

FORTIS 

Annual Review 2007

Fortis Bank Nederland (Holding) N.V.

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Fortis Circustheater (Den Haag / Scheveningen)

Profile

Fortis Bank Nederland (Holding) N.V. is part of Fortis Bank N.V., Brussels, and of Fortis, an international financial services provider active in the fields of banking and insurance. With total assets of EUR 871 billion and shareholders' equity of EUR 33.0 billion, Fortis is one of the twenty largest financial institutions in Europe. With its sound solvency position and broad spread of risk and the extensive expertise of its 62,010 staff, Fortis combines global strength with local flexibility in providing optimum support to its customers. As at 31 December 2007, Fortis Bank Nederland (Holding) N.V. had total assets of EUR 272 billion and 10,003 employees.

Fortis is committed to develop and strengthen the leading position it already holds in its home market, the Benelux countries. To achieve its ambitions for European growth, Fortis can draw on the expertise acquired in its home market. It is also successful in a number of selected activities worldwide, putting its expertise and experience to good use in bancassurance in several countries in Europe and Asia.

Sustainable economic growth and social responsibility are the basic principles which underpin Fortis' operations. Fortis is committed to the welfare of its millions of customers and is deeply rooted in the local community.

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

Fortis Bank Nederland (Holding) N.V. (hereinafter referred to as 'Fortis Bank Nederland') is the holding company which owns 100% of Fortis Bank (Nederland) N.V.. It was created by the merger of three banks, VSB Bank, Generale Bank Nederland and MeesPierson, all of which have long and impressive histories.

Within the context of Section 403, subsection I, paragraph f, of Book 2 of the Netherlands Civil Code, Fortis Bank Nederland has declared itself solely liable for the obligations arising from Fortis Bank (Nederland) N.V.'s legal actions.

Fortis Bank Nederland is the banking division of Fortis Bank S.A./N.V. in the Netherlands and is the holding company for a

variety of businesses providing banking and financial services in the Netherlands and abroad. Its main activities are retail banking, private banking, commercial banking and merchant banking.

Fortis Bank Nederland provides financial services under the 'Fortis Bank' brand. The private banking operations in the Netherlands are conducted under the 'Fortis MeesPierson' label.

Fortis Bank Nederland also encompasses a number of Dutch and international units that continue to provide specialist financial services under their own names. These include Fortis Commercial Finance Holding N.V. (factoring services), NeSBIC Groep B.V. (venture capital), International Card Services B.V. (card services), ALFAM Holding N.V. (consumer credit), Direktbank N.V. (mortgages), Fortis Groenbank B.V. (sustainable investments), Fortis Intertrust N.V. (trust services) and Fortis Hypotheek Bank N.V. (residential mortgages).

Fortis Bank Nederland has acquired in 2007 a 33.8% investment in RFS Holdings B.V., Amsterdam. RFS Holdings B.V. has acquired 99% of ABN AMRO N.V.

The acquisition and integration of the selected ABN AMRO businesses will result in a strengthened retail distribution power and a large and predictable earnings stream with an overall lowered risk profile. During the transition process, spread out over the current and next few years, our profile will change accordingly.

Credit ratings of Fortis Bank Nederland (Holding) N.V.

	Long-term	Outlook	Short-term
Standard & Poor's ¹	AA-	Stable	A-1+
Moody's ²	Aa2	Stable	P-1
Fitch Ratings	AA-	Stable	F 1+

¹ Standard & Poor's revised the Outlook to Negative on 30 January 2008

² Moody's revised the Outlook to Negative on 5 March 2008

Objectives

The cornerstones of the Fortis strategy are to grow our banking and insurance franchise profitably and to strengthen our competitive position by focusing on the customer and optimising cross-selling. We want to enhance our support functions to increase efficiency and facilitate controlled growth. We will concentrate on Europe while pursuing selective growth in Asia and North America and intend to roll out our core competences built in Benelux to new markets. Smart add-on acquisitions will further accelerate growth.

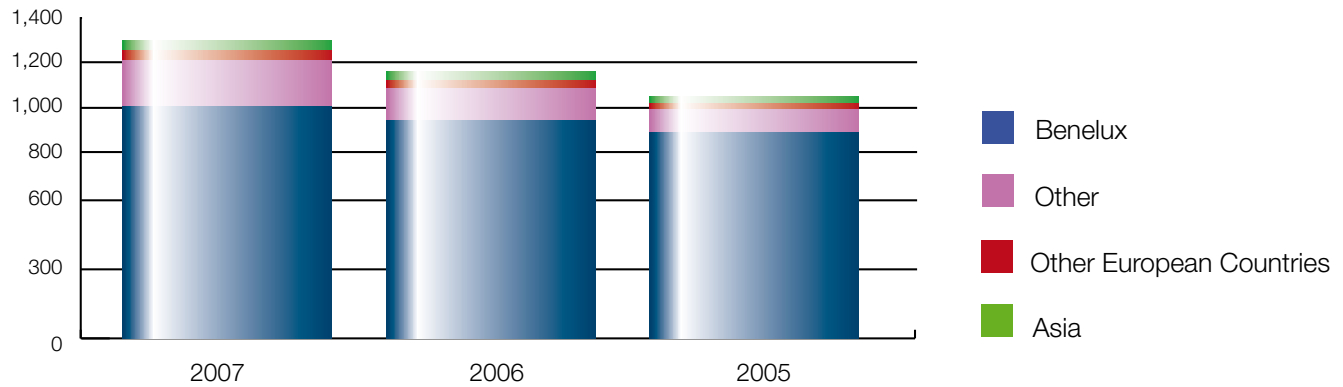
The acquisition and integration of the selected ABN AMRO businesses will allow us to accelerate our growth strategy, to stay true to our mission and to remain one of Europe's most dynamic financial services brands. To sustain our growth momentum, we will concentrate our management focus, talent and capital on selected core competences, enabling us to accelerate the rollout of our skills to new markets.

Fortis Bank Nederland is the banking division of Fortis in the Netherlands and is active as a holding company for a variety of businesses providing banking and financial services in the Netherlands and abroad. Fortis Bank Nederland will continue to contribute to this strategy, aided by the acquisition and integration of the selected ABN AMRO businesses.

Key figures

	2007	2006	2005	Change 07-06	Change 06-05
Income statement (in EUR million)					
Total income	3,626	3,473	3,153	4.4%	10.1%
Total expenses	(1,925)	(1,754)	(1,645)	9.7%	6.9%
Net profit	1,296	1,157	1,049	12.0%	10.3%
Balance sheet (in EUR million)					
Due from customers	130,971	124,038	108,775	5.6%	14.0%
Customers deposits	69,990	63,856	51,618	9.6%	23.7%
Shareholders' equity	21,763	5,910	5,613	268.2%	5.3%
Total assets	272,378	209,749	170,871	29.9%	22.8%
Assets under management	59,544	35,624	34,448	67.1%	3.4%
Financial measures					
Return on equity	9.4%	20.1%	22.0%		
Cost/income ratio	53.1%	52.5%	54.1%		
Risk-weighted commitments	75,850	66,995	63,323	13.2%	5.8%
Tier 1 ratio	30.7%	8.6%	8.5%		
Total capital ratio after profit appropriation	11.2%	10.9%	10.5%		
Employees (year-end)					
FTE's	10,003	9,949	9,459	0.5%	5.2%
Net profit per FTE (x EUR 1,000)	130	116	111	12.1%	4.5%

Geographical split of net profit



Board structure

Supervisory Board

A.M. Kloosterman (Chairman)
 Mrs. I. Brakman
 F.R.J. Dierckx
 B.J.H.S. Feilzer
 Mrs. A.P.M. van der Veer – Vergeer
 H.C.L. Verwilt
 Mrs. H.M. Vletter – Van Dort

Executive Board

J.C.M. van Rutte (Chairman)
 H.P.F.E. Bos
 F.J. van Lanschot

Company Secretary

Mrs. J.G. Bertels



Nederlands Fotomuseum (Rotterdam)

Fortis is lead sponsor of the Nederlands Fotomuseum

Report of the Executive Board to the shareholders

We are pleased to present the annual report for the year 2007, including the financial statements duly signed by the members of the Executive Board and the Supervisory Board in accordance with Article 15 of the Articles of Association. KPMG Accountants N.V. has audited these financial statements and their auditors' statement is included on page 41. We recommend that you exercise your authority under Article 15 (5) of the Articles of Association by adopting the financial statements and thereby also ratifying the activities of the members of the Executive Board regarding their management and those of the members of the Supervisory Board regarding their supervision for the past year.

Profit appropriation

We recommend that the General Meeting of Shareholders add the remaining profit of EUR 896 million to the reserves, after deduction of the final dividend of EUR 400 million payable to the holders of ordinary shares pursuant to Article 19 (3) of the Articles of Association.

Capital

The authorised share capital as at 31 December 2007 amounted to EUR 1,176,856,500 divided into 1,853,711 ordinary shares, 150,000 non-cumulative A preference shares, 350,000 non-cumulative C preference shares and 2 non-cumulative B preference shares, all of these shares having a nominal value of EUR 500 each.

Supervisory Board

On 13 November 2007, Messrs K.A.M. De Boeck, J.M.A. Clijsters and P.J.A. Depovere stood down as members of the Supervisory Board. Messrs De Boeck and Depovere left the Supervisory Board as a consequence of their new positions within the ABN AMRO organisation. Mr. Clijsters decided to leave Fortis.

We would like to thank Messrs De Boeck, Clijsters and Depovere for their valuable contributions to the development of Fortis Bank Nederland.

As from 1 January 2008, Mr. B.J.H.S. Feilzer joined the Supervisory Board. He will chair the Audit Committee. As from 8 January 2008, Mmes I. Brakman, A.P.M. van der Veer-Vergeer and H.M. Vletter-Van Dort joined the Supervisory Board. Their appointment as members of the Supervisory Board is a consequence of the 'versterkte aanbevelingsrecht' (increased advisory rights) of the Works Council. We welcome these new members and trust that they will be of great value to the further development of Fortis Bank Nederland.

Executive Board

The primary areas of responsibility of the Executive Board members as at 31 December 2007 were as follows:

J.C.M. van Rutte **Chairman of the Executive Board**
 responsible for: Technology, Operations and Process services
 HRM (including Works Council)
 Audit Services
 Finance
 Central risk management
 Facilities and Purchasing
 Legal, Compliance and Investigations
 Tax
 General Secretary

H.P.F.E. Bos **Member of the Executive Board**
 responsible for: Commercial & Private Banking and Trust Services
 Corporate Sustainability
 Customer Events

F.J. van Lanschot **Member of the Executive Board (Vice Chairman)**
 responsible for: Merchant Banking

Overall responsibility for Retail Banking is shared by the Executive Board.

Recent developments

The acquisition of selected ABN AMRO businesses will lead to an integration process in 2008 and following years that will be carefully planned in the interest of our customers and businesses. The timing of the steps to be taken to execute those plans will become clearer in the near future as will their impact on our organisation.

Fortis Bank Nederland agreed on a reallocation of ABN AMRO's Asset Management business in Brazil to Santander. This transaction will have a favourable effect on the core equity of Fortis Bank Nederland estimated at EUR 0.2 billion (through reversal of goodwill to be deducted in the future) and will not have a material impact on risk-weighted commitments.

Next to the transactions and signing of memorandum of understanding mentioned above, Fortis Bank Nederland is engaged in another transaction that will, when closed, further strengthen its solvency. This envisaged transaction is fully in line with the already communicated strategy and vision regarding the development of Fortis Bank Nederland businesses and markets.

Appreciation

The bank's results in 2007 were more than excellent, due to our continued focus on high standards of service for our highly valued and rapidly increasing customer base.

In every organisation, and especially in a service company such as our bank, both customer satisfaction and company results are largely the product of staff commitment and expertise. On behalf of the Executive Board and the Supervisory Board, we take this opportunity to express our appreciation to our staff for their dedication and hard work.

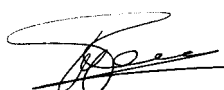
Amsterdam, 3 April 2008

Executive Board

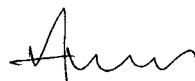
J.C.M. van Rutte, Chairman



H.P.F.E. Bos



F.J. van Lanschot





left to right: H.P.F.E. Bos, J.C.M. van Rutte, F.J. van Lanschot

To sustain our growth momentum, we will concentrate our management focus, talent and capital on selected core competences, enabling us to better serve our clients

Report of the Executive Board for 2007

The figures presented in this report are derived from the consolidated financial statements of Fortis Bank Nederland (Holding) N.V. prepared in accordance with IFRS as adopted by the EU.

Highlights in 2007

- Net profit of 1,296 million
- 33.8% participation in RFS Holdings B.V., which acquired ABN AMRO Holding N.V.
- Realised gains on sale of office buildings
- Lower results on ALM derivatives not included in the macro hedge
- Limited impact of the credit market turmoil

Results

Fortis Bank Nederland (Holding) N.V.'s profit was 12% higher in 2007 at 1,296 million (2006: EUR 1,157 million)

Consolidated income statement

Table: breakdown of net profit in 2007, 2006 and 2005

	2007	2006	2005
Income			
Interest income	19,169	13,532	8,893
Interest expense	(17,634)	(12,075)	(7,283)
Net Interest income	1,535	1,457	1,610
Fee and commission income	1,168	957	852
Fee and commission expense	(242)	(111)	(104)
Net fee and commission income	926	846	748
Dividend and other investment income	37	20	48
Share in result of associates and joint ventures	190	10	32
Realised capital gains (losses) on investments	126	97	161
Other realised and unrealised gains and losses	587	884	487
Other income	225	159	67
Total income	3,626	3,473	3,153
Change in impairments	(41)	(70)	(62)
Net revenues	3,585	3,403	3,091
Expenses			
Staff expenses	(955)	(848)	(923)
Other expenses	(910)	(843)	(664)
Depreciation and amortisation of tangible and intangible assets	(60)	(63)	(58)
Total expenses	(1,925)	(1,754)	(1,645)
Profit before taxation	1,660	1,649	1,446
Income tax expense	(346)	(472)	(377)
Net profit for the period	1,314	1,177	1,069
Net profit attributable to minority interests	18	20	20
Net profit attributable to shareholders	1,296	1,157	1,049

Fortis Bank Nederland is relatively little effected by the recent financial markets turmoil due to the liquidity and subprime crisis. Fortis Bank Nederland holds no direct investments in subprime mortgage related products. The limited effect of the credit market turmoil relates to a more expensive funding than anticipated.

Net interest income increased by EUR 78 million to EUR 1,535 million. Apart from the financing costs related to ABN AMRO, Net interest income developed favourably especially in Merchant & Private Banking (in part in relation to a decrease in Other realised and unrealised gains & losses). The Net interest income was further impacted by a lower level of penalty fees received in 2007, this was offset by the penalty fees of EUR 86 million paid in 2006 by FBN subsidiary Fortis Hypotheek Bank to Fortis Finance.

Share in result of associates and joint ventures was EUR 180 million higher at EUR 190 million. This result is in large part attributable to the Share in result RFS Holdings from 17 October 2007 onwards, associated with our selected stake in ABN AMRO's businesses.

Realised capital gains on investments were EUR 29 million higher at EUR 126 million. In 2007 EUR 65 million in gains were realised on sale of office buildings. The further gains were made on sale of shares, amongst others on shares KAS BANK N.V. The result in 2006 consisted primarily of a gain on Euronext shares in February 2006

Other realised & unrealised gains and losses were EUR 297 million lower at EUR 587 million. This decrease was due to lower results on Merchant Banking's equity investments and securities financing activities, offset by an increase in Net interest income related to these activities. Furthermore lower results on derivatives which were not included in the macro hedge.

Net commissions & fees amounted to EUR 926 million. The improvement of EUR 80 million compared to 2006 is in large part attributable to Merchant Banking activities, in part aided by structured finance fees related to the acquisition of ABN AMRO.

Retail Banking

	2007	2006	2005
Income	753	1,081	704
Cost	-546	-583	-590
Net Profit	176	309	80
Cost-Income Ratio	73%	54%	84%
Contribution to Net profit	13%	27%	8%
FTE's	2,344	2,439	2,331

Merchant Banking and Private Banking

	2007	2006	2005
Income	2,167	2,121	1,720
Cost	-984	-1,002	-978
Net Profit	953	843	596
Cost-Income Ratio	45%	47%	57%
Contribution to Net profit	74%	73%	57%
FTE's	5,146	5,026	4,621

Other income increased by EUR 66 million to EUR 225 million in 2007. This increase was amongst others driven by the sale of fund activities.

Change in provisions for impairments amounted to EUR 41 million, down from EUR 70 million in 2006. This development was driven by releases in 2007. In view of recent economic developments and a peer analysis, it was considered necessary to challenge current Fortis procedures concerning IBNR. This led to review of the incubation period from 9 months to 6 months resulting in a release of the existing IBNR-provision (Incurred But Not Reported).

Staff expenses increased by EUR 107 million to EUR 955 million. This increase was driven by wage drift and higher staff numbers. In 2006 EUR 33 million was released from the provision for employer's contribution to the healthcare costs of retired personnel.

Fortis Bank Nederland (Holding) N.V. employed 10,003 **full-time equivalents** at year-end 2007, up from 9,949 at year-end 2006.

Other expenses increased by EUR 67 million to EUR 910 million. In 2007 expenses on External staff increased compared to 2006.

Income tax expenses amounted to EUR 346 million in 2007, corresponding with an effective tax rate of 20.8% (in 2006: 28.6%). The lower effective tax rate was mainly driven by a lower domestic tax rate and the inclusion of the Share in result in RFS Holdings.

Other Banking ³

	2007	2006	2005
Income	665	199	667
Cost	-395	-169	-77
Net Profit	167	5	373
Cost-Income Ratio	59%	85%	12%
Contribution to Net profit	13%	0%	35%
FTE's	2,513	2,484	2,507

Total

	2007	2006	2005
Income	3,585	3,403	3,091
Cost	-1,925	-1,754	-1,645
Net Profit	1,296	1,157	1,049
Cost-Income Ratio	54%	52%	53%
FTE's	10,003	9,949	9,459

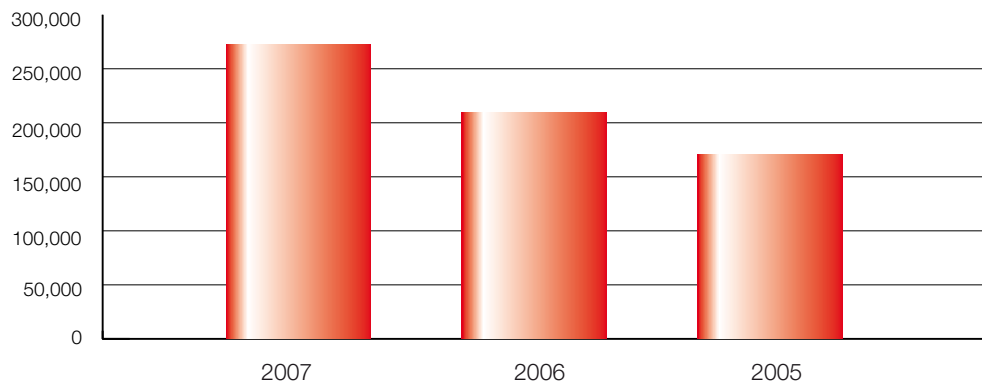
³ In the section Other Banking are reported balance sheet items, revenues and costs for support functions, operations, Asset and Liability Management and Fortis Hypotheek Bank. The figures are those after allocations to the commercial segments.

Consolidated balance sheet

(before appropriation of profit)

	31 December 2007	31 December 2006	31 December 2005
Assets			
Cash and cash equivalents	39,269	22,075	13,508
Assets held for trading	23,117	23,393	17,004
Due from banks	38,768	27,071	17,263
Due from customers	130,971	124,038	108,775
Investments:			
- Held to maturity	35	33	
- Available for sale	3,201	3,795	6,741
- Held at fair value through profit or loss	123	179	153
- Investment property	79	3	4
- Associates and joint ventures	25,733	906	820
	29,171	4,916	7,718
Investments related to unit-linked contracts			
Other receivables	3,435	2,920	2,641
Property, plant and equipment	368	385	319
Goodwill and other intangible assets	224	228	139
Accrued interest and other assets	7,055	4,723	3,504
Total assets	272,378	209,749	170,871
Liabilities			
Liabilities held for trading	52,466	32,961	21,192
Due to banks	71,311	70,144	58,600
Due to customers	69,990	63,856	51,618
Debt certificates	32,796	25,344	19,262
Subordinated liabilities	11,652	2,402	2,201
Other borrowings	1,371	903	4,335
Provisions	79	91	132
Current tax liabilities	730	518	234
Deferred tax liabilities	52	47	16
Accrued interest and other liabilities	9,513	7,386	7,493
Total liabilities	249,960	203,652	165,083
Issued capital and reserves	21,763	5,910	5,613
Minority interests	655	187	175
Total equity	22,418	6,097	5,788
Total liabilities and equity	272,378	209,749	170,871

Total Assets



	Total Assets
2007	272,378
2006	209,749
2005	170,871

Fortis Bank Nederland's **balance sheet total** at year-end was 30% higher at EUR 272 billion, up from EUR 210 billion in 2006. In large part due to Merchant Banking activities, especially by growth in the activities of Global Markets.

Cash and cash equivalents increased by 78% to EUR 39 billion at year-end 2007, driven by increases at Merchant Banking and ALM.

Due from banks increased 43% to EUR 39 billion in December 2007, mainly as a result of securities lending operations at Merchant Banking.

Due from customers was up 6% to EUR 131 billion. Retail Banking and Merchant & Private Banking both contributed to this increase.

Assets held for trading decreased by 1% down to EUR 23 million. This small decrease is attributable to the ALM department.

Investments increased by EUR 24 billion to EUR 29 billion as a result of our participation in RFS Holdings / ABN AMRO.

Accrued interest and other assets increased by 49% to EUR 7 billion owing to various increases at mainly Merchant Banking.

Liabilities held for trading were up 59% to EUR 52 billion, this increase was mainly due to increased short positions in equities at Merchant Banking.

Due to banks went up slightly by 2% to EUR 71 billion.

Due to customers increased with 10% to EUR 70 billion. In large part attributable to ALM activities.

Debt certificates rose by 29% to EUR 33 billion, driven by notes issues of securitisation transactions.

Subordinated liabilities showed a large increase to EUR 12 billion, the increase is the result of financing part of the ABN AMRO acquisition.

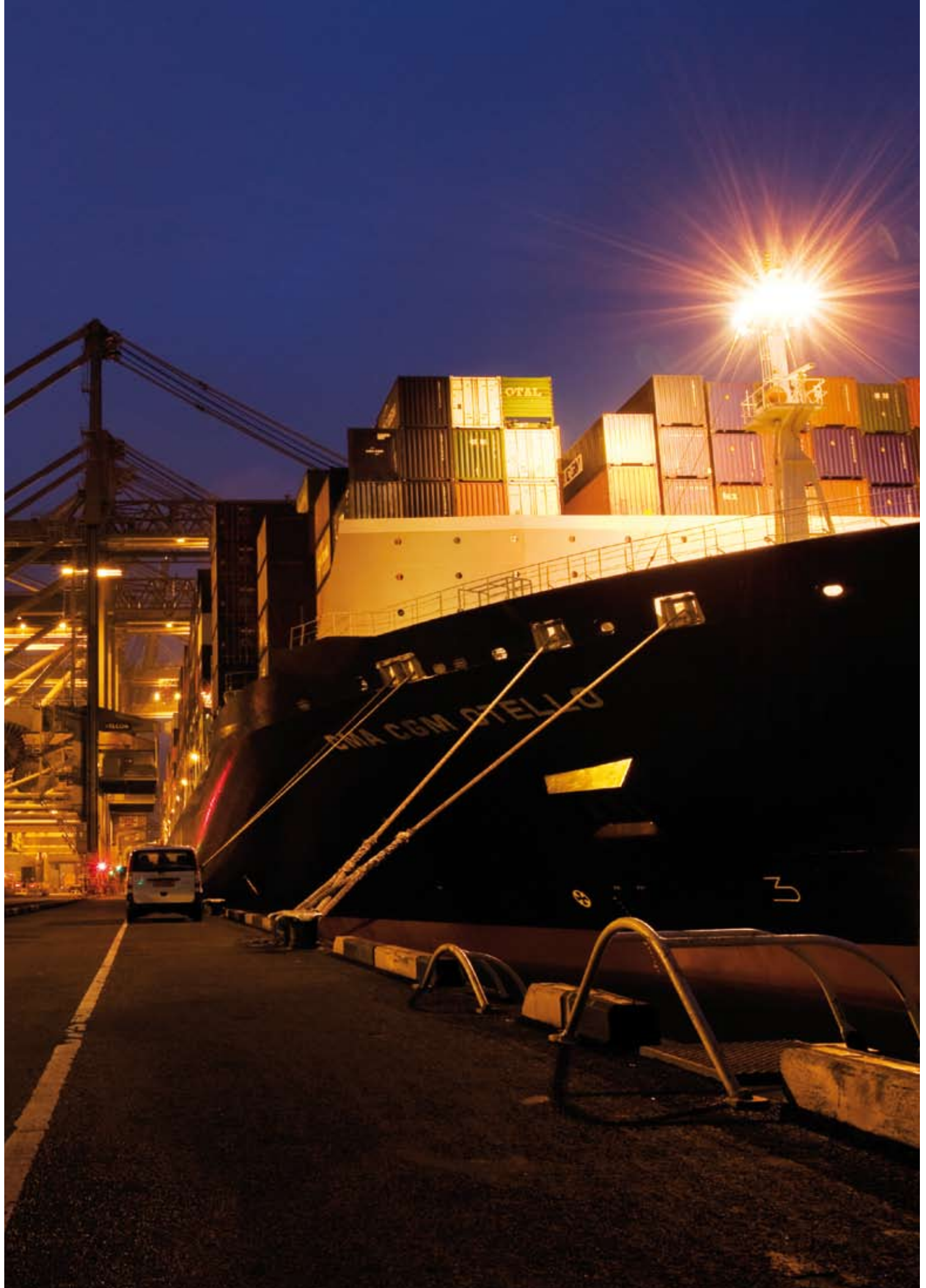
Shareholders' equity showed a large increase to EUR 22 billion at year-end 2007 as a result of our participation in RFS Holdings / ABN AMRO.

Executive Board

J.C.M. van Rutte, Chairman

H.P.F.E. Bos

F.J. van Lanschot



Port of Rotterdam

Structure of Fortis Bank

Within the Fortis group, Fortis Bank operates worldwide through client-focused businesses: Retail Banking and Merchant & Private Banking. Each business comprises several business lines.

The coordination of Fortis' various banking activities in the Netherlands is the responsibility of the Executive Board of Fortis Bank Nederland. To enable the Executive Board to perform this task, the members of the Executive Board are also members of the respective cross-border management teams of the businesses and corporate departments.

The principal operations of the various businesses within Fortis Bank Nederland in 2007 are summarised on the following pages.

Retail Banking

Retail Banking Netherlands is the distribution channel for Fortis' retail banking activities in the Netherlands. Retail Banking serves mass retail and mass affluent consumers and the small enterprises and professionals (SE&P) market. It offers a full range of banking products and services, ranging from daily banking and savings/investments accounts to mortgages and insurance. Retail Banking pursues a differentiated customer approach and multi-access distribution strategy.

The mission of Retail Banking Netherlands is to build a profitable and solid business by offering outstanding service to its customers. To this end Retail Banking pursues four main growth initiatives: expansion of the active client base, development of remote channels, increase in share of wallet per client and improvement in service quality.

Key developments in 2007

Retail Banking strives to offer its clients a seamless multi-channel experience. The development of an integrated range of fully customer-centric distribution channels was given a boost with the launch of our revamped website: www.fortisbank.nl. Apart from an up-to-date look and feel, the website features a notably customer focused design, enabling customers to find the information they are looking for more quickly. Other features are the enhanced versatility of the integrated online banking module and a number of new online advice, self-buy and self-service tools such as purchasing a car insurance. The online investment platform has been extended by the provision of tools for portfolio simulations and analysis. The online banking functionality was also extended by the provision of differentiated content and tools for entrepreneurs and professionals.

Two of the most notable developments at our Contact Centre were the successful rollout of a new agenda planning tool and the introduction of full service mortgage advice with closure by telephone. The new agenda tool enables customers to call and immediately plan a meeting at any branch office through the use of one central number, available 24/7. The introduction of a customer satisfaction dashboard facilitates the registration and evaluation of customer feedback at the level of individual agents as well as at higher levels.

The accessibility and visibility of our ATM network were significantly enhanced by the introduction of ATMs in several third party retail outlets. A program, rolled out as a part of our customer experience strategy, resulted in significantly increased operational availability at our on and off premises ATMs.

The rollout of an internal sales effectiveness program led to a significant increase in both face-to-face customer contact and revenues per account manager. The program helps local commercial staff to effectively manage the sales channel by focusing on the immediate customer needs. The increasingly pro-active attitude of our sales staff has had a direct and clearly positive effect on our share of wallet and, more importantly, on the satisfaction levels of customers.

A new range of three daily banking bundles was introduced to simplify customers' product offerings and to generate a more satisfactory level of profitability in this area. Several new mortgages and savings accounts were introduced, focusing on the needs of specific customer sub-segments. The savings portfolio showed a clear upward movement, marking a reversal of the previous trend. Assets under management also showed a significant increase.

An integrated package of enhancements, expansion of product offerings, differentiation of credit acceptance guidelines, online banking tools and customer relationship management were introduced to strengthen our position in the small enterprises and professionals market (SE&P). The package also features the introduction of micro-credits for small-sized business start-ups. The successful two-tier approach of serving both the business interests and the personal interests of entrepreneurs was further continued. Preliminary data indicate that SE&P was on track to meeting its overall targets for 2007, pointing towards especially strong growth in credits and mortgages.

A new system of customer satisfaction measurement was introduced, known as 'net promoter score'. The changes focus on monitoring satisfaction at levels that correspond with a high probability of customers actually recommending Fortis to friends and colleagues.

A corporate programme to raise personal health awareness among employees was launched. The program offers lifestyle information through a variety of online and offline media on such topics as physical exercise and nutritional habits and also provides regular health-enhancing activities, such as group lunch hour exercises.

The performance management process and encouragement of personal development were further strengthened with the digitalisation of individual performance plans and the formalisation of periodical performance evaluations and of personal development plans.

Focus in 2008

Generating significantly higher levels of customer satisfaction will remain fundamental to our strategy in 2008 and beyond. Enhanced customer satisfaction is essential in terms of motivating our customers to do more business with Fortis and to actively promote our services among family and peers. Enhanced customer satisfaction levels are also critical in terms of meeting our objective of becoming the preferred bank for the mass affluent consumer market. An integrated customer-

centric approach will be developed along the touch points of behaviour, product/service offerings and systems/processes. Continuous customer feedback and customer dialogue are at the heart of this approach, the creation of a truly customer-centric organisation and culture being the ultimate objective. Differentiating our service offerings and delivery to the changing needs of our customers will be our core competence as a bank.

The measurement of customer satisfaction by the 'net promoter score' instrument will be expanded to the level of clusters of branch offices. Access to products and services without the need to visit a branch office will be further expanded. Online access and product closure by customers will be introduced within online banking. Investing customers will also have online access to their investment accounts.

The initial steps will be taken to integrate ABN AMRO Business Unit Netherlands' retail and SE&P activities into Retail Banking Netherlands, pending approval of Fortis' integration proposals by the Dutch financial regulators. The integration process is expected to be completed by 2010.

The mission of Retail Banking Netherlands is to build a profitable and solid business by offering outstanding service to its customers.

Merchant & Private Banking

Merchant Banking

Business profile

Merchant Banking is the international wholesale bank within the Fortis organisation. It provides tailored financial services, to large international companies and institutional clients based in the Benelux region and elsewhere in Europe, and in selected areas of North America and Asia. Merchant Banking offers a full range of banking services, including treasury, fixed income, equities (including derivatives and structured products), corporate finance, capital markets, cash management, asset financing, project finance, private equity and structured credits. It is also a specialist in fund administration, global custody, securities lending and clearing services.

Our clients will be able to benefit from Business Centres in 20 countries. The global relationship manager will take care of all international businesses. We aim to be the employer of choice for first class professionals and top graduates.

Our specialized Health Care and Public Sector teams will create distinctive customer value through relationship driven banking and delivering innovative solutions. Health Care will focus on becoming the market leader in the Netherlands, Public Sector strives to be a top 3 player for education, social housing and in the varia market.

Corporate & Public Banking

Key developments in 2007

Corporate & Public Banking is responsible for the global relationship management of corporate and public sector clients. Our knowledgeable and experienced bankers have the expertise to provide top-ranking financial support in all industries. Close cooperation across all business lines has further enhanced cross selling both geographically and in terms of products and skills. Fortis' quality is recognized by being ranked number 1 in quality of relationship management in a notable 2007 Large Corporate Banking survey.

Focus in 2008

The combined strength of Fortis' and ABN AMRO's corporate banking activities will allow us to become the natural successor to ABN AMRO and be the number 1 leading bank in the foreseeable future. We will focus on mid-sized and large corporates and organize our operations to benefit optimally of the joining of forces. We are committed to be the strategic partner to our corporate clients through all the economic cycles by providing in-depth knowledge of markets and sectors as well as understanding the companies strategic and financial needs. Our focus is to maintain high client satisfaction by providing operational excellence, efficiency and enhancing of services to clients. We invest in long-term relationships by providing real knowledge of the business and tailor made services based on the clients' ambitions.

Energy, Commodities & Transportation (ECT)

Energy, Commodities & Transportation is a high growth business line within Merchant Banking that offers a full range of integrated and innovative solutions to companies in the energy, commodities and transportation industries, by combining in-depth industry knowledge with a wide range of customised products. 500 professionals, working out of 23 offices worldwide, are driven by the ambition to be part of the world's best ECT bank.

Energy, Commodities & Transportation (ECT) offers financial solutions to three industry sectors in which we have a strong regional or global leadership position.

Key developments in 2007

Fortis continued its position as top 5 player in Oil & Gas in North America and top 3 player in the market for Floating Production Storage & Offloading systems (FPSO's).

Fortis strengthened its position in the energy markets world-wide in general and in particular in the upstream oil & gas industry, offshore services and in renewable energy. In 2007 Fortis again topped the New Energy Finance League Tables for syndicated financing of renewable energy projects. Fortis was named a 'clear leader in the space of clean energy financing'.

Increased focus on clients in joint cooperation with other Fortis services resulted in more products being delivered to our existing client base. The active cooperation between the newly acquired Fortis Energy Marketing & Trading (FEMT) and the various Energy teams around the world resulted in interesting transactions concluded and added to the overall service capabilities to Fortis' energy clients.

Fortis became the Best Soft Commodity Finance Bank in the Trade and Forfeiting Review and is considered the top 3 bank in commodities worldwide.

The year 2007 was again a year of growing volumes and market shares for commodities. Rising commodity prices in energy, agricultural and certain sectors of metals did support this trend. Markets continued to be very competitive where Commodities has been able to further expand the product range sold to their clients. As a result of the positive developments in the commodity markets over the last couple of years, Commodities have been able to grow with their client's base.

Fortis has continued to build upon the reputation it has developed as one of the world's leading international transport financiers. Fortis has once again made significant leaps in world standings, jumping from number 9 on the ship finance MLA league tables in 2006 to number 5 in 2007. Fortis' position as a leading corporate financier was also recognised in 2007 with the Lloyd's Shipping Economist award for "Shipping Finance Advisor of the Year".

Significant progress was also made in 2007 in building its profile as an offshore and oilfield services specialist and established a team focussed on supporting the LNG shipping industry.

Focus in 2008

- Focus on an integrated service offering by the three industry groups
- Deliver added-value products to our energy, commodity and transportation clients
- Expanding ECT teams in existing and new locations (e.g. Australia and Japan)

- Building upon the niche positions in sub-industries
- Effective risk-return management
- Increase existing focus on social and environmental responsibility.

Global Markets

Global Markets provides innovative, comprehensive, tailored and integrated solutions to meet the financing, investing and hedging needs of our clients. Our services are offered through direct sales contacts and electronic platforms such as the single client platform ForPro. We offer seamless 24-hour coverage through our network around the globe. We are present in 25 countries across Europe, America and Asia. We are committed to providing our clients with the products they need in the areas of foreign exchange, rates, structured products, securities financing, currency management, investment products, equities, energy and carbon.

Key developments in 2007

With offices in Europe, the US, Hong Kong and Singapore, we are the first bank in the world to offer a Carbon Banking service 24 hours a day, seven days a week. More than 20 Fortis staff are involved world-wide in the Carbon Banking activity. In 2007, this has enabled Fortis to participate in the largest and most innovative global carbon deals, to be a market maker on the European Climate Exchange, and to close more than 20,000 carbon deals. Our carbon banking activities have come a long way since their launch back in 2003. Fortis is now recognised as a leader in the European trading market in emission allowances and in the Kyoto market in Certified Emission Reductions. We boast ample experience and an excellent track record both as a proprietary trader and as an execution trader on behalf of over 250 counterparties. With the expertise to deliver added value, we offer our customers a range of greenhouse gas solutions, including administrative settlement of carbon transactions, trading, finance, fund, clearing and escrow services.

Focus in 2008

Our main focus in 2008 will be in the following areas:

- Securities Financing, still a niche business with upward potential
- Structured Products (including equity derivatives)
- Forex & Rates (including interest rate exotic derivatives)
- Energy and Commodities.

Clearing, Funds & Custody

Clearing, Funds & Custody offers high-value financial services in the areas of custody, clearing, fund administration and financing that support financial professionals in their trading and investment activities.

Key developments in 2007

The Global Securities & Financing Group expanded its bond repo business globally by strengthening its teams in Asia and the Americas, capturing a greater share of the securities financing business in those regions and laying the foundation for future growth.

In Clearing, we expanded our market access capabilities in Europe, the US and the Asian/Pacific region, giving traders worldwide exchange connectivity in a straight-through-processing environment. We have become a general clearing participant in the pioneering new European Multilateral Trading Facility, Chi-X, and we provide central counterparty services through the European Multilateral Clearing Facility. This market adds to the list of over 60 exchanges worldwide on which we offer clearing services to our customers. This initiative, plus our efforts to reduce post-trade costs for clients, earned us the 'Best at Investor Services in Western Europe' award from Euromoney. Building on our success in the Netherlands and Belgium, we are expanding in France and Germany with our broker-custody services. In July 2007, Brokerage, Clearing & Custody was proud to receive SAS 70 Type II certification, an internationally recognised auditing standard.

Prime Fund Solutions enjoyed healthy growth in the Western Hemisphere. We extended our services to an additional 16 investment management firms, including several top name players. Despite the market turmoil, assets under administration/custody grew by 34% to more than USD 400 billion. We provide a highly regarded value chain of services – true 24/7 service provision in 17 locations – that has a direct impact on the performance of our clients' funds. During the year we expanded our alternative fund platform to service our clients in Luxembourg. Prime Fund Solutions received SAS 70 Type I certification in 2007. We also received the 'Hedge Fund Administrator of the Year' award for our strategy, leadership and attention to detail.

Clearing, Funds & Custody played a key role as an exchange agent for the consortium's EUR 72 billion tender for the acquisition of ABN AMRO. This underlines our operational excellence in supporting one of the biggest takeovers ever in the financial industry.

Focus in 2008

Our main areas of focus in 2008 will be to:

- increase trading capabilities by widening our product range,
- provide prime brokerage services,
- expand into the onshore funds market in the USA, and
- capitalise on the acquisition of ABN AMRO.

Acquisition & Leveraged Finance

Acquisition and Leveraged Finance (ALF) is an important and active player in the European leveraged finance market. The focus is to provide tailor-made debt financing solutions for financial sponsors and bank clients for their LBOs, MBOs, corporate take-overs and recaps following strategic corporate events. ALF has teams operating out of Brussels, Rotterdam, Paris, London, Madrid, New York, Milan, Frankfurt and Istanbul.

Key developments in 2007

In 2007 ALF had a record year in terms of lead roles in LBO financing, revenues and fee income, confirming the market's recognition of Fortis as one of the leading mid-cap players in the European LBO market. Important transactions led by ALF included Dockwise (UK/NL), Joris Ide (Belgium), Marco Aldany (Spain), Targetti (Italy), Nedschroef (Netherlands) and Karavel (France). Following our proactive risk monitoring approach, we further increased our portfolio management capacity. A dedicated pan-European leveraged finance syndication unit was created.

Focus in 2008

In 2008 we will focus on the further roll out of our pan-European ALF network, which currently operates in 9 countries, and on a significant increase in the number of lead arranging mandates.

Investment Banking Netherlands

Investment Banking Netherlands' goal is to become the obvious partner for the Dutch mid-market and corporate client segment, being perceived as the natural successor to ABN AMRO in the Netherlands.

Key developments in 2007

Investment Banking delivered excellent results in 2007, not only in absolute terms but also in terms of commercial cross sell to clients. The visibility of our deals increased the profile of the Investment bank in the Dutch market, and we are receiving great acclaim for the quality of our work.

Focus in 2008

At the top of our agenda for 2008 are the preparation for and the execution of the integration of ABN AMRO, summarised as follows for the various businesses:

- Acquisition & Leveraged Finance (ALF) NL: Ensure that ABN AMRO and Fortis together are more than the sum of the parts, by:
 - Establish a dominant position in the Dutch Leveraged Buy Out arena with focus on (I) credit quality of deals, (II) risk/return and (III) senior positions in the mid-market (€5 – 500 million total debt)
 - Further strengthening of relationships with key Financial Sponsors through the one-stop shop concept and value-added propositions;
 - Continuing our role as centre of expertise and booking for all strategic event-financing solutions
- Corporate Finance & Capital Markets (CFCM) NL: Become a top player, by 2011, in the mid-market (i.e. in transactions up to EUR 1 billion enterprise value). Currently we are already number one in Equity Capital Markets (2007). In M&A, where we already have a good position in the mid-market, we aim to be the natural partner for Dutch large cap Corporate Finance transactions and to be the natural domestic partner for international investment banks in Equity Capital Markets transactions (particularly the larger ones). Retail placement capabilities in the whole of the Benelux would be an extra trump card.
- Export & Project Finance NL (GEPF): Maintain our position as a leading player in the Dutch Public Private Partnerships Market. GEPF seeks to reinforce its leading position in the Dutch Export Finance Market due to a larger client base and to continue its role as a centre of expertise for Export & Project Finance solutions.
- Private Equity NL (FPE): Leverage Fortis' increased foothold and visibility in the Netherlands to achieve strong growth through selected investments in companies which are active in the small and mid market segments.
- Principal Finance NL (FPF): is responsible for the world-wide coverage of transportation equipment leasing companies and the container shipping industry. FPF operates on a relationship driven basis, focusing on developing long term relationships with quality clients active in the aviation, rail and container sectors.
- Real Estate Finance Group (REFG) NL: Accelerate the ambition to achieve the number 2 position in the Dutch RE Finance market (initial target 2011), based on the larger client base (including ABN AMRO) and sales team. REFG's focus will continue to be on professional RE investors and developers within the Fortis-wide agreed RE client cut-off criteria with REFG NL ensuring client coverage. Key levers

include capitalizing on the joint RE base in the context of CMBS initiatives (joint venture with Global Markets), providing a full range of solutions (including co-investments, securitisation and syndication).

- Structured Finance NL: the acquisition of ABN AMRO does result in a significant increase in tax capacity in the Netherlands providing increased opportunities for principal tax capacity transactions and origination of arranger business.

Global Export & Project Finance

Global Export & Project Finance (GEPF), which is part of Fortis Investment Banking, is Fortis Bank's competence centre for export and project finance transactions (including PPP/ Infrastructure and mining project finance). With a fully integrated team of about 120 professionals, GEPF operates out of 15 countries Belgium (HQ), China, the Czech Republic, Dubai, France, Germany, Italy, Japan, Singapore, Spain, Sweden, the Netherlands, Turkey, the United Kingdom and the USA. In addition, its activities are further supported by Fortis' Representative Offices in China, Mexico, Vietnam (Hanoi & Ho Chi Minh City), Algeria, Brazil, Indonesia, India, the Philippines, South Africa and South Korea.

Key Developments in 2007

2007 was another year of significant investment, and this enabled GEPF to expand its worldwide presence (to include Shanghai and Tokyo) and to reinforce its teams in existing locations. This investment also generated strong revenue growth. Furthermore, Fortis' know how in terms of structuring the financing of important projects worldwide as well as financing exports of capital goods to emerging markets is recognized by its core clients and peers, and this resulted in several "Deal of the Year" awards for its role of Mandated Lead Arranger in these transactions. Strong leading positions have been developed in niche markets, such as Ghana, Angola, Turkey, Chile and Indonesia.

Focus in 2008

In 2008 GEPF will continue to build upon its leading positions in niche markets by focusing on providing high level integrated structured finance services to Fortis' core clients.



De Nieuwe Kerk (Amsterdam)

Fortis is founder of De Nieuwe Kerk

Commercial Banking

Commercial Banking aspires to be the partner of choice for European-oriented medium-sized enterprises by offering value-added solutions through a cohesive network of Business Centres. Fortis provides companies with access to a unique integrated network of around 125 Business Centres located throughout Europe and Asia, enabling them to manage all their financial services internationally through one single contact – their Global Relationship Manager – who brings together all of Fortis' expertise and provides specialist, tailor-made solutions. Through this single point of contact, the 'Act as One' approach offers customers throughout Europe a consistent level of service and a consistent palette of cross-border products, services and specialisms.

Financial services for medium-sized, internationally active companies are a growing and profitable market. Commercial Banking has been focusing on this segment for several years now, giving us a first-mover advantage thanks to our unique cross-border approach, our integrated skills and our European and Asian network. Our competitors – still largely organised on a country basis – are only just embarking on the cross-border integration that the market demands. Our broad range of services, reinforced by selective acquisitions and the expansion of our Business Centre network, generates more frequent and more sophisticated deals, demonstrating our ability to combine solutions that appropriately address the needs of our customers.

Key developments in 2007

In the Netherlands, Commercial Banking has generated revenue growth through intensive cross-selling and by attracting new clients using our 'Bank of the Year 2006' awarded service concept. The sales process FINE was implemented in order to increase focus and ensure that commercial efforts are directed effectively at our clients' and prospects' needs. FINE is an integrated process implemented throughout the organisation. It ensures our people focus on 'doing the right thing', with support tools 'making it easy to do the right thing', and it is integrated into the performance management and incentives program to provide 'reward for doing the right thing'. Project Magnum, a project undertaken jointly by Commercial Banking and Global Markets, was launched in the Netherlands. Magnum improves our clients' awareness of risk and liquidity solutions and has resulted in an increase in revenues from derivatives. Our Enterprise & Entrepreneur concept, developed jointly with Private Banking, strengthened relationships with our mutual clients and

attracted new business owners looking for an integrated approach. Various projects were launched to streamline our credit origination processes and to further decrease time-spans between the application and implementation of financial solutions for our clients. We also invested in upgrading and reviewing our risk management procedures. Furthermore, compliance remained a highly important area of focus during 2007. Various initiatives were undertaken to embed Compliance into every department of the organisation.

Focus in 2008

The objective for 2008 is to further leverage our growth potential by strengthening our focus on added-value solutions for our clients and prospects using the FINE sales process. As from 2008, FINE has been linked to a coordinated actions & events program. This creates windows of opportunity by matching our solutions with the financial issues enterprises encounter at the right moment during the year. In order to further embed focus, customer centricity and responsiveness

towards our new and existing clients, Commercial Banking has embarked on a new modular training program for employees at all levels within the sales force. Our integrated pan-European network of Business Centres is expanding rapidly. This creates new opportunities to apply our unique 'Act as One' concept for servicing international companies both in the Netherlands and

abroad. Also, our extensive industry experience in Global Horti Business, International Trade, Transport & Logistics, Inland Shipping and Fashion continue to be growth platforms for 2008. Compliance will continue to be an increasingly important theme, which will require constant attention from management and employees.



Private Banking

Fortis Private Banking aims to be an integrated international Private Bank, with a broad service offering and harmonised cross-border focus, dedicated to (Ultra) High Net Worth clients in selected countries. Business owners are the most important source of wealth creation and, consequently, within Merchant & Private Banking, the Private Banking and Commercial Banking business units have joined forces to offer services to both enterprises and entrepreneurs alike.

Fortis Private Banking aims to be the Service Provider of Choice for (Ultra) High Net Worth clients. Fortis focuses on establishing long-term relationships built on an in-depth understanding of each client's needs and goals. Fortis offers integrated services for asset & liability management by combining all the skills necessary to address specific needs, be it wealth preservation, income optimisation, capital growth or entrepreneurial needs. To this end, our relationship managers draw on the in-house expertise of specialists in structuring wealth, including estate planning, investing, financing and insurance. It is this differentiating service model that distinguishes Fortis Private Banking. The integrated client relationship model is supported by one global operating model. The integrated models ensure that clients receive the same high quality of service and attention, wherever they are in the world.

Key developments in 2007

Fortis' private banking business is ranked among the top 15 private bankers in the world and 3rd in Western Europe. In 2007, Private Banking strengthened its service offering by further focusing on its concept of using the 'best brains in the business'. Primary research with respect to fund selection was outsourced to Standard & Poor's, following the outsourcing of large cap research earlier in 2006. In addition, the global investment process was reengineered to facilitate full client focus. Further steps were taken in the development of new products and services dedicated to entrepreneurs. A sales effectiveness model was introduced, which improved commercial steering and enables our relationship managers to service their clients even better.

We launched an advertising campaign in the Netherlands and abroad with the central theme of 'best brains in the business'. In 2007, the implementation of the MiFID regulations involved

us in a substantial programme to bring the organisation into compliance and the project was concluded successfully. Sales staff were given training not only with respect to MiFID, but also with regard to ensuring compliance with the new Financial Supervision Act as from 1 January 2007. In the area of processes and systems, further steps were taken in preparation for the rollout of a new system scheduled for December 2008.

Focus in 2008

The anticipated combination of Private Banking with the newly acquired businesses of ABN AMRO Bank creates a top 3 European Private Bank and a solid base for growth in selected European countries. In Business Operations, we will exploit economies of scale and leverage investments in platforms and products. The scale of the business will facilitate a strict focus

on our (Ultra) High Net Worth client segment. A substantial number of revenue synergies have already been identified. The target cost/income ratio lies in the range of 60–65. We will leverage best practice in the Private Banking service offering and further benefit from cross-selling opportunities within Fortis.

Given these initiatives, the combination will be an important catalyst for new developments in Private Banking. However,

'business as usual' is not to be disrupted and client focus will remain at the core of our business. Without compromising our ongoing service offerings for traditional clients, the service offerings to entrepreneurs will continue to be an important focus point. Internal cooperation with the merchant banking, trust and other businesses will be further developed. In addition, system development will continue as planned to support our global integrated Operating Model, with an important milestone set for the Netherlands in December 2008.



Fortis Intertrust

Fortis Intertrust, part of the Merchant Banking business line, is a corporate & private wealth service provider. Fortis Intertrust structures assets and capital on a global basis for professional, business, fiscal or legal purposes. Many, mainly large, international companies structure their activities through countries such as the Netherlands. Fortis Intertrust is a true reflection of the global economy. With its headquarters in Geneva and a staff of some 1,000 people in 23 countries, Fortis Intertrust is one of the leaders in the industry.

The strategy of Fortis Intertrust Netherlands is to be the Quality Leader in the business, achieved through continuous improvement and innovation for the benefit of clients, intermediaries, Fortis and employees. This ambition can only be achieved and maintained if the staff and the processes are of the highest possible quality. Fortis Intertrust Netherlands has initiated and completed various projects in 2007 in support of this objective.

Key developments in 2007

2007 was a tremendous year for Fortis Intertrust Netherlands. While the main focus was on the operational and quality side of the business, the commercial side also flourished as never before.

In July 2007, Fortis Intertrust Netherlands was granted a SAS-70 type I statement covering its entire organisation, the first provider of corporate and private wealth services in the Netherlands to achieve this.

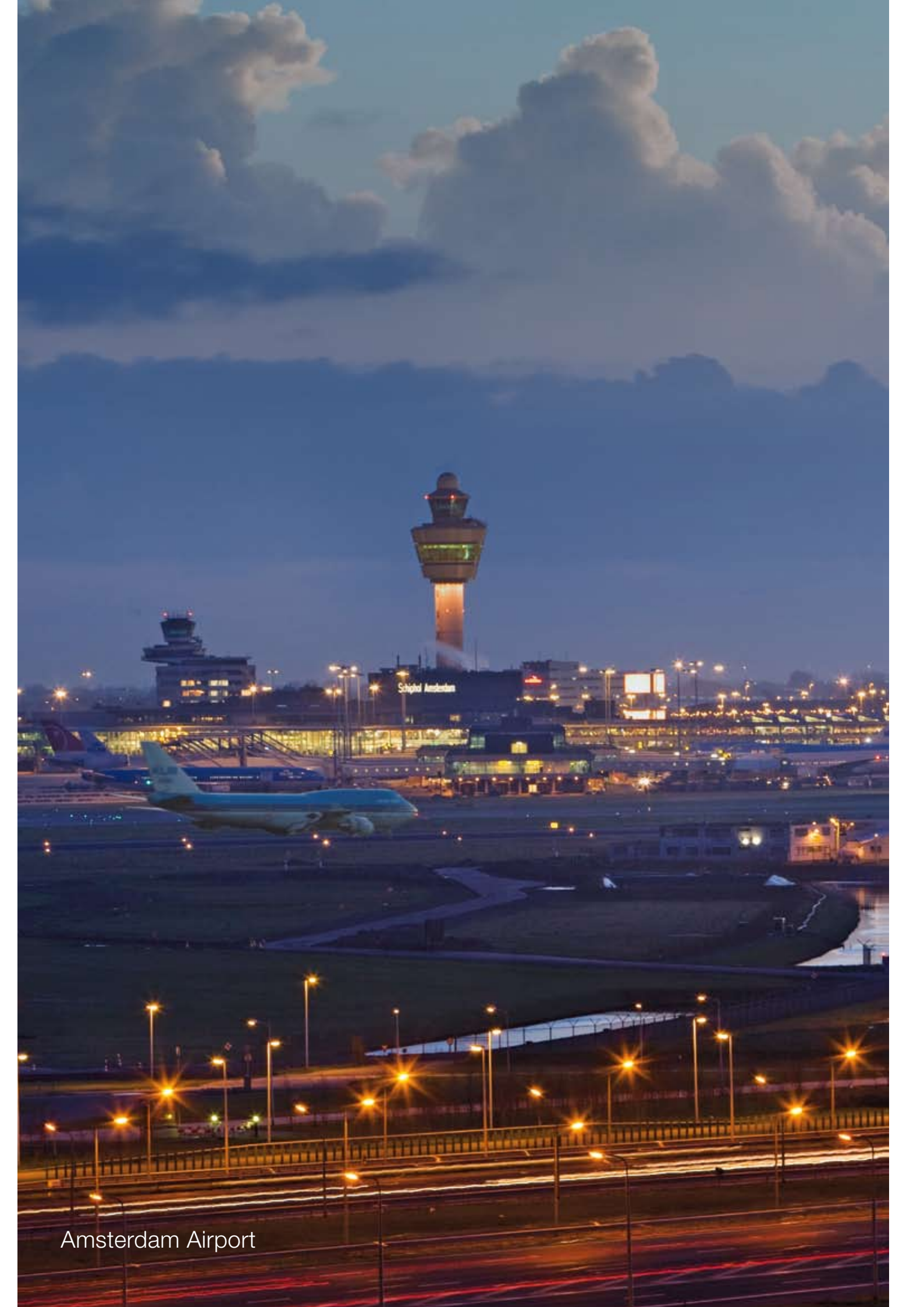
An extensive compliance review project has been undertaken for all client acceptance files with a view to establishing full compliance with the Dutch Supervision of Trust Offices Act. The focus on excellence in compliance has been very well received and has led to an increased inflow of clients from the high end of the market.

Fortis Intertrust Netherlands has created its own in-house education institution, the Fortis Intertrust Academy. To equip them with the knowledge they need to perform their responsibilities properly, the training provides recent joiners with up to eleven modules covering the various elements of the business. The Fortis Intertrust Academy issues an officially-certified Further Education diploma.

Focus in 2008

The strategy of Quality Leadership as described above will be maintained and further developed. The focus will be on delivering top quality service to clients. The SAS-70 type II statement is expected to be issued in early 2008, which further underlines our high quality standards.

Cross-servicing with other Fortis business lines will be further intensified, reflecting the increasing requests from clients for integrated services and solutions. The company's innovative character will be enhanced by developing new services and products, all meeting the high quality standards rightfully expected by our clients.



Amsterdam Airport

Sustainability

Fortis believes that every business has an obligation to address issues that impact society as a whole. And our actions bear out that conviction. We have a proud history of running our business in a socially responsible manner and of making a difference in the communities we serve. Our commitment to corporate social responsibility continues to develop and strengthen year by year.

CSR: two dimensions

There are two dimensions to the way Fortis approaches corporate social responsibility. The first is Sustainable development, which we define as growing our business in a socially and environmentally responsible way, while simultaneously meeting the legitimate interests of our stakeholders. The second dimension is Community involvement. This means taking an active role and responsibility in helping local communities achieve their ambitions. We do this through a combination of philanthropy and volunteer work. Our Fortis Foundations are the primary drivers of this commitment. We are fully committed to embedding both these dimensions in our core business and in the way we organise our company.

We are more convinced than ever of the business case for CSR. Over the years we have learned that looking at our customers from a sustainability perspective opens up a world of new opportunities.

Achievements in 2007

Our efforts in corporate social responsibility led to a number of tangible results. Some notable examples are presented below.

Our major CSR achievements in 2007

- Setting up the CSR Advisory Board
- Implementing Carbon Neutrality Programme
- Drafting the Fortis Human Rights Statement
- Partnership with the UNDP in Carbon Banking
- Best CSR Report in Belgium
- Improving our Dow Jones Sustainability Index position
- Doubling our Sustainable Assets under Management
- Endorsing the UN Principles for Responsible Investment
- Growing our Carbon Banking and Renewable Energy Financing business
- Developing Code of Responsible Lending
- Revising our Defence Industry Policy and optimising its implementation

CSR Advisory Board

A landmark development occurred at Fortis in September 2007 when we created the Fortis CSR Advisory Board. The Board's international line-up of respected experts will provide Fortis with in-depth and wide-ranging advice on our CSR policies and practice. Further details of the Board and information on its members are available at www.fortis.com/sustainability/advisoryboard.

Signing the United Nations Principles for Responsible Investment

The need to incorporate sustainability principles in our investment processes is one of the most pressing CSR issues for a financial institution like Fortis. This is clearly one of the areas in which we can have the greatest impact, both by setting an example and by offering sustainable investment products. Fortis Investments has a long history in Sustainable and Responsible Investment management. It further strengthened its commitment to sustainable investment in 2007 by endorsing the United Nations Principles for Responsible Investment.

Partnering with United Nations Development Programme
We teamed up in June 2007 with the United Nations Development Programme (UNDP), which announced that Fortis would act as financial services provider for its Millennium Development Goals Carbon Facility. This innovative project will draw on the resources of the carbon market to promote sustainable development among a wider range of emerging economies. Under the terms of the partnership, UNDP will help developing countries set up projects to reduce emissions of greenhouse gases. Fortis will then purchase and sell on the emissions-reduction credits generated by the projects. The proceeds from our purchases will provide developing countries and communities with a new flow of resources to finance much-needed investment and to promote development.

Implementing our Carbon Neutrality Programme

Our focus on climate change led to Fortis's decision to introduce a global Carbon Neutrality Programme. This comprehensive initiative, which was launched in January 2007, confirms our commitment to be an environmentally sustainable financial services provider. We intend to further strengthen Fortis's position as a climate leader and first-choice provider of environmental financial products. We made significant progress in all areas of our programme during its first year of operation. We achieved full carbon neutrality in our global operations by offsetting our emissions through the purchase of high-quality carbon credits originating from projects like windmills and solar or biomass power stations, preferably in emerging economies.

Strategy: Agenda 2009

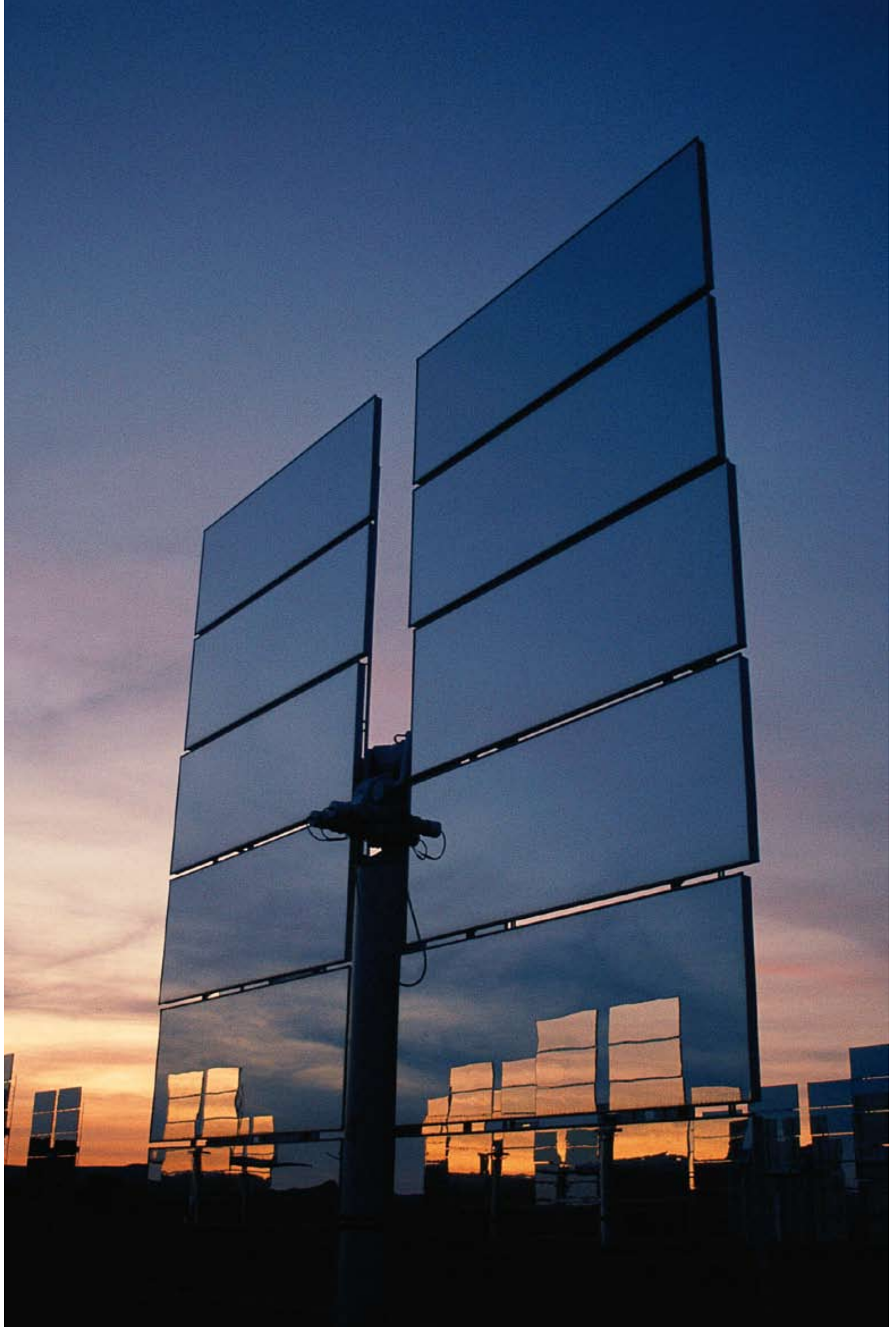
Agenda 2009 is the roadmap for the next stage of our sustainability journey. We formulated this plan to help us realise our ambition to be regarded as one of the leading financial institutions in CSR. Agenda 2009 is structured around three themes:

- Sustainable supply chains: by thoroughly understanding the supply chains in which we and our customers operate, we can promote sustainable development within those chains, enabling us to deepen the relationship with our customers and to build new and innovative partnerships.
- Climate change: we are contributing to the battle against climate change by reducing our own carbon footprint, analysing our indirect environmental impact, proactively developing products and services that address climate change and developing business-driven policies in this area.
- Social inclusion: through our Fortis Foundations, we help vulnerable groups to participate fully in society. Fortis is also committed to developing products and applications that provide everyone with access to the benefits of our financial services.

We identified these three themes after exhaustive consultation with our internal and external stakeholders. We are convinced that they capture the most important and substantive CSR challenges we will face in the years ahead.

CSR Roadmap		
Agenda 2009 (2007–09)		Status
Focus and acceleration		
<ul style="list-style-type: none"> • Building on overall themes Sustainable supply chains Climate change Social inclusion • Continuing to embed CSR in all parts of the organisation • Implementing Carbon Neutrality Programme • Developing and rolling out specific policies • Further expanding Fortis Foundations • Drafting and implementing Fortis Human Rights Statement • Strengthening stakeholder dialogue and communication • Developing sustainable products and services • Actively participating in international debate on CSR 	<ul style="list-style-type: none"> ✓✓✓ ✓✓✓✓ ✓ ✓✓ ✓✓✓ ✓✓ ✓ ✓✓ ✓✓ ✓✓✓ ✓✓✓ 	<ul style="list-style-type: none"> Good progress Excellent progress Poor progress Medium progress Good progress Medium progress Poor progress Medium progress Medium progress Good progress Good progress

A full overview of our CSR efforts and tangible results in 2007 is available in our Corporate Social Responsibility Report 2007 and on our website www.fortis.com/sustainability.



Human Resources

Fortis Bank Nederland has recently invested heavily in a good working environment for its staff, such Human Resources initiatives as focus on talent, conditions of employment, health and sustainability.

Vigorous

Fortis Bank has invested greatly in 2007 in the ongoing health of its staff. A major project has been rolled out under the name BRAVO (in English: more Exercise, no Smoking, moderate use of Alcohol, healthy Eating and Relaxation). Much has been invested not only to make employees aware of their lifestyle but also to help them in tangible ways should they wish to make changes. A few examples of the BRAVO initiatives: for a modest individual contribution, all staff may make use of a company fitness programme; courses are provided on stopping smoking; the company restaurant continually promotes the use of good healthy products, and workshops are offered on the best ways to relax. Fortis Bank promotes voluntary employee participation in this; participation is up to the individual employee.

Sustainable

In 2007, Fortis Bank Nederland introduced "Sustainable Lease", under which staff who are eligible for a new car are made aware of the possibilities available for sustainable motoring. Those who select a car from an energy-efficient category receive a discount on their personal contribution. In addition, leased-car drivers also receive a Dutch Railways free travel card.

Successful

Fortis Bank Nederland has had great success in its Human Resources strategy during 2007. This was demonstrated, inter alia, by Intermediar's October 2007 selection of Fortis as the Best Employer in the Netherlands. Furthermore, Fortis made a massive jump from the number 17 spot to number 9 in Intermediar's Image Survey. Fortis Bank has a number of

trainee programmes, one of which is the Merchant & Private Banking Associate Programme. In its annual competition, this program was selected by the Spits newspaper as the Financial Traineeship of 2007.

Other important developments during 2007

As from the end of 2006, Fortis Nederland centralised all its group-wide Recruitment activities, which has had the advantage of eliminating talent fragmentation. From its high-level coordinating position, the Recruitment department can place talented people where they are best suited. Furthermore, in 2007 a Uniform Pension Summary was provided for the first time, and this has greatly increased the transparency of information concerning pension arrangements. Our staff are provided not only with a more understandable and transparent overview of their accumulated entitlement, but also with insight into the possible amount of their future pension. Following Fortis Bank Nederland's 2006 introduction of the new Fortis Reward model, this same model was converted into a digital e-Performance system in 2007. This has the advantage of timely notification of due dates for performance assessment and personal development discussions.

FTE's Fortis Bank Nederland

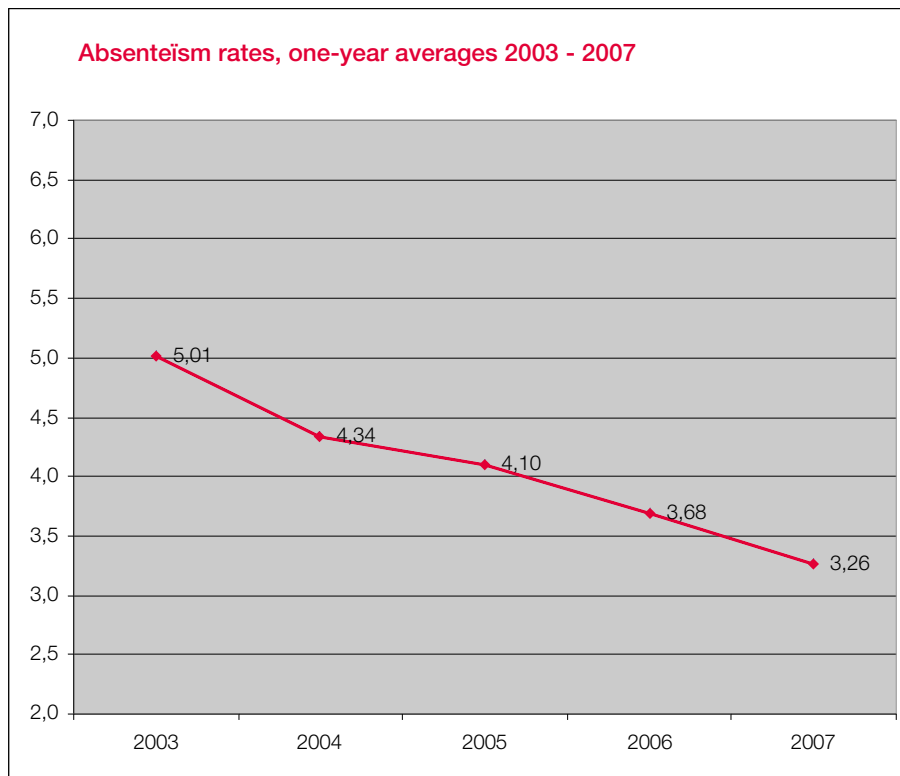
	2007	2006	2005
Retail Banking	2,344	2,439	2,331
Merchant & Private Banking	5,146	5,026	4,621
Other Banking	2,513	2,484	2,507
FTE's Total	10,003	9,949	9,459

Focus for 2008

In conclusion, also Human Resources cannot ignore the Fortis Bank issue of 2007: the acquisition of ABN AMRO. Since the end of April 2007 a great number of people from Human Resources have been closely involved in this acquisition, and much has been done in terms, for instance, of achieving substantive agreements between all parties regarding the balanced handling of the interests of staff in both organisations. To this end, a covenant has been drawn up with

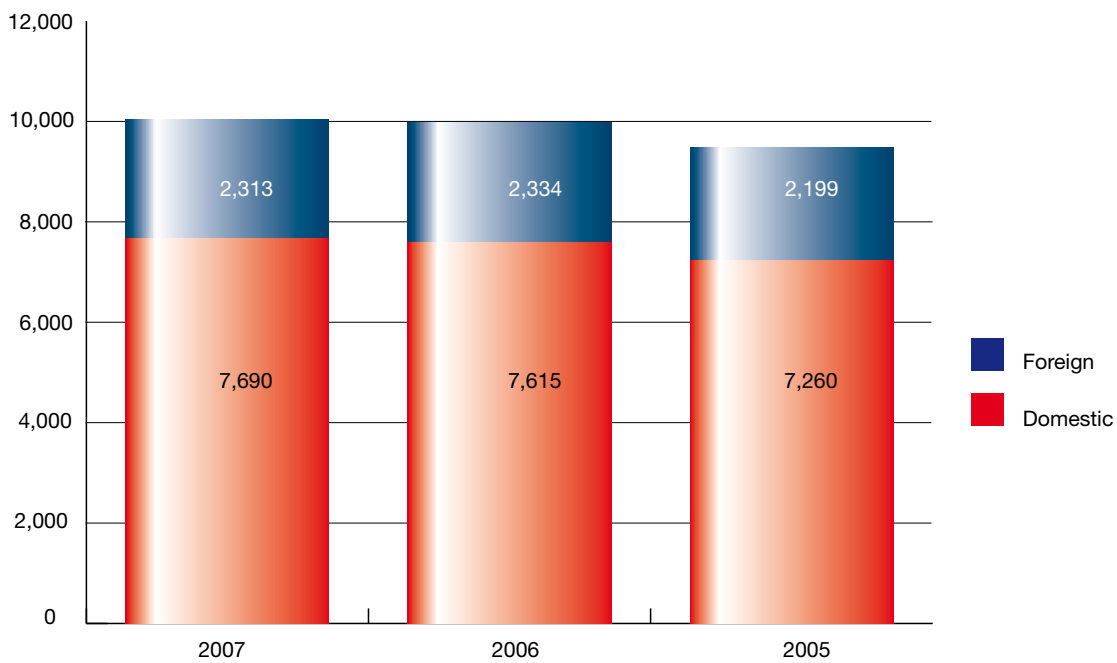
the Works Council and the trade unions. Fortis Bank Nederland's collective labour agreement expired at the end of 2007. So as not to hinder the harmonisation of conditions of employment with ABN AMRO, we worked towards a collective labour agreement for one year, and the new agreement will run from 1 January 2008 to 31 December 2008.

Trends in absenteeism rates



Fortis Bank Nederland's absenteeism rate for 2007 was 3.26%, a fall of more than 10% from the year before. For the third time in a row, Fortis Bank Nederland was named 'the Healthiest Bank in the Netherlands'.

FTE's Fortis Bank Nederland



Outlook

Fortis Bank Nederland performed very well in 2007. Through tight cost control, dedication to meeting customer needs, improving employee satisfaction and conservative risk management, we were able to take advantage of the opportunities which arose in the market segments we operate in.

Fortis Bank Nederland expects that the markets remain challenging for the foreseeable future and as a result we will intensify our efforts to control costs, improve efficiency and focus on risk management.

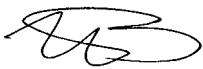
The integration of the selected ABN AMRO businesses is another important objective for Fortis Bank Nederland in 2008.

The success of Fortis and Fortis Bank Nederland in the past and the acquisition of the selected ABN AMRO businesses has given us confidence to reconfirm and accelerate our strategy of growing Fortis as a leading European financial services provider with a focus on quality.

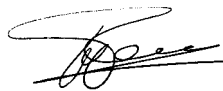
Amsterdam, 3 April 2008

Executive Board

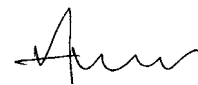
J.C.M. van Rutte, Chairman



H.P.F.E. Bos



F.J. van Lanschot





Hermitage (Amsterdam)
Fortis is lead sponsor of the Hermitage

To: the Executive Board of Fortis Bank Nederland (Holding) N.V.

Auditor's statement

Introduction

We have audited whether the accompanying Annual Review of Fortis Bank Nederland (Holding) N.V., Amsterdam, for the year 2007 has been derived consistently from the audited financial statements of Fortis Bank Nederland (Holding) N.V., for the year 2007. In our auditors' report dated 3 April 2008 we expressed an unqualified opinion on these financial statements. Management is responsible for the preparation of the Annual Review in accordance with the accounting policies as applied in the 2007 financial statements of Fortis Bank Nederland (Holding) N.V. Our responsibility is to express an opinion on the Annual Review 2007.

Scope

We conducted our audit in accordance with Dutch law. This law requires that we plan and perform the audit to obtain reasonable assurance that the Annual Review has been derived consistently from the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Annual Review has been derived consistently, in all material respects, from the financial statements.

Emphasis of matter

For a better understanding of the company's financial position and results and the scope of our audit, we emphasize that the Annual Review 2007 should be read in conjunction with the unabridged financial statements, from which the Annual Review was derived and our unqualified auditors' report thereon dated 3 April 2008. Our opinion is not qualified in respect of this matter.

Amstelveen, 3 April 2008

KPMG Accountants N.V.

J.J.A. van Nek RA

The annual report of FBN(H) constitutes of two separate documents, the Annual Review 2007 and the Financial Statements 2007. The Financial Statements consist of the consolidated and the company financial statements of Fortis Bank Nederland (Holding) N.V.. The Financial Statements are duly signed by the members of the Executive Board and the Supervisory Board in accordance with Article 15 of the Articles of Association. KPMG Accountants N.V. has audited these financial statements, their auditors' statement is given on page 41 and their auditors' report is included in the financial statements as 'other information'.

Getting you there

Fortis knows all about getting you there. Because prosperity also means growing, managing and safeguarding your assets.

Fortis Bank Nederland (Holding) N.V.
Amsterdam

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