

**FORTIS CAPITAL COMPANY LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH JUNE 2005**

We have prepared the unaudited interim financial statements on pages 3 to 16 for the period 1st January 2005 to 30th June 2005 as Directors of the Company from the information in our possession for the benefit of the Shareholders only. These financial statements should not be relied upon by any other person.

Ref: 56407  
Sims: 1349782

# **FORTIS CAPITAL COMPANY LIMITED**

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## **REPORT OF THE DIRECTORS**

The Directors present their report and the unaudited interim financial statements for the period 1st January 2005 to 30th June 2005.

### **INCORPORATION**

The Company is incorporated in Jersey, Channel Islands.

### **ACTIVITIES**

The principal activity of the Company is the provision of finance to group companies.

### **RESULTS AND DIVIDENDS**

The profit for the period amounted to € 8,369,683.

The Directors do not recommend a dividend for the period.

### **CHANGE OF ACCOUNTING POLICY**

The Directors have prepared these financial statements in accordance with International Financial Reporting Standards. Further details are given in note 1 to the financial statements. The financial statements were prepared using applicable accounting standards in the United Kingdom in the prior year. The comparative figures have been restated accordingly.

### **DIRECTORS**

The Directors who held office during the period and subsequently were:-

M. Baise

J.A.J. Chapman

G.K.S.T. Willems (resigned 8th June 2005)

J.G. Stokkel

L. De Bruine (appointed 11th July 2005)

P.D. Martin

H. Grant

G. Essex-Cater

### **REGISTERED OFFICE**

22 Grenville Street

St. Helier

Jersey

Channel Islands

JE4 8PX

### **BY ORDER OF THE BOARD**



Authorised Signatory

**Mourant & Co. Secretaries Limited**

Secretary

Date:

## **FORTIS CAPITAL COMPANY LIMITED**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Companies (Jersey) Law 1991 requires the Directors to prepare financial statements which shall be in accordance with generally accepted accounting principles and show a true and fair view of the profit or loss of the Company for the period and of the state of the Company's affairs at the end of the period.

In preparing the financial statements the Directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- \* prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records which are sufficient to show and explain the Company's transactions and are such as to disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

# FORTIS CAPITAL COMPANY LIMITED

## BALANCE SHEET

AS AT 30TH JUNE 2005

	<u>Notes</u>	<u>30th Jun 05</u>	<u>31st Dec 04</u> <u>Restated</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Available for sale financial assets	2	472,500,000	472,500,000
<b>Current assets</b>			
Swap Agreements	3	36,294,167	28,324,035
Trade and other receivables	4	300,257	24,752,897
Cash and cash equivalents	5	12,900,554	11,978,682
		49,494,978	65,055,614
<b>TOTAL ASSETS</b>		€ 521,994,978	€ 537,555,614
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Retained earnings		40,609,361	32,239,678
Share capital	9	22,511	22,511
Share premium account	10	30,477,499	30,477,499
<b>TOTAL SHAREHOLDERS' EQUITY</b>		71,109,371	62,739,688
<b>Non-current liabilities</b>			
Preference Shares	10	446,658,839	446,241,191
Loans payable	7	3,057,847	3,955,320
		449,716,686	450,196,511
<b>Current liabilities</b>			
Trade payables	6	271,448	23,776,717
Loans payable	7	897,473	842,698
		1,168,921	24,619,415
<b>TOTAL EQUITY AND LIABILITIES</b>		€ 521,994,978	€ 537,555,614

The financial statements were approved by the Board of Directors on the 26 day of August 2005 and were signed on its behalf by:

Director: 

(The notes on pages 7 to 16 form part of these financial statements)

## FORTIS CAPITAL COMPANY LIMITED

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### INCOME STATEMENT

FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005

	<u>Notes</u>	<u>1st Jan 05</u> to <u>30th Jun 05</u>	<u>1st Jan 04</u> to <u>31st Dec 04</u> Restated
<b>INCOME:</b>			
Deposit interest income		117,684	147,899
Investment income	2	9,901,163	23,646,628
Swap income	3	13,946,918	34,990,753
Gain on revaluation of Swap Agreements		7,970,132	28,324,035
		<hr/>	<hr/>
		31,935,897	87,109,315
		<hr/>	<hr/>
<b>EXPENDITURE:</b>			
Interest payable on Preference Shares	8	13,946,918	34,990,753
Preference shares amortisation	8	417,648	4,130,926
Loan interest payable		154,354	389,100
Mourant & Co. - Administration fees		19,841	36,541
Mourant & Co. - Management fee		1,467	1,465
Professional fees		12,935	63,991
Listing fees		-	13,148
Audit fees - current year		5,437	14,975
Directors fees		-	2,930
Annual filing fee		220	222
Exempt company fee	11	881	887
Bank charges		424	795
Swap payments	2	9,005,900	20,990,800
Loss on exchange		189	1,660
		<hr/>	<hr/>
		23,566,214	60,638,193
		<hr/>	<hr/>
<b>PROFIT FOR THE PERIOD/YEAR</b>	€	<u>8,369,683</u>	€ <u>26,471,122</u>

**Continuing operations:** all items dealt with in arriving at the profit for the period ended 30th June 2005 and the profit for the year ended 31st December 2004 relate to continuing operations.

#### Recognised gains and losses

There are no recognised gains and losses other than the profit attributable to shareholders of the Company of € 8,369,683 for the period ended 30th June 2005 and the profit of € 26,471,122 for the year ended 31st December 2004, and therefore no separate statement of total recognised gains and losses has been presented.

*(The notes on pages 7 to 16 form part of these financial statements)*

## **FORTIS CAPITAL COMPANY LIMITED**

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### **STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005**

	<u>Share Capital</u>	<u>Share premium</u>	<u>Retained earnings Restated</u>	<u>Total</u>
Balance at 1st January 2005	22,511	30,477,499	32,239,678	62,739,688
Profit for the period	-	-	8,369,683	8,369,683
Balance at 30th June 2005	<u>€ 22,511</u>	<u>€ 30,477,499</u>	<u>€ 40,609,361</u>	<u>€ 71,109,371</u>
Balance at 1st January 2004	22,510	22,477,500	5,768,556	28,268,566
Issue of share capital	1	7,999,999	-	8,000,000
Profit for the year	-	-	26,471,122	26,471,122
Balance at 31st December 2004	<u>€ 22,511</u>	<u>€ 30,477,499</u>	<u>€ 32,239,678</u>	<u>€ 62,739,688</u>

*(The notes on pages 7 to 16 form part of these financial statements)*

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## FORTIS CAPITAL COMPANY LIMITED

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### CASH FLOW STATEMENT

FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005

	<u>Note</u>	1st Jan 05 to 30th Jun 05	1st Jan 04 to 31st Dec 04
<b>Cash flows from operating activities</b>			
Operating profit for the period/year		8,369,683	26,471,122
Decrease in debtors		24,452,640	10,642,944
Decrease in creditors		(23,505,269)	(10,047,542)
Gain on revaluation of Swap Agreements		(7,970,132)	(28,324,035)
Preference share amortisation		417,648	4,130,926
<b>Net cash flow from operating activities</b>		<u>1,764,570</u>	<u>2,873,415</u>
<b>Cash flows from investing activities</b>			
Sale of financial assets		-	200,000,000
<b>Net cash flows used in investing activities</b>		<u>-</u>	<u>200,000,000</u>
<b>Cash flows from financing activities</b>			
Redemption of Preference Shares		-	(200,000,000)
Repayment of loans		(842,698)	( 2,418,089)
Issue of ordinary share capital		-	8,000,000
<b>Net cash flows from financing activities</b>		<u>(842,698)</u>	<u>(194,418,089)</u>
<b>Net increase in cash and cash equivalents</b>		921,872	8,455,326
<b>Cash and cash equivalents at the beginning of the period/year</b>		<u>11,978,682</u>	<u>3,523,356</u>
<b>Cash and cash equivalents at the end of period/year</b>	5	<u>€ 12,900,554</u>	<u>€ 11,978,682</u>

*(The notes on pages 7 to 16 form part of these financial statements)*

# **FORTIS CAPITAL COMPANY LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005**

#### **1. ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee. The more significant accounting policies used are set out below.

##### **Basis of accounting**

IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied in preparing these financial statements. These financial statements are the first financial statements of the Company to be prepared in accordance with IFRS.

The policies set out below have been consistently applied to both periods presented.

Financial statements of the Company until 31st December 2004 had been prepared in accordance with applicable accounting standards in the United Kingdom ("UK GAAP"). UK GAAP differs in certain respects from IFRS. When preparing the Company's current financial statements, the Directors have amended certain accounting methods applied in the UK GAAP financial statements to comply with IFRS. The comparative figures in respect of 2004 have been restated to reflect these adjustments. Reconciliations and descriptions of the effect of the transition from UK GAAP to IFRS on the Company's equity and its net income are set out below.

These financial statements have been prepared under the historical cost convention.

##### **Use of estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the year. Actual results could differ from those estimates.

##### **Available for sale financial assets**

The Company designates its investments as available for sale financial assets. Investments are initially recognised at fair value on the date of purchase and subsequently revalued to their estimated fair value at each balance sheet date. Realised and unrealised gains and losses on investments are recognised in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

##### **Swap Agreements**

The Swap Agreements are stated at fair value, estimated using pricing models with inputs based on market related measures. Realised and unrealised gains and losses on the Swap Agreements are recognised within the income statement. Swap Agreements are derecognised when the rights to receive cash flows from them have expired or the Company has transferred substantially all risks and rewards of ownership.

##### **Preference Shares**

Preference Shares are recognised at amortised cost. The scheduled redemption amount of the Preferred Securities at the scheduled maturity dates will be the lesser of (i) the nominal amount invested; or (ii) the amount received by the Company in respect of the redemption of the Investments held by the Company.

The Directors have considered the characteristics of the Preference Shares, and the requirements of "Financial Instruments: Disclosure and Presentation" ("IAS 32"), and consider that the most appropriate classification of these securities is as debt.

# **FORTIS CAPITAL COMPANY LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005**

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **Issue costs**

Issue costs represent costs of the issue and discount on the Preference Shares and other formation expenses which have been deducted from the proceeds of the issue of the preference shares. The issue costs relating to the Class A preference shares are being amortised over a period of ten years based on the fact it is likely that the redemption of the preference shares will take place on 29th June 2009.

##### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

##### **Foreign currency translation**

###### **a) Currency of domicile, functional currency and presentation currency**

The currency of domicile is GBP (pounds sterling). Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euros, which is the Company's functional and presentation currency.

###### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

##### **Fair value estimations**

Fair value estimations of the financial assets and liabilities are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

##### **Investment income, interest payable and loan interest payable**

Investment income, interest payable and loan interest payable are recognised in the income statement for all debt instruments using the effective interest method on an accruals basis.

##### **Swap income and swap payable**

Swap income and swap payable are recognised on an accruals basis.

##### **Deposit interest income**

Deposit interest income is recognised on an accruals basis.

##### **Other expenses**

All other expenses are recognised on an accruals basis.

## **FORTIS CAPITAL COMPANY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

#### **FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005**

##### **1. ACCOUNTING POLICIES - (Continued)**

###### **Related Party Disclosures**

As permitted by International Accounting Standard No. 24 "Related Party Disclosures", the financial statements do not disclose transactions with companies that are part of the ultimate holding company's group, on the grounds that the Company is a wholly owned subsidiary and the ultimate holding company includes the Company in its own published consolidated financial statements.

###### **Restatement**

The comparative figures have been restated as follows:

- the basis of preparation of the financial statements has been changed from UK GAAP in the prior year to IFRS;
- The Preference Shares in issue at the balance sheet date are now classified as debt. In the prior year these were classified as equity and disclosed within shareholders' funds;
- Interest on the Preference Shares is now shown under expenditure in the income statement. In the prior year these were classified as dividends;
- The amortisation of issue costs have been restated in line with IFRS. In the prior year these were calculated under UK GAAP;
- under IAS 7 (Cash Flow Statements) a cash flow statement is required for all entities prepared under IFRS. In the prior year the Company was exempt from preparing a cash flow statement under UK GAAP.

	<b>As originally stated at 31st Dec 2004 €</b>	<b>Restated at 31st Dec 2004 €</b>
<b><u>Balance Sheet</u></b>		
<b>Current assets</b>		
Swap Agreements	-	28,324,035
<b>Non-current liabilities</b>		
Preference Shares	-	446,241,191
<b>Non-equity shareholders' funds</b>		
Share capital	450,000	-
Share premium	445,092,552	-
<b>Current liabilities</b>		
Interest payable on Preference Shares	-	14,332,192
Preference dividend accrued	14,332,192	-
<b><u>Income Statement</u></b>		
Gain on revaluation of Swap Agreements	-	28,324,035
Interest payable on Preference Shares	-	34,990,753
Preference dividend provision	34,990,753	-
Preference shares amortisation	3,432,287	4,130,926

##### **2. INVESTMENTS**

Fortis Bank Nederland (Holding) N.V.

Class A1 Subordinated Notes	€ 472,500,000	€ 472,500,000
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The Subordinated Notes (the "Notes") which were issued in 1999 have a term of 30 years, and represent an obligation of Fortis Bank Nederland (Holding) N.V. ( the "Bank") to the Company. The Notes are subordinated and junior to the Bank's depositors and creditors in the event of bankruptcy or liquidation of the Bank.

The Class A1 note pays interest annually in arrears at a rate of 12 month Euribor plus 187 basis points.

## FORTIS CAPITAL COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

#### FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005

#### 3. SWAP AGREEMENTS

	<u>30th Jun 05</u>	<u>31st Dec 04</u>
Swap Agreements	€ 36,294,167	€ 28,324,035

The Company and the Bank have entered into Swap Agreements to ensure that the Company will have sufficient funds to enable it to settle the fixed rate payable on its issued preference shares. The Bank has agreed to pay the Company a fixed rate of 6.25% p.a. for the A1 Notes. In return the Company has agreed to pay the Bank a floating rate of 12 month Euribor plus 160 basis points for the A1 Notes.

The 12 month Euribor was fixed at 2.384% up to 29th June 2005. As at 29th June 2005 the 12 month Euribor was fixed for twelve months at 2.068%.

#### 4. TRADE AND OTHER RECEIVABLES

	<u>30th Jun 05</u>	<u>31st Dec 04</u>
Investment income receivable	101,956	10,304,279
Swap income receivable	154,110	14,332,192
Deposit income receivable	44,191	41,925
Sundry debtor	-	74,501
	<u>€ 300,257</u>	<u>€ 24,752,897</u>

#### 5. CASH AND CASH EQUIVALENTS

	<u>30th Jun 05</u>	<u>31st Dec 04</u>
Citibank, N.A. - deposit account	853,838	7,530
The Royal Bank of Scotland International:		
- € deposit account	38,178	27,583
- £ deposit account (£ 20; 2004: £ 19)	29	27
US\$ deposit account (US\$ 103; 2004: US\$ 102)	86	75
Mourant & Co - client account (£ 6; 2004: £ 6)	9	9
Mees Pierson:		
- € fixed deposit account	11,636,460	11,525,165
- € fixed deposit account	371,954	418,293
	<u>€ 12,900,554</u>	<u>€ 11,978,682</u>

**FORTIS CAPITAL COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005**

<b>6. TRADE PAYABLES</b>	<b><u>30th Jun 05</u></b>	<b><u>31st Dec 04</u></b>
Mourant & Co. - Administration fees	19,323	13,296
Audit fees	4,906	9,503
Swap interest payable	91,700	9,262,800
Loan interest payable	1,409	158,926
Interest payable on Preference Shares	154,110	14,332,192
	<hr/>	<hr/>
	€ 271,448	€ 23,776,717
	<hr/>	<hr/>
<b>7. LOANS PAYABLE</b>	<b><u>30th Jun 05</u></b>	<b><u>31st Dec 04</u></b>
<b>Amounts falling due within one year</b>		
Fortis Bank Nederland (Holding) N.V.:		
- € 8,300,000 loan	897,473	842,698
	<hr/>	<hr/>
<b>Amounts falling due after more than one year</b>		
Fortis Bank Nederland (Holding) N.V.:		
- € 8,300,000 loan	3,057,847	3,955,320
	<hr/>	<hr/>
<b>Total loans payable</b>	€ 3,955,320	€ 4,798,018
	<hr/>	<hr/>

The € 8,300,000 loan is unsecured, bears interest at an annual rate of 6.50% and is repayable over ten years commencing 29th June 2000.

## FORTIS CAPITAL COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

#### FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005

##### 8. PREFERENCE SHARES

	<u>30th Jun 05</u>	<u>31st Dec 04</u>
450,000 6.25% Non-cumulative, Non-voting Perpetual Class A	450,000,000	450,000,000
Less: issue costs	( 8,352,909)	( 8,352,909)
Amortisation of issue costs	5,011,748	4,594,100
	<u>€ 446,658,839</u>	<u>€ 446,241,191</u>

The Class A Series 1 Preference Shares bear interest at a rate of 6.25% per annum on the nominal amount of the shares outstanding payable annually in arrears on 29th June each year.

The Class A Series 1 Preference Shares may be redeemed in their totality either on 29th June 2009, on any preference dividend payment date thereafter or at any time by the Company following an Issuer Special Event.

In the event that the Class A Series 1 Preference Shares are not redeemed in cash on 29th June 2009, holders have the option of converting all their shares for ordinary shares of Fortis (NL) N.V. and/or Fortis (B) on 29th June 2009. On the occasion of a Supervisory Event, there would be mandatory conversion of the Class A Series 1 Preference Shares to Preference Shares of Fortis Bank Nederland (Holding) N.V.

In the event of a liquidation the Class A Series 1 Preference Share holders will be entitled to receive a distribution of assets equivalent to the paid up value of the Class A Series 1 Preference Shares plus any accrued preference dividend. There is no entitlement to claim in any of the remaining assets of the Company. The Class A Series 1 Preference Shares are listed on the Euronext Amsterdam Stock Exchange.

##### 9. CALLED UP SHARE CAPITAL

	<u>30th Jun 05</u>	<u>31st Dec 04</u>
<b>AUTHORISED:</b>		
2,000,000,000 ordinary shares of € 1 each	2,000,000,000	2,000,000,000
2,000,000,000 unclassified shares of € 1 each	2,000,000,000	2,000,000,000
	<u>€ 4,000,000,000</u>	<u>€ 4,000,000,000</u>
<b>ISSUED AND FULLY PAID:</b>		
22,511 ordinary shares of € 1 each	<u>€ 22,511</u>	<u>€ 22,511</u>



## FORTIS CAPITAL COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

#### FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005

#### 12. FINANCIAL INSTRUMENTS - (CONTINUED)

##### Fair values

The fair values of the Company's significant assets and liabilities are as follows:

	<u>30th Jun 05</u>	<u>31st Dec 04</u>
Available for sale financial assets	€ 472,500,000	€ 472,500,000
Swap Agreements	€ 36,294,167	€ 28,324,035
Preference Shares	€ (446,658,839)	€ (446,241,191)

##### Interest rate exposure of financial assets and liabilities.

The interest rate exposure of financial assets at 30th June 2005 was:

Currency	Total	Fixed rate	Floating rate	Non-interest bearing
€	521,994,978	472,500,000	49,194,721	300,257

Weighted average interest rate:

Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets Weighted average period for which rate is fixed
%	Years
6.36	24

The interest rate exposure of financial assets at 31st December 2004 was:

Currency	Total	Fixed rate	Floating rate	Non-interest bearing
€	537,555,614	472,500,000	40,302,717	24,752,897

Weighted average interest rate:

Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets Weighted average period for which rate is fixed
%	Years
6.36	25

The floating rate financial assets comprise Euro bank deposits that earn interest based on market rates.

Non-interest bearing financial assets represent debtors.

## FORTIS CAPITAL COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

#### FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005

#### 12. FINANCIAL INSTRUMENTS - (CONTINUED)

The interest rate exposure of financial liabilities at 30th June 2005 was:

Currency	Total	Fixed rate	Floating rate	Non-interest bearing
€	450,885,607	450,614,159	-	271,448

Weighted average interest rate:

Fixed rate financial liabilities Weighted average interest rate	Fixed rate financial liabilities Weighted average period for which rate is fixed
%	Years
6.37	4

The interest rate exposure of financial liabilities at 31st December 2004 was:

Currency	Total	Fixed rate	Floating rate	Non-interest bearing
€	474,815,926	451,039,209	-	23,776,717

Weighted average interest rate:

Fixed rate financial liabilities Weighted average interest rate	Fixed rate financial liabilities Weighted average period for which rate is fixed
%	Years
6.37	5

Non-interest bearing financial liabilities represent equity shareholders funds and creditors.

#### 13. HOLDING COMPANY AND RELATED PARTIES

The Company's immediate holding company is Fortis Bank Nederland (Holding) N.V. (formerly Fortis Bank Nederland N.V.), a company incorporated in The Netherlands. The ultimate holding companies are Fortis S.A./N.V. and Fortis N.V., which are Belgian and Dutch companies respectively.

Messrs. Baise, Stokkel, Willems, De Bruine and Martin are, or have been senior employees of Fortis S.A./N.V. and Fortis N.V. or their affiliate companies. They do not receive a directors' fee.

J.A.J. Chapman is a supervisory board member and shareholder of Mourant Limited. Each of J.A.J. Chapman, H. Grant and G. Essex-Cater are employees of a subsidiary of Mourant Limited. Affiliates of Mourant Limited provide ongoing administrative services to the Company at commercial rates. J.A.J. Chapman is also a partner of Mourant du Feu & Jeune and should be regarded as interested in any contract in relation to the provision of legal services by Mourant du Feu & Jeune.

**FORTIS CAPITAL COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD 1ST JANUARY 2005 TO 30TH JUNE 2005**

**13. HOLDING COMPANY AND RELATED PARTIES - (CONTINUED)**

The Company has invested the proceeds of the issue of the Class A Series 1 Preference shares in Subordinated Notes of Fortis Bank Nederland (Holding) N.V. as described in Note 2.

The Company has entered into support and guarantee agreements with Fortis group companies to enable the Company to declare and pay preference dividends and to guarantee the payment of Class A Series 1 Preference Shares including unpaid preference share dividends in the event of the liquidation of the Company.