

17 July 2008

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Dear Sirs,

We write with reference to your letter of 3 July 2008 in which you request clarification on a number of points concerning the solvency plan announced by Fortis on 26 June, as well as to your letter of 10 July 2008 in which you propose an agenda for an Extraordinary General Meeting.

The answers to your questions are summarised in this letter and have also been published in a press release to ensure equal treatment of all shareholders.

Your letter of 3 July.

What facts in your possession led to the radical change of position and justify the particular urgency of the measures, given that these will only affect solvency in 2009?

The decision to accelerate the execution of the solvency plan was based on a combination of factors which manifested themselves mainly in the month of June. At the end of April, as well as at the time of publication of the figures for the first quarter on 13 May 2008, negotiations were still ongoing on the sale of parts of ABN AMRO that had been demanded by the European Commission. Fortis had moreover not yet announced its intention of acquiring the remaining interest in the joint venture with Delta Lloyd. It is important to note here that insurance remains a very important activity for Fortis from both a strategic and commercial perspective. Having full control of ABN AMRO Insurance, in combination with our extensive knowledge in the field of bancassurance, puts Fortis in a unique position to strengthen its activities in this area in the Netherlands. In addition, the deterioration of the equity markets in June, expectations of a continuation of the challenging market conditions and the need in such a climate for a prudent approach to the capital required, inspired by the various stakeholders, together led to the decisions that were communicated on 26 June.

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The solvency plan announced on 26 June combines measures already announced (such as the issue of non-dilutive capital instruments, the implementation of a capital relief programme and controlled growth of our capital requirements in 2008 and 2009) with a number of new measures (such as the share issue and non-payment of an interim dividend).

Were you not aware of these facts on 15 May 2008, at the time of your perpetual, subordinated NITSH II issue?

We were not aware of these facts at that time.

Why were private shareholders not given the opportunity to participate in the capital increase of 26 June 2008? Are you considering offering shareholders a mechanism so they can protect themselves from the dilution arising from your issue of 26 June? Are you considering excluding preference rights for shareholders in the event of future capital increases? What form will the non-dilutive capital instruments to the amount of EUR 2 billion take?

In consultation with the investment banks involved in the capital increase, and after a thorough analysis of the various options, it was decided to issue new shares by means of an 'Accelerated Book Offering'. This enabled Fortis to raise capital to an amount of EUR 1.5 billion quickly and without too many formalities. Fortis felt that in the present volatile market climate it was prudent to raise capital within the shortest possible time. A normal capital increase would have required a much longer period of preparation and would thus have given rise to uncertainty. An Accelerated Book Offering is generally only open to institutional investors, and does not offer a mechanism for compensating existing shareholders against potential dilution.

What measures are you considering to restore the credibility of management, which is indispensable to the creation of future shareholder value? Has the Board of Directors discussed the responsibility of management with regard to this communication and the associated loss in value of Fortis shares, and if so, what conclusions were reached?

The Board of Directors is aware of the reactions of shareholders and is doing all in its power to restore confidence in the company. On 11 July the Board of Directors and the CEO, Jean Paul Votron, decided in mutual agreement to end his mandate as CEO. The Board of Directors subsequently decided to appoint Herman Verwilt, formerly Deputy CEO, as CEO of Fortis.

Are you planning any further write-downs in the short term (three to six months)? Has the Auditor (KPMG) expressed a view recently on whether sufficient asset write-downs have been performed – particularly with regard to the structured credit portfolio, the fair value of which was estimated at EUR 43.3 billion at the end of March 2008 and the equity investments (fair value of EUR 13.1 billion)?

Information given in a press release is always based on all available information at that moment and on an assessment of possible future developments.

As regards the write-downs on the structured credit portfolio, we announced on 26 June that there would be additional write-downs, but that these would be lower than in the previous quarter.

Fortis will provide further information on the quality of the loan portfolio when it publishes its half year results on 4 August 2008.

Fortis also announced on 26 June that the continued fall in the equity markets and the resultant reduction in the value of our equity portfolio was likely to have an impact of EUR 400 million on shareholders' equity and therefore on solvency. As reported on 26 June, Fortis has taken measures to mitigate its sensitivity to movements of the equity markets.

On 15 July, Fortis also announced that the Board of Directors, held on 11 July, discussed and reaffirmed the adequacy of the measures announced on 26 June, and that an additional capital increase was not anticipated.

The auditor (KPMG) issues a report on the annual results once a year, when the annual report is published. The quarterly figures are adopted in liaison with the auditor.

Fortis cites the need to guarantee EUR 10 billion in loans from ABN AMRO. Why didn't Fortis anticipate this?

The sale of certain parts of the ABN AMRO business in the Netherlands was one of the conditions imposed by the European Commission during the acquisition of ABN AMRO. The request for this guarantee emerged during the negotiation process with the buyer. However, this guarantee is of limited duration.

Does Fortis anticipate a further write-down on the investment in ABN AMRO assets and/or the goodwill booked at the time of the takeover?

Fortis regularly carries out impairment tests in accordance with the IFRS rules to which it is subject. The impairment test carried out at the time of publication of the results for 2007 and the first quarter of 2008 did not suggest a need to adjust the value of the assets.

Will the current crisis at Fortis affect customers of the retail bank (higher charges, tighter access to credit, etc) ?

Fortis continues to offer its customers a very attractive range of financial products and services. The recent launch of an Internet savings account demonstrates that Fortis is willing as the market leader to continue offering its customers good terms.

What is the Board of Directors' attitude towards a possible approach to another financial institution? Has that attitude changed in response to the recent deterioration in management's expectations regarding the short-term economic and financial situation?

The Board of Directors will continue to concentrate on implementing the Fortis strategy with the main objective of creating value for the company and the shareholders.

The interim dividend for the financial year 2008 has been cancelled and the dividend will not be paid in cash. In so doing, Fortis is asking for a considerable commitment on the part of its shareholders. Has the Board of Directors requested a similar commitment on the part of management or is it considering making such a request? If so, what form will it take? When referring to its dividend policy, Fortis always states that: "Our policy is to pay a stable or growing dividend, taking account of our solvency, profitability and growth objectives." Does the current crisis at Fortis mean that this growth (or stability) is now under threat?

The Board of Directors regularly evaluates the remuneration of the Executive Committee. If significant changes take place in the remuneration, Fortis will inform the market of this in a proper manner. As reported on 26 June 2008, the Board of Directors will consider a dividend proposal in March 2009, taking into account the profit for the financial year, the solvency position and the profit outlook for the company.

Your letter of 10 July.

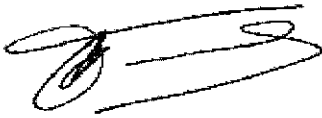
In this letter you reiterate your express wish to convene an Extraordinary General Meeting at the earliest opportunity.

Fortis confirms that your request will be tabled for consideration during the next meeting of the Board of Directors.

Date 17 July 2008
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We hope that the above information provides a satisfactory answer to your questions.
We greatly value your interest in our company and remain at your disposal for further dialogue.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'H. Verwilt', written over a horizontal line.

Herman Verwilt
CEO
Fortis

A handwritten signature in black ink, appearing to be 'M. Lippens', written in a cursive style.

Maurice Lippens
Chairman Board of Directors
Fortis