk per business. The total economic capital is then calculated at business level, at banking and insurance level and for Fortis as a whole. Economic capital is also used for a range of internal monitoring and management purposes.

Since it is extremely unlikely that all risks will take place at the same time, an allowance is made for diversification benefits when combining the individual risks. This results in a total economic capital at group level that is significantly lower than it would be if the individual risks were simply added together. As noted earlier under investment risk, in addition to this more general diversification, Fortis also benefits from a netting effect across bank and insurance interest-rate risk due to the fundamental differences between their balance sheets.





### Changes in economic capital

Note that the graph below represents the contribution of each risk to the total diversified economic capital. This means that risks such as insurance risk contribute very little to the overall amount because they have a low correlation with other risks. The trading risk has risen slightly recently because Fortis has increased the trading activities for its own account in order to take advantage of the growing volatility on the interest and currency markets.

### RoRAC

The Return on Risk Adjusted Capital (RoRAC) is a performance yardstick which establishes a consistent relationship between the risks and returns of Fortis's various activities. RoRAC is calculated by dividing the risk-weighted return by the economic capital. The risk-weighted return is itself determined on the basis of the net operating results, with provisions for credit risks being replaced by estimated, cycle-neutral expected losses.

### Prudent risk management

Fortis is convinced that its solvency remains extremely robust despite highly fluctuating markets. This conviction is based on Fortis's solid and systematic approach to monitoring the capital requirements. Systematic follow-up of the economic and regulatory solvency position avoids the need for drastic interventions. Internal control systems are also in place to check and, where necessary, modify the natural risk cover against interest rate movements. The impact of movements in interest rates is analysed bearing in mind the diversification into banking and insurance activities.

Major strides have been made towards further integrating and coordinating the policy on the asset structure of the various Fortis operating companies. Internal limits have been established for the risk of exceeding the Fortis minimum, for the 'earnings at risk' and for the ratio between economic capital and fair value. In addition, internal stress tests have been defined for the solvency of individual operating companies. These tests apply over and above the norms applied for these variables within Fortis as a whole.

**Return on Risk Adjusted Capital**

(in EUR billion)	<b>Economic Capital</b>		<b>RoRAC<sup>1</sup> in % (after tax)</b>		<b>RoRAC<sup>2</sup> in % (after tax)</b>	
	2003	2004	2003	2004	2003	2004
Network Banking	7,4	7,3	13	18	13	19
Merchant Banking	3,0	2,9	18	12	17	13
Investment Services	0,4	0,4	82	85	82	85
<b>Total Bank</b>	<b>10,8</b>	<b>10,5</b>	<b>17</b>	<b>18</b>	<b>16</b>	<b>20</b>
Fortis AG	0,8	0,9	38	28	12	34
Fortis ASR	1,2	1,5	35	27	32	47
Fortis Insurance International	0,5	0,4	23	24	23	26
<b>Total Insurance</b>	<b>2,4</b>	<b>2,8</b>	<b>39</b>	<b>27</b>	<b>31</b>	<b>37</b>
General sector	0,9	0,5				
<b>Fortis Total</b>	<b>14,1</b>	<b>13,8</b>	<b>20</b>	<b>19</b>	<b>18</b>	<b>22</b>

1 Before value differences

2 After value differences

## **PARTIES INVOLVED IN THE WARRANTS**

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