Press release

Brussels/Utrecht, 31 March 2009

Results full year 2008

FORTIS

Full year net profit of operating insurance activities EUR 6 million, including EUR 639 million negative impact of investment portfolio

Net result for 2008 EUR 28.0 billion negative, including EUR 27.4 billion loss on discontinued operations and EUR 0.6 billion loss of General

- **Fortis Insurance Belgium**
  - Net profit of EUR 6 million, including EUR 534 million net-of-tax negative impact of investment portfolio
  - Total gross inflow EUR 6.3 billion;
    - Life gross inflow down 22%, due to difficult environment and uncertainty surrounding Fortis
    - Non-Life gross written premiums up 7%, outperforming the Belgian market
  - Risk profile of investment portfolio of EUR 37.3 billion reduced due to sales and lower value of equity investments

- **Fortis Insurance International**
  - Net result break-even, including EUR 105 million net-of-tax negative impact of investment portfolio
  - Total gross inflow at consolidated companies EUR 5.3 billion;
    - Life consolidated gross inflow up 5% with Portugal, Turkey and Hong Kong main contributors
    - Non-Life gross written premiums up 2% in constant exchange rates
  - Investment portfolio at EUR 9.4 billion, with reduced exposure to equities

- **General**
  - Net loss of EUR 629 million due to net interest charges at holding level and a one-off EUR 295 million loss on currency transactions

- **Discontinued operations (operational result and result on sale)**
  - Sale of banking activities resulted in a loss of EUR 29.4 billion in 2008
  - Sale of Dutch insurance activities generated a profit of EUR 2.0 billion in 2008

- **Capital position**
  - Core equity EUR 7.9 billion
  - Solvency ratio total insurance activities 202%; required regulatory minimum for insurance activities EUR 2.5 billion
  - Tangible net equity of EUR 6.0 billion

- **Pro forma financial position (assuming approval of transactions by shareholders on 8 and 9 April)**
  - Pro forma net cash of General EUR 3.3 billion
  - Pro forma shareholders' equity EUR 7.5 billion

CEO Karel De Boeck: "The operational results of our insurance companies were satisfactory taking into consideration the market turbulence and the uncertainty surrounding Fortis. Total gross inflows were EUR 14.6 billion despite challenging market conditions. The solvency ratios remained very strong. It is now important to focus on the future. The new improved deal will provide a strong foundation for the future. That future will include a careful review of the various options available to ensure that capital is employed effectively, including organic growth, acquisitions and the return of capital to shareholders."

Key figures

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007
Net profit					
- Fortis Insurance Belgium	6	522	(242)	248	237
- Fortis Insurance International	0	40	(70)	70	3
- General (excl. eliminations)	(629)	(446)	(327)	(302)	(433)
- Eliminations	13	(32)	8	5	(8)
Net profit continuing operations	**(610)**	**84**	**(631)**	**21**	**(201)**
- Result discontinued operations	(27,412)	3,910	(29,029)	1,617	1,413
Net profit attributable to shareholders	**(28,022)**	**3,994**	**(29,660)**	**1,638**	**1,212**
Weighted average number of ordinary shares (in million)	2.296	1.736	2.396	2.195	1.818
Earnings per share (in EUR)	**(12,21)**	**2,30**	**(12,38)**	**0,75**	**0,67**
- Before Discontinued operations	(0,27)	0,05	(0,31)	0,06	(0,11)
Net equity per share (in EUR)	2,75	15,08	2,75	12,48	15,08

1 Key points 2008

Please refer to pages 6 to 34 for further details.

Net result Fortis

Fortis's 2008 net result was a loss of EUR 28.0 billion compared with a profit of EUR 4.0 billion in 2007. The loss in 2008 was due to the EUR 27.4 billion negative result of discontinued operations, caused by the loss on sale of the banking activities, partly offset by a profit on the sale of the Dutch insurance activities.

Total gross inflow of the insurance activities, including non-consolidated joint ventures, amounted to EUR 14.6 billion, 5.5% lower year-on-year. Gross inflow of the consolidated life companies was 11% lower at EUR 8.9 billion, due to the financial turmoil, especially affecting sales in Belgium. Gross written premiums of the consolidated non-life companies amounted to EUR 2.7 billion, up 5% in constant exchange rates. The non-consolidated joint ventures recorded a growth of 12%, to EUR 3.0 billion, driven by strong sales in China.

The insurance activities reported a total net profit of EUR 6 million, including a negative impact from write-downs on the investment portfolio of EUR 639 million net-of-tax.

Pro forma net equity at the end of 2008, assuming approval of the transactions by shareholders on 8 and 9 April, amounted to EUR 7.5 billion. Pro forma net cash of General, assuming approval of the transactions with the Belgian State and BNP Paribas by shareholders on 8 and 9 April, after redemption of the European medium term notes and commercial paper programmes and after the elimination of leverage of Fortis Insurance International N.V., was EUR 3.3 billion.

Fortis Insurance's strategy is to continuously enhance customer centricity by adapting the product portfolio and aligning the multi-distribution strategy with changing customer needs. Other goals are to attain a fortified insurance organisation by improving operational excellence in all countries and by expanding the business internationally.

Net result Fortis Insurance Belgium

The 2008 net profit after tax amounted to EUR 6 million, compared with EUR 522 million in 2007. The negative impact of the financial markets crisis on 2008 results amounted to EUR 534 million net-of-tax, mainly affecting the Life results.

Total gross inflow declined by 16% to EUR 6.3 billion. Gross inflow at Life was EUR 4.8 billion in 2008, 22% lower than the previous year, as a result of fierce competition from high yielding bank deposits and the uncertainty surrounding Fortis. A 7% increase in Non-Life premium inflow to EUR 1.5 billion could not compensate for the decrease at Life. Despite the drop in inflow, Fortis Insurance Belgium retained its position as the market leader in Life insurance, while further strengthening its position in Non-Life.

Funds under management of the Life activities remained almost unchanged at EUR 41.8 billion, also reflected in a stable market share of 28%.

Net result Fortis Insurance International

The net result was break-even in 2008, compared with a profit of EUR 40 million in 2007. A profit of EUR 65 million on Non-Life activities was offset by a loss of EUR 65 million on Life activities. The 2008 result was depressed by a EUR 105 million net-of-tax impact of investment losses and valuation write-downs in the investment portfolio.

Commercial performance held up well despite difficult market conditions, especially in the second half of the year. Total gross inflow at consolidated companies and non-consolidated joint ventures amounted to EUR 8.3 billion, compared with EUR 8.0 billion in the previous year. Gross inflow at consolidated companies was 1% higher at EUR 5.3 billion, thanks to the successful implementation of multi-channel developments and further product innovation. Gross inflow at the non-consolidated joint ventures increased by 12% to EUR 3.0 billion, with China being the main contributor, but also driven by further geographic diversification.

Funds under management of the international Life activities (consolidated companies only) remained almost unchanged compared with 2007 at EUR 19.8 billion.

Net result General

The net loss for 2008 amounted to EUR 629 million compared with a loss of EUR 446 million in 2007. The negative variance related mainly to a EUR 118 million deterioration in realised and unrealised capital gains and losses, arising from a EUR 295 million loss on the sale of currencies in December in the context of the suspended closing of the transaction with BNP Paribas and the Belgian State.

Net result Discontinued Operations

The net loss on discontinued operations amounted to EUR 27.4 billion, compared with a profit of EUR 3.9 billion in 2007. The loss in 2008 was caused by a EUR 29.4 billion loss on the sale of the banking activities. The sale of the Dutch insurance activities generated a EUR 2.0 billion profit. The 2007 result of discontinued operations included a EUR 1.0 billion profit on the divested CaiFor activities.

Capital position

Fortis's core equity amounted to EUR 7.9 billion at the end of 2008. Core equity exceeded the total consolidated regulatory minimum requirements of the insurance activities by EUR 5.4 billion. Core equity of insurance operations stood at EUR 4.7 billion, 184% of the regulatory required minimum, while total available capital at the insurance entities amounted to EUR 5.1 billion, 202% of the regulatory required minimum. The solvency ratio of Fortis Insurance Belgium amounted to 189% and the ratio for Fortis Insurance International was 238% at the end of 2008.

Dividend 2008

As part of the accelerated capital plan launched on 26 June 2008, it was decided not to pay an interim 2008 dividend. On 15 March 2009, Fortis announced that the statutory loss carried forward of EUR 22.5 billion at Fortis SA/NV had resulted in a depletion of the amounts available for distribution at year-end 2008. Consequently, the Board of Directors concluded that no dividend would be proposed for the 2008 financial year. The special Board report, published on 16 March 2009, specifies the impact of this decision on the different Tier 1 instruments issued by (former) Fortis entities.

FTE movements

Following the divestment of the banking and Dutch insurance activities in October, Fortis employed 10,374 FTEs on 31 December 2008, of which 5,542 were at Fortis Insurance Belgium (including 1,541 at Interparking), 4,718 at Fortis Insurance International and 114 at General. On a comparable basis, Fortis employed 10,163 FTEs at the end of 2007. The increase was predominantly realised at the real estate subsidiaries of Fortis Insurance Belgium.

Fortis was in a transition phase on 31 December 2008, endeavouring to design a new organisation that would meet the strategic needs of the modified company structure following the divestments of October. This is also reflected in the FTE decrease from 197 to 114 at General. The corporate centre (part of General) is currently being slimmed down, in line with the new business dimensions of Fortis, while at the same time focusing on providing the necessary efficiency and effectiveness to the operating entities through the right skills and experience.

Description of events in 2008

Last year was the most turbulent in Fortis's history. The financial crisis began in mid-May as share prices began to fall worldwide and confidence between banks dissipated. The markets stabilised somewhat during the summer months, but events unrelated to Fortis quickly snowballed, creating a massive crisis of confidence between financial institutions and culminating in 'rescue' takeovers, nationalisations, and bankruptcies. Fortis was heavily impacted by rumours regarding concerns about liquidity. Emergency liquidity support from the central banks at the end of September proved insufficient and immediate action was needed.

On 29 September 2008, Fortis announced the conclusion of agreements with the governments of Belgium, the Netherlands and Luxembourg. The three states jointly agreed to invest EUR 11.2 billion in return for a 49.9% stake in the banking activities in their respective countries. The agreement with the Dutch State was never implemented, however, and was replaced on 3 October by the sale of Fortis Bank Nederland (Holding) N.V., Fortis Verzekeringen Nederland N.V. and Fortis Corporate Insurance N.V. to the Dutch State for a total of EUR 16.8 billion.

This was followed by an announcement on 6 October 2008 of the sale of the remaining 50% plus 1 share of Fortis Bank to the Belgian state (via the Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij, SFPI/FPIM) for EUR 4.7 billion. In a separate agreement, the Belgian government undertook to sell 75% of Fortis Bank to BNP Paribas, in return for BNP Paribas shares. It would retain the remaining 25% of Fortis Bank. Fortis also agreed to sell 100% of Fortis Insurance Belgium to BNP Paribas for EUR 5.7 billion (subject to closing conditions and a potential final closing adjustment of minus EUR 0.2 billion). Lastly, it was agreed that Fortis, the Belgian State (via the SFPI/FPIM) and BNP Paribas would set up a special purpose vehicle to purchase a structured credit portfolio from Fortis Bank. These decisions were taken to ensure that the Fortis companies could continue to operate and support their customers and to meet their obligations to counterparties.

On 12 December 2008, the Brussels Court of Appeal ruled that the agreements of 3 and 6 October should be put to the shareholders of Fortis SA/NV for approval. The Court also appointed a panel of experts to investigate the situation, to make recommendations and to mediate. In its interim report, published on 27 January 2009, the panel concluded that the transactions were both logical and reasonable in the circumstances and did not violate the corporate interest of the relevant Fortis entities. Ahead of the shareholder vote, the Board and management did everything in their power to negotiate better terms for shareholders, while also respecting the validity of the agreements signed with the Belgian State and BNP Paribas. The revised terms of the transactions were rejected by the shareholders' meeting of Fortis SA/NV on 11 February 2009, and a new round of negotiations between the Belgian government, Fortis and BNP Paribas ensued.

The shareholders' meetings in February 2009 elected a new Board of Directors. Mr. Jozef De Mey was appointed as Chairman.

On 6 March 2009, Fortis, BNP Paribas and the SFPI/FPIM reached a new agreement on revised terms for the transaction. The proposed new agreement was signed on 12 March 2009 and will be submitted for the approval of shareholders at the General Meetings of Fortis N.V. in Utrecht, the Netherlands, and of Fortis SA/NV in Brussels, Belgium, on 8 and 9 April 2009 respectively.

The agreement principally relates to the sale of 25% + 1 share in Fortis Insurance Belgium to Fortis Bank, the putting in place of a strategic partnership between BNP Paribas /Fortis Bank, on the one hand, and the Fortis group's insurance operations, on the other hand and the financing by Fortis, in an amount of EUR 760 million, of a special purpose vehicle (SPV) that is to acquire a portion of the structured credits portfolio of Fortis Bank.

The future value of the stake in the SPV is dependent on the quality of the assets to be acquired by the SPV and conditions of the funding to be received by the SPV. The assets are still under examination and the funding is subject to negotiations. In any case, the maximum downside risk of Fortis related to the SPV is the initial investment of EUR 760 million in case of a positive vote. In the case of a negative vote on the proposed resolution to the shareholders' meetings of 8 and 9 April 2009, Fortis would as a legal matter continue to be bound by a fallback provision in a Share Purchase Agreement of 10 October 2008 with the SFPI/FPIM (as amended) relating to the financing of the SPV. This agreement provides for the financing of the SPV only by Fortis and the SFPI/FPIM in case the Agreement (with BNP Paribas) does not take effect. In case the fallback provision would be enforced against Fortis, Fortis would be required to fund EUR 6.86 billion out of a total amount of EUR 9.36 billion (less any redemptions and subject to currency adjustments). To secure such obligation, Fortis granted a pledge over 100% of its shares in Fortis Insurance Belgium.

Although, an agreement is in place with the SFPI/FPIM pursuant to which it will provide a loan of EUR 3 billion, in the case Fortis has to fund EUR 6.86 billion, a negative vote could have a severe negative impact on Fortis' liquidity position. Fortis is confident based on the current discussions and the agreements reached in the last months, that it will be able to negotiate a funding plan that will leave sufficient liquidity to continue the current operations and to fulfil the obligations resulting from a negative vote.

Fortis was not able to value its obligation as at year end 2008 resulting from the commitment to fund the SPV, which is to acquire the portfolio of toxic assets, because of the various uncertainties mentioned above in respect of the arrangements made between parties concerned.

For a detailed description of the main events in 2008 we refer the reader to the 2008 Annual Report (www.fortis.com), which will be published on or before 10 April 2009.

2 Results

2.1 Fortis Insurance Belgium

Key figures

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007
Net profit attributable to shareholders	**6**	**522**	**(242)**	**248**	**237**
- Life	(85)	425	(277)	192	173
- Non-Life	91	97	35	56	64
FTEs end of period	5,542	5,298	5,542	5,358	5,298
Life					
Gross written premiums	4,077	4,970	1,754	2,323	2,251
Gross written premiums deposit accounting	740	1,181	368	372	515
Gross inflow Life	**4,817**	**6,151**	**2,122**	**2,695**	**2,766**
APE	419	585	186	233	275
Technical result	(11)	242	(89)	78	57
Operating margin	(77)	344	(220)	143	130
Non-Life					
Gross written premiums Non-Life	**1,465**	**1,367**	**691**	**774**	**646**
Technical result	119	118	61	58	83
Operating margin	117	137	49	68	96
Combined Ratio	100.9%	100.4%	100.7%	101.2%	96.4%
BALANCE SHEET					
Life					
Total Reserves - Life	**41,779**	**42,089**	**41,779**	**42,605**	**42,089**
- Insurance and investment contracts	35,878	33,933	35,878	35,305	33,934
- Unit-linked contracts	5,901	8,155	5,901	7,300	8,155
Non-Life					
Total Reserves - Non-Life	**2,893**	**2,752**	**2,893**	**2,884**	**2,752**
Reserves / Premium ratio	197%	201%	197%	186%	201%

- Net profit of EUR 6 million, compared with EUR 522 million in 2007, due to the negative impact of net investment losses and write-downs on the investment portfolio amounting to EUR 534 million net-of-tax
- Life gross inflow down 22% year-on-year to EUR 4.8 billion, with Retail Life impacted by strong competition from high-yielding bank deposits and the uncertainty surrounding Fortis. Group life reinforced its leadership with a market share of almost 30%
- Non-Life gross written premiums up 7% to EUR 1.5 billion, significantly outperforming overall market growth in 2008
- The latest ICMA survey confirms Fortis Insurance Belgium’s broker channel as the preferred partner of the broker community

Net profit amounted to EUR 6 million, compared with EUR 522 million in 2007, impacted by the global equity and credit market turmoil, which particularly affected Individual Life results. The negative effect of the financial crisis over 2008 was EUR 534 million, including write-downs on the investment portfolio and net investment losses as a consequence of major equity divestments with a view to further reducing the risk profile.

Net loss in the second half of 2008 amounted to EUR 242 million, compared with a net profit of EUR 248 million in the first half, as a consequence of a EUR 515 million net-of-tax negative impact due to the deteriorating credit and equity markets.

Total **gross inflow** of EUR 6.3 billion was 16% down from EUR 7.5 billion in 2007. Life inflow declined by 22% to EUR 4.8 billion, while gross written premiums at Non-Life increased by 7% to EUR 1.5 billion, driven by strong growth in SME business as well as tariff increases and ABEX indexation[1].

Gross inflow in the second half of 2008 amounted to EUR 2.8 billion, down 19% compared with the first half (EUR 3.5 billion). Life inflow declined 21% to EUR 2.1 billion, as unit-linked inflow was hampered by negative market sentiment and savings suffered due to the fierce competition from high-yield bank deposits and the uncertainty surrounding Fortis. Non-Life inflow was 11% lower in the second half of the year than in the first half. This is a normal seasonal effect as the first half of the year typically benefits from sizeable annual payments in the SME segment in January.

Operating costs increased by 4% to EUR 404 million. The yearly wage indexation was partly offset by tight cost control and further efforts to enhance operational efficiency. The number of FTEs at Fortis Insurance Belgium rose by 244 to 5,542 at the end of 2008, mainly driven by an increase at the real estate subsidiaries, which employed 1,794 FTEs at the end of 2008.

Fortis Insurance Belgium maintained strict cost and underwriting discipline in 2008, which is reflected in the cost ratios. The Life cost ratio, as a percentage of average funds under management, decreased by 2 basis points (bps) from 0.42% to 0.40% at the end of 2008. The Non-Life cost ratio, as a percentage of gross written premiums, fell by 30 bps to 16.1% at the end of 2008.

Life

Life **gross inflow** decreased by 22% year-on-year to EUR 4.8 billion.

Individual Life inflow declined by 27% to EUR 3.8 billion in 2008, as savings and unit-linked inflow from both the bank and the broker channel were hit by depressed financial markets, fierce competition from high-yield bank deposit products and negative sentiment surrounding Fortis. Furthermore, 2007 was a record year for Individual Life inflow. Consequently, Fortis Insurance Belgium's share of the individual Life market dropped by 3.7%, reaching 25.3% at the end of 2008[2]. Despite this fall, market leadership remained unimpaired. Fortis Insurance Belgium also managed to win 2.0% market share of the individual unit-linked market, a relatively strong performance in a market that declined by 42.5% overall in 2008.

Full-year inflow through the bank channel of EUR 2.8 billion was 23% lower than last year, with a decline in both savings and unit-linked. Savings inflow declined 21%, hit by fierce competition from high-yield bank savings products and the ongoing uncertainty surrounding Fortis. Unit-linked inflow generated through the bank channel decreased by 34%, reflecting the poor appetite for open-ended funds. To counter this negative trend, Fortis Insurance Belgium issued nine tranches of Smart Invest Bon, a structured unit-linked product with capital guarantee sold through the bank channel, generating inflow of EUR 300 million.

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[1] *ABEX index reflects price movements in the construction sector*

[2] *Based on Assuralia figures*

Inflow through the broker channel declined by 34% to EUR 1.1 billion at the end of 2008, with a negative trend in both savings and unit-linked products. Inflow from Top Rendement Invest (TRI), still the main inflow generator for savings, fell by 46% to EUR 481 million at year-end, as clients anticipated low profit sharing on the 0% guarantee option in TRI.

Group Life business, generated through the employee benefits channel, delivered solid 5.2% year-on-year growth, with inflow exceeding the EUR 1.0 billion mark and Fortis Insurance Belgium reinforcing its market leadership share to almost 30%.

Annual premium equivalent decreased by 28% from EUR 585 million in 2007 to EUR 419 million in 2008.

Life **funds under management** declined by only 1% to EUR 41.8 billion. Funds under management related to non-unit-linked business increased by 6% to EUR 35.9 billion, almost entirely compensating for the drop in unit-linked funds under management to EUR 5.9 billion due to the depressed financial markets. Fortis Insurance Belgium remained the undisputed market leader with a stable market share of 28% in terms of Life funds under management. During October and November, in the midst of the general financial and Fortis-specific turmoil, Fortis Insurance Belgium succeeded in limiting lapses to a level only twice higher than normal, with lapse rates returning to normal levels by year-end.

Full-year Life **operating margin** was a negative EUR 77 million compared with EUR 344 million in 2007, due to the impact of the global financial market crisis, especially in the second half of the year.

The financial crisis affected Individual Life's result directly through the impact of the credit crunch and value adjustments on investment income (EUR 532 million net-of-tax), and indirectly through the smaller volume effects of lower inflow and reduced funds under management relating to unit-linked. The result was also impacted by a new EUR 30 million provision to protect clients' investments in a structured unit-linked product guaranteed by Lehman Brothers. Fortis Insurance Belgium announced in September that it would assume Lehman's obligations, thereby safeguarding its clients' capital.

The operating margin of Group Life was hardly affected by the global financial crisis and the existing portfolio continued to generate good margins.

Net profit declined from EUR 425 million in 2007 to a net loss of EUR 85 million in 2008, as the Individual Life business, in particular, was hit by the deterioration in the credit and equity markets.

Non-Life

Gross written premiums at **Non-Life** grew by 7% to EUR 1.5 billion, clearly outperforming the overall non-life market growth of 3.7%. Consequently, Fortis Insurance Belgium expanded its market share by 0.5% to 14.8% at the end of 2008. This growth was mainly driven by the broker channel's strong performance in the small and medium sized enterprises segment, especially in motor insurance. Premiums in the health care business increased by 11% to EUR 108 million. Furthermore, growth was visible in all product lines, partly triggered by new business, and tariff and ABEX increases.

Non-Life inflow through the bank channel reached EUR 226 million, 1.5% above the previous year's level. Non-Life products sold through the broker channel stood at EUR 1.2 billion, up 8% on the same period.

FIB's innovative product offering, including flexible multi-cover concepts such as Familis and Modulis, sustained a steady growth rate. At the end of 2008, there were more than 430,000 Familis policies in the portfolio, with an average of 2.3 contracts each, a 14% increase compared with 2007. Modulis, a concept combining different contracts and allowing flexible premium payments for SME clients, represented close to 68,000 contracts at the end of 2008, 13% more than in 2007, with the average number of contracts at 3.9.

Full-year **operating margin** at Non-Life amounted to EUR 117 million, down 15% compared with 2007. It was lower due to the lack of capital gains, large claims at Fire and Motor, and an adjustment to claim provisions in line with new reference tables for bodily injuries (a negative EUR 35 million pre-tax). This was partially compensated by the introduction in 2008 of a recovery provision of EUR 46 million. The operating margin in 2007 was negatively impacted by Windstorm Kyrill.

The **combined ratio** at Non-Life, including workmen's compensation, was 100.9%, compared with 100.4% in 2007, which was hit by Windstorm Kyrill while 2008 was impacted by higher claims at Fire and Motor.

Non-Life **net profit** decreased 6% to EUR 91 million in 2008 from EUR 97 million in 2007 due to the lack of capital gains, and large claims at Fire and Motor.

Strategy and business development

In 2008 Fortis Insurance Belgium successfully continued its role as product innovator in the Belgian market.

Non-Life added to its successful 'Pack' range several new packs for the retail and SME segments. At the same time the unique BA Max coverage was also launched. By the end of 2008 more than 420,000 drivers benefited from a free extension of basic third-party liability coverage, as all no claims drivers were automatically covered for bodily injury. VIP Modulis was introduced in the SME market. This concept offers attractive and exclusive benefits to companies that carry out their banking transactions at Fortis Bank and subscribe their insurance with Fortis Insurance Belgium through its broker channel.

At **Individual Life**, nine tranches of the Smart Invest Bon (a structured unit-linked product with capital guarantee) were issued in response to the rapidly changing financial market environment**. Group Life** continued to pursue growth in the fast growing market of sector-wide pension and health care plans.

Fortis Insurance Belgium's innovative approach was highly appreciated by the market. It received three non-life Decavi awards in 2008 (Best Fire Insurance, Best TPL Motor Insurance and Best SME Concept) as well as the Decavi Innovation Award 2008 for 'Pension@Work', a concept that was launched in June to exploit the untapped potential in the group life SME market.

The ICMA broker survey voted Fortis Insurance Belgium the best insurance service provider for the fifth consecutive year in 2008. The survey, which was held in September-October in the midst of the Fortis turmoil, reflects the brokers' great appreciation of Fortis Insurance Belgium's continuous eagerness to improve service, flexibility and innovation.

Fortis Insurance Belgium continued to focus on operational excellence in 2008. The merger of the bancassurance and broker Non-Life IT platform, which successfully took place in May 2008, will enhance cost synergies and shorten time-to-market for new products. Besides this, Fortis Insurance Belgium decided to gradually review the quality of its operations by applying lean methodology. Some lean projects were successfully launched in 2008, and more will follow in the near future.

2.2 Fortis Insurance International

Key figures

in EUR millions

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007
Net profit attributable to shareholders	**0**	**40**	**(70)**	**70**	**3**
- Life	(65)	76	(87)	22	52
- Non-Life	65	(36)	17	48	(49)
FTEs end of period	4,718	4,684	4,718	4,700	4,684
Life					
Gross written premiums	1,719	1,611	972	747	923
Gross written premiums deposit accounting	2,383	2,300	927	1,456	1,288
Gross inflow Life	**4,102**	**3,911**	**1,899**	**2,203**	**2,211**
APE	527	478	256	272	288
Technical result	(24)	75	(78)	54	36
Operating margin	(57)	99	(110)	53	47
Non-Life					
Gross written premiums Non-Life	**1,228**	**1,360**	**593**	**635**	**637**
Technical result	109	(56)	51	58	(59)
Operating margin	104	(53)	47	57	(57)
Combined Ratio	98.4%	114.0%	99,0%	97.8%	119.0%
BALANCE SHEET					
Life					
Total Reserves - Life	**19,770**	**20,133**	**19,770**	**20,897**	**20,133**
- Insurance and investment contracts	7,593	7,132	7,593	7,263	7,132
- Unit-linked contracts	12,177	13,001	12,177	13,634	13,001
Non-Life					
Total Reserves - Non-Life	**1,432**	**1,711**	**1,432**	**1,634**	**1,711**
Reserves / Premium ratio	117%	126%	117%	129%	126%

Key Figures per region

in EUR million

	% ownership	Gross inflow Life FY 2008	Gross inflow Life FY 2007	Gross Written premiums Non-Life FY 2008	Gross Written premiums Non-Life FY 2007	Total FY 2008	Total FY 2007
TOTAL		**4,102**	**3,910**	**1,229**	**1,361**	**5,331**	**5,271**
Europe		***3,820***	***3,685***	***1,168***	***1,304***	***4,988***	***4,989***
United Kingdom	100%	1		954	1,107	955	1,107
Portugal	51%	2,238	1,740	192	176	2,430	1,916
France	100%	433	517			433	517
Luxembourg							
- Life	50%	1,033	1,352			1,033	1,352
- Non-Life	100%			22	21	22	21
Germany	100%	29	26			29	26
Turkey	100%	82	47			82	47
Other		4	3			4	3
Asia		***282***	***225***			***282***	***225***
Hong Kong	100%	282	225			282	225
Other				***61***	***57***	***61***	***57***
Fortis Re-Insurance	100%			61	57	61	57
Non consolidated joint ventures (figures based on 100%)							
TOTAL		**2,673**	**2,380**	**337**	**303**	**3,010**	**2,683**
Malaysia	31%	435	526	269	254	704	780
Thailand							
- Life	40%	358	306			358	306
- Non-Life	15%			68	49	68	49
China	25%	1,850	1,548			1,850	1,548
India	26%	30				30	
Grand total		**6,775**	**6,290**	**1,566**	**1,664**	**8,341**	**7,954**

- **Net result for 2008 break-even, including a EUR 105 million net-of-tax negative impact of net investment losses and valuation write-downs due to turbulent financial markets**
- **Life consolidated gross inflow up 5% to EUR 4.1 billion, despite challenging market conditions, with Portugal, Turkey and Hong Kong the main contributors**
- **Non-Life gross written premiums down 10% to EUR 1.2 billion. Excluding the negative currency impact on UK operations, gross written premiums up 2%**
- **IDBI Fortis starts operations in India**
- **Several new initiatives undertaken to strengthen the distribution reach and product offering of our companies in Europe and Asia**

The results of the divested operations (Fortis Corporate Insurance and the CaiFor joint venture are reported under 'Results of discontinued operations'. The results of Luxembourg Life Insurance are now reported as a 50% stake (with Fortis having management control). The 2007 results for Luxembourg Life Insurance have been restated accordingly.

Net result for 2008 amounted to EUR 0 million compared with a profit of EUR 40 million for 2007. A positive result of EUR 65 million at Non-Life was offset by a EUR 65 million negative result at Life. Net profit for 2008 was negatively impacted by net investment losses and valuation write-downs, totalling EUR 105 million net-of-tax (mainly at Life), as a result of the global downturn in financial markets. The 2007 result was heavily impacted by major weather-related claims.

The impact of the turbulence in financial markets intensified in the second half of 2008, resulting in a net loss of EUR 70 million in the last six months. This was mainly caused by a EUR 95 million loss (net-of-tax and minority interests) on the investment portfolio of the Life insurance activities.

Overall **gross inflow at consolidated companies** grew 1% to EUR 5.3 billion, despite challenging market conditions and the depreciation of the pound sterling in 2008, thanks to the successful implementation of multi-channel development (Turkey, UK) and product innovation (UK Life, Portugal). In constant exchange rates, overall gross inflow at consolidated companies increased by 4%.

Gross inflow at non-consolidated joint ventures (on a 100% basis) increased by 12% to EUR 3.0 billion, with China the main contributor (20% growth to EUR 1.9 billion) and the newly started IDBI Fortis operations in India adding to the diversification.

Inflow declined 12% in the second half of the year compared with the first half, mainly due to the mounting financial crisis and the uncertainty surrounding Fortis.

Operating costs were EUR 393 million, 4% lower than in the prior year, helped by favourable exchange rate movements. In constant currencies, operating costs increased by 2% year-on-year, mainly due to investment in new markets and businesses.

Life

Gross inflow at consolidated Life companies went up 5% from EUR 3.9 billion to EUR 4.1 billion in 2008. Inflow grew by 4% to EUR 3.8 billion in Europe. Gross inflow in Portugal was up 29%, positively impacted by the ability to adapt the product offering to the volatile capital market conditions. The newly entered markets all realised double-digit growth, notwithstanding the tangible impact of the uncertainty surrounding Fortis. The Turkish activities were up 74% thanks to a successful multi-channel approach. In Asia, inflow at FICA (the fully consolidated Hong Kong-based company) amounted to EUR 282 million (up 25%) as FICA capitalised on the expansion of its agency sales force. Inflow in France (down 16%) and Luxembourg (down 24%), both focusing on unit-linked sales, were affected by the financial and economic crisis and the uncertainty surrounding Fortis.

Funds under management (at consolidated companies only) remained virtually stable at EUR 19.8 billion. The drop in unit-linked funds under management, caused by the depressed financial markets, was offset by an increase in non-unit-linked reserves.

Inflow at non-consolidated joint ventures (on a 100% basis) rose by 12% to EUR 2.7 billion, driven by the expansion of distribution capacity and product innovation, particularly in China and Thailand.

Operating margin was a negative EUR 57 million, due to net investment losses and valuation write-downs. The write-downs are related to the aforementioned restructuring of the investment portfolio and impairments on equities.

Net result declined from a profit of EUR 76 million in 2007 to a loss of EUR 65 million in 2008, which was impacted by write-downs and investment losses (EUR 100 million net-of-tax), whereas 2007 benefited from sizeable allocated and non-allocated capital gains of EUR 25 million.

Non-Life

Gross written premiums at consolidated Non-Life companies amounted to EUR 1.2 billion, a decrease of 10% compared with the previous year, due to the depreciation of the pound sterling (negative impact of EUR 156 million). At constant exchange rates, premium income increased by 2% due to strong growth in Portugal (up 9%). Fortis UK's premiums remained stable in constant exchange rates, due to an increased focus on profitability.

Gross written premiums at non-consolidated joint ventures (on a 100% basis) increased by 12% to EUR 337 million, driven primarily by the expansion of activities in Thailand. The merger of Muang Thai Insurance Co. and Phatra Insurance created the fifth largest non-life insurer in Thailand.

Operating margin increased substantially from EUR 53 million negative in 2007 to EUR 104 million positive in 2008 due to the absence of major weather-related events, although this was partially offset by adverse exchange rate movements. The 2007 results were affected by the natural disasters Windstorm Kyrill and floods in the UK, which had a total negative impact of EUR 143 million.

Full-year **net profit** was EUR 65 million, compared with a loss of EUR 36 million in 2007, due to the improved operating performance described above.

The **combined ratio** improved in 2008 to 98.4% based on better cost and claims ratios. This compares to a 2007 combined ratio of 114% or 102%, adjusted for natural disasters. The 2007 combined ratio was impacted by an increase of incurred but not recorded reserves.

Strategy and business development

FII focused its efforts in 2008 on strengthening the distribution reach and expanding the product offering of its companies.

The improved reach of the distribution platform is exemplified by India where IDBI Fortis started operations in March 2008 through the banking networks of its joint venture partners and the company's agency channel. In Thailand, the non-life activities of Muang Thai and Phatra Insurance merged to create the fifth largest non-life company of the country. In Malaysia, Fortis's joint venture started distribution through a direct channel.

Millennium bcp Fortis in Portugal was able, through very active product development, to respond to the changing economic environment. Millennium bcp Fortis also initiated the sale of non-life products to SMEs via its broker channel. In Turkey, Fortis Emeklilik ve Hayat further expanded its bancassurance channel and launched a new agency channel, focused on servicing top tier agents. Lastly, Fortis launched in July 2008 a life company in the UK that offers innovative protection products.

The companies listed below are wholly owned subsidiaries of Fortis, unless stated otherwise.

Fortis Insurance UK's successful multi-channel approach is illustrated by its Non-Life operations where the number of existing affinity relationships was boosted by the addition of organisations such as the Post Office as well as through new partnerships with companies such as Greenbee, a subsidiary of the John Lewis Partnership (a chain of department stores). The growth in affinity relationships has seen this channel now generating 25% of Fortis Insurance UK's total gross written premiums of EUR 954 million.

Fortis Insurance UK continued to broaden its proposition with the launch of a life protection activity in the third quarter of 2008, introducing product and underwriting innovation to the market. This new service was well received by consumers, clients and market commentators. The approach follows the UK strategy of high quality, low cost solutions via multi-channel distribution.

In 2008, Fortis Insurance UK received a number of accolades from clients and the industry including being the first insurer to be honoured with a Gold Standard Award (presented to financial services organisations that have clear and demonstrable attributes in relation to financial strength, the way they conduct their business, customer service, delivering fair value, and maintaining the trust of clients and consumers). It was also presented with a number of awards linked to service delivery in terms of retailing, claims and partnerships, as well as innovation awards for developments in the internet channel.

Fortis Assurances Vie Luxembourg (FAL) (Fortis has a 50% stake) collected more than EUR 1 billion insurance premiums in 2008 despite difficult market conditions. FAL updated all its products to comply with the new Circular issued by local insurance regulator CAA in January 2008. The Circular makes significant changes and improvements to the investment rules for dedicated funds, which will support FAL's international business. Furthermore, FAL increased its sales efforts in the Italian, German and Swiss markets.

Group Life performed very well in the local market with a premium increase of 14%. This growth is the result of greater collaboration with BGL, the former Fortis Banque Luxembourg, which resulted in a number of new large accounts.

Fortis Assurances Non-Vie Luxembourg (FAL) saw its Non-Life premiums in the local market rise by more than 6% to EUR 22 million in 2008.

Millennium bcp Fortis in Portugal (Fortis has a 51% stake) achieved above-market sales growth in 2008, at both Life and Non-Life, increasing its market share in the Portuguese domestic market by 1.9% to 16%. Gross premiums of the unit-linked products at Millennium bcp Fortis surpassed the EUR 1 billion mark in 2008, the result of three years of intense effort developing these products. In addition, PPR (individual pension products) premiums were the highest ever, a result of Millennium bcp's ability to develop and adapt attractive products for each market segment.

The new Non-Life product offering tailored to the SME segment, which was launched in early 2008 and marketed through carefully selected agents and brokers, contributed significantly to Ocidental Seguros's production, particularly of health insurance. Year-on-year growth amounted to 13%.

Millennium bcp Fortis's total funds under management amounted to EUR 10 billion, in line with 2007. Major steps were taken to attain operational excellence, leading to improved levels of satisfaction for both customers and the banking sales force. This is reflected in the banks' global satisfaction index (an internal benchmark), as Millennium bcp Fortis's services have steadily increased from 60% in 2005 to 71% in 2008.

Fortis Assurances France experienced a very difficult year, as the business was heavily affected by the global financial turmoil and by the uncertainty surrounding Fortis.

Gross premium inflow amounted to EUR 433 million, 16% lower year-on-year. This compared with an 11% decline in the French life insurance market. The slowdown was mainly due to lower unit-linked sales, a market that contracted by 45% overall.

Fortis Assurances France responded by taking a number of corrective measures, such as setting up dedicated sales teams at the call centre and formulating a specific marketing plan to promote customer loyalty.

Fortis Pension and Life Turkey (FEH) achieved excellent growth, with a 74% increase in inflow to EUR 82 million. Inflow in 2007 amounted to EUR 47 million. The increase is due to good relationship management in the bancassurance channel and the successful implementation of the new agency channel. FEH is growing faster than the market and today ranks number nine in the Turkish pension market.

Fortis Lebensversicherungen Deutschland (FDL) saw inflow grow by 11% to EUR 29 million in 2008. FDL was able to enhance its fee-based advisory products, which resulted in some large single premiums. FDL also managed to build a stable basis in 2008 on which to expand further fee-based advisory production.

Fortis Life Insurance in **Russia** is a greenfield company established in 2007 in order to benefit from the great potential of the Russian insurance market. The company has opted to copy the multi-product and multi-channel strategy, successfully implemented by Fortis in Europe and is continuously expanding its current life products portfolio. Having already received life licences in 2007, the company also successfully applied for certain non-life licences in 2008. This will allow Fortis Insurance Russia to include mortgage-related insurance in its product offering.

Fortis Insurance Ukraine (FIU) despite the turbulent market conditions, realised strong sales in 2008, especially in the last months of the year. The company managed to consolidate its top ten position in the local life insurance market. Products are sold via four distribution channels, i.e. own agents' network, brokers, corporate sales and bancassurance. The priority channel remained the own agents' network.

With more than 180,000 customers FIU has proved a successful challenger in this market.

In **China, Taiping Life** (Life, Fortis's stake 24.9%) recorded gross inflow of EUR 1.9 billion in 2008, up 22% on 2007. Taiping Life is today China's seventh largest life insurer with a market share close to 3%. At year-end, the company had a network of more than 50,000 agents and a national network of 547 offices. In 2008, Taiping Life won the Best Selling Product Award in recognition of its focus on product innovation. A shared services centre is being set up to combine all back-office operations and customer service centres in order to enhance efficiency and improve the level of service to customers.

In **Hong Kong**, **FICA (Life)** gross inflow for 2008 amounted to EUR 282 million, helped by a strong fourth quarter. Premium contributions from traditional and from unit-linked products were almost equal. FICA launched its 'Forever Health' critical illness insurance plan in December, which was very well received by customers and was a major contributor to new business sales. The special features of the plan make FICA a pioneer in this market segment. FICA now ranks as the tenth life insurer in terms of new business compared with 13th in 2007. Furthermore, the company continues to invest in the quality and professionalism of its local network, currently composed of 2,833 agents, by means of a number of national and international training programmes. Lastly, the company is continuing its strong CSR commitment, which involves staff and agents in a number of specific initiatives.

In **Malaysia**, **Mayban Fortis** (Life, Non-Life, and Takaful, Fortis's stake 30.95%) recorded a 10% decrease in gross inflow to EUR 704 million, as adverse financial markets negatively impacted sales of single-premium investment-linked products. Gross inflow increased in the second half of 2008 compared with the same period in the previous year. In November 2008, Etiqa (Non-Life) successfully started up a new direct distribution channel. Three direct mail pilots were launched, offering personal accident products targeted at Maybank Retail Banking customers. Results have exceeded all expectations, with around 16,400 new policies.

In **Thailand,** the gross inflow of **Muang Thai Life (MTL)** (Life, Fortis's stake 40%) was EUR 358 million in 2008, up 17%, driven by the solid performance of both the agency and bancassurance channel. Premium income increased 28% in the fourth quarter versus the same quarter of the previous year. This positions MTL as a local top three insurer. At **Muang Thai Insurance Plc** (Non-life, Fortis's stake 15.05%), Non-Life income increased 38% to EUR 68 million, driven by the merger with Phatra Insurance completed mid 2008. Today, the company ranks as the number five non-life insurer in Thailand.

In **India, IDBI Fortis** (Life, Fortis's stake 26%) has become the most successful new life insurer in the private sector since it started operations in March 2008. The company sold over 49,000 policies in its first nine months and recorded premium income of about EUR 30 million. Business development is based on the multi-channel concept, via banking platforms on the one hand (IDBI and Federal Bank) and a network of 5,000 agents on the other. At year-end, the bancassurance platform accounted for three quarters of the premium volume and the agents' network one quarter.

2.3 Embedded value

Fortis calculates embedded value based on market-consistent methodology aligned with recommendations from the CFO Forum (compliant with EEV principles). Market consistent embedded value is the term applied to the embedded value when the valuation techniques used for the assets and liabilities (including the allowance for risk) that are in the products are consistent with how the market would value them. This includes therefore the cost of any options we provide to our policyholders. The extreme market conditions and restructuring of the group had a major impact on the group's Life businesses and this is reflected in the movements of the Embedded Value as compared to 2007.

For the Life activities that remained part of Fortis, a number of opening adjustments to year-end 2007 Embedded Value have been made to reflect the restructuring in 2008. These include the exclusion of distribution profits of Fortis Insurance Belgium which arose in Fortis Bank but were included in the past under the EEV 'look through principle' and the deconsolidation of 50% of Fortis Luxembourg Life. Finally, the opening adjustments include the acquired Life activities of Fortis Insurance Company Asia. These adjustments, together with modeling enhancements, led to restated 2007 Embedded Value of EUR 6,666 million. Consolidated businesses are included based on Fortis stakes while the Asian joint ventures have been excluded.

The underlying value growth of EUR 527 million, based on solid operating cash flows, and Value Added by New Business of EUR 102 million was more than offset by the significant negative impact of the turbulent financial markets. This had a negative impact of EUR 2,372 million, due to the falling equity values during the year and the widening bond spreads, lower interest rates and higher option costs at the year-end valuation date.

At year-end 2008 Embedded Value amounted to EUR 4,923 million for the global insurance activities. At Insurance Belgium the impact on financial markets dominated the change in value coming from the traditional business with long-term liabilities which are affected most by the lower interest rates and higher option costs. At Insurance International a balanced business mix dampened the impact on interest rates.

Embedded Value

in EUR million

	Insurance Belgium	Insurance International	Total Insurance
Embedded Value Year-end 2007	**5,706**	**1,000**	**6,706**
Opening adjustments[(1)]	(399)	359	(40)
Previous EEV restated	**5,307**	**1,359**	**6,666**
Value change before economic variances and VANB	499	27	526
Economic variances[(2)]	(2,043)	(329)	(2,372)
Value added by New Business	53	49	102
Embedded Value Year-end 2008	**3,816**	**1,106**	**4,922**

(1) Opening adjustments include divestment of FIN, deconsolidation of 50% of FII Luxembourg, acquisition of FICA in Hong Kong and deduction of Result Related Commission for FIB paid to Fortis Bank for value created through the bank distribution and which was previously reported under the look though principle

(2) Inclusion of an illiquidity premium of 50bps for European businesses and 100bps for Hong Kong in FY2008

Value Added by New Business

	Insurance Belgium	Insurance International	Total Insurance
Value added by New Business			
Value Added by New Business 2008	53	49	102
Value Added by New Business 2007[1]	151	77	228
% Change	**(65%)**	**(36%)**	**(55%)**
Present Value of New Business Premium			
Present Value of New Business Premium 2008	4,355	2,959	7,313
Present Value New Business Premium 2007[1]	5,305	2,569	7,874
% Change	**(18%)**	**15%**	**(7%)**
New Business Margin			
New Business Margin 2008	1.2%	1.7%	1.4%
New Business Margin 2007[1]	2.8%	3.0%	2.9%

(1) VANB of 2007 restated for divestments of FIN and 50% of FII Luxembourg, Acquisition of FICA in Hong Kong and deduction of Result Related Commission for FIB paid to Fortis Bank for value created through the bank distribution and which was previously reported under the look through principle

Value Added by New Business (VANB) reduced from EUR 228 million in 2007, restated based on the new scope, to EUR 102 million in 2008. This change was mainly driven by the adverse impact on traditional savings products of the very low interest rates and high cost of options at year-end. At Insurance Belgium the decrease in VANB was driven by lower volumes and lower investment margins. While volumes increased in Insurance International, VANB was negatively impacted by suppressed investment margins on savings products.

In light of the financial market turbulence, Fortis decided to adapt its market consistent approach by allowing for a premium of 50 basis points above the swap rate for EUR currencies and 100 basis points for US dollar and Hong Kong dollar. This reflects Fortis' view that under current market conditions additional spread can be gained over the risk free rate by holding debt securities to maturity.

For further information on embedded value results and methodology we refer to the 2008 Embedded Value Report published today.

2.4 General

Income Statement

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Net interest Income	(301)	(303)	(136)	(165)	(169)	(134)
Realised / Unrealised capital gains	(184)	(66)	(56)	(128)	(196)	130
Other income	53	83	17	36	19	64
Total income	**(432)**	**(286)**	**(176)**	**(256)**	**(345)**	**59**
Change in impairments	(20)		(20)			
Net revenues	**(452)**	**(286)**	**(196)**	**(256)**	**(345)**	**59**
Staff expenses	(44)	(49)	(21)	(23)	(25)	(24)
Other operating and administrative expenses	(193)	(188)	(118)	(75)	(106)	(82)
Total expenses	**(237)**	**(237)**	**(139)**	**(98)**	**(131)**	**(106)**
Profit before taxation	**(689)**	**(523)**	**(334)**	**(354)**	**(476)**	**(47)**
Taxation	60	77	8	52	44	33
Net profit for the period	**(629)**	**(446)**	**(327)**	**(302)**	**(433)**	**(13)**
Net profit attributable to minority interests						
Net profit attributable to shareholders	**(629)**	**(446)**	**(327)**	**(302)**	**(433)**	**(13)**

- **Loss of EUR 629 million in 2008 compared with a loss of EUR 446 million in 2007, mainly due to the loss incurred on currency transactions**
- **Net cash amounted to EUR 2.0 billion at the end of 2008**

The General Account comprises the holding companies and various financing vehicles that have been used to issue debt to finance Fortis's global banking and insurance activities. The General Account created negative net equity ('leverage') at group level by injecting into the operating entities equity that was financed in part by debt issued by the General Account (primarily through Fortis Finance N.V.). As explained in section one, Fortis's scope significantly changed after the transactions at the end of September and early October 2008, impacting the future role of the General Account. Under the new constellation and as a result of the end of September and early October 2008 transactions, the General Account will no longer create leverage at group level, but will manage shareholders' equity, provide back-to-back funding to the operating entities and incorporate the corporate centre of Fortis.

In legal terms, the Fortis General Account consists today of the following legal entities:

- Fortis SA/NV and Fortis N.V., the two holding companies
- Fortis Brussels SA/NV and Fortis Utrecht N.V., two sub-holding companies which primarily hold all the assets of Fortis SA/NV and Fortis N.V.
- Fortis Insurance N.V., the holding company for the insurance entities
- Fortis Finance N.V., the principal (long-term) financing vehicle for the General Account and for the Fortis operating entities
- Financing vehicles: Fortfinlux SA; FGF Lux SA; Fortinvestlux SA; and Fortis Hybrid Financing S.A.

The net result of the General Account in 2008 amounted to EUR 629 million negative compared with a loss of EUR 446 million in 2007. The 2007 figures, as reported on 7 March 2008, have been restated for comparison purposes. The main difference from the published 2007 figures relates to intra-group eliminations. Eliminations relating to activities sold during 2008 have been excluded from the 2007 comparison base.

Higher realised and unrealised capital losses (EUR 118 million negative) and lower 'other income' (EUR 30 million negative) were the reasons for the main variance from 2007. The higher realised capital losses were due to a EUR 295 million loss incurred on the sale of US dollars and pounds sterling (in the context of the suspended closing of the transactions with BNP Paribas and the Belgian State, *see also press release of 24 December 2008*). In addition, a deterioration of the fair value adjustment to the mandatory exchangeable bond portfolio (EUR 50 million) and incurred losses related to the redemption of the EMTN programme (EUR 82 million) were recorded in 2008. 2007 included a capital gain of EUR 127 million on the sale of Fortis's stake in Munich Re. A positive impact (EUR 193 million) of the relative performance note (RPN) related to the CASHES financial instrument was recorded in 2008. The impact of the RPN in 2007 was EUR 223 million negative (please refer to page 20 for an explanation on the CASHES). The value of the RPN at the end of 2008 was EUR 30 million negative.

Other income was EUR 29 million lower as a result of additional expenses related to the restructuring of Fortis, which could not be re-invoiced to the former group companies. The restructuring will further reduce the number of FTEs at holding level from 114 to an expected 40 to 50 in 2009.

Net interest charges remained nearly stable at EUR 301 million. The second half of 2008 showed an improvement as a result of the positive cash inflow of EUR 8.2 billon from the sale of the Banking and Insurance activities, of which EUR 4.7 billion related to the sale of the 50% of Fortis Bank and EUR 3.5 billion to Fortis Verzekeringen Nederland. The EUR 0.5 billion proceeds from the sale of Fortis Corporate Insurance was allocated to Fortis Insurance International. This positive impact was partially mitigated by a loss of EUR 50 million in interest margin due to the accelerated amortisation of premiums and discounts related to the redemptions of the EMTN programme.

Total expenses remained stable in 2008 on a comparable base to 2007. Staff expenses are in line with 2007 but are expected to decrease substantially in 2009 following the planned reduction in corporate staff.

The main elements of Fortis's balance sheet specifically related to the General Account are summarised in the tables below.

Analysis of shareholders equity

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007
Cash and cash equivalents	2,509	1,171	2,509	2,939	1,171
Due from banks short term	6,079	11	6,079		11
Due to banks short term	(1,826)	(1,006)	(1,826)	(2,818)	(1,006)
Debt certificates	(4,812)	(7,920)	(4,812)	(8,052)	(7,920)
Net cash position	**1,950**	**(7,744)**	**1,950**	**(7,931)**	**(7,744)**
Due from customers	1,453	2,580	1,453	2,106	2,580
Due from banks long term	6,661	2,750	6,661	6,771	2,750
Due to banks long term	(4,750)	(1,750)	(4,750)	(4,750)	(1,750)
Subordinared liabilities	(2,946)	(1,760)	(2,946)	(2,844)	(1,760)
Other borrowings	(65)	(86)	(65)	(76)	(86)
Receivables on balance	**353**	**1,734**	**353**	**1,207**	**1,734**
Accruals and other	729	1,354	728	1,889	1,354
Equity General	**3,032**	**(4,656)**	**3,031**	**(4,835)**	**(4,656)**
Equity Fortis Insurance Belgium	2,785	3,176	2,785	1,805	3,176
Equity Fortis Insurance International	2,009	1,427	2,009	1,220	1,427
Elimination treasury shares and discontinued	(1,031)	33,100	(1,030)	31,053	33,100
Shareholders' equity Fortis	**6,795**	**33,047**	**6,795**	**29,243**	**33,047**

The net cash position of Fortis on 31 December 2008 amounted to EUR 2.0 billion. This amount was composed of EUR 2.5 billion cash, net receivables from banks of EUR 4.2 billion, offset by EUR 4.8 billion in debt certificates. The latter refers to the remaining amount outstanding as per 31 December 2008 on the euro medium term note (EMTN) and commercial paper (CP) programmes.

On 8 December 2008, Fortis announced that bondholders under the EMTN programme, given the structural changes to the Fortis group, could ask for early redemption of their notes. Fortis started to redeem these notes on 16 December 2008. The total outstanding amount under this programme on 8 December 2008 was EUR 7.6 billion. On 31 March 2009 this was further reduced to approximately EUR 1.4 billion.

The main elements of the other assets and liabilities of the General Account are:

- Due from banks long term: relates to loans made to Fortis Bank SA/NV
- Due to banks long term: relates to borrowing from Fortis Bank SA/NV
- Due from customers: relates mainly to a loan provided to Fortis Insurance Belgium (EUR 900 million) and some other loans to (former) group companies
- Subordinated liabilities: can be broken down into the amounts outstanding on the NITSH I & II (EUR 1.2 billion), FRESH (EUR 1.1 billion) and Hybrone (EUR 500 million) instruments

Explanation CASHES

The CASHES is a mandatory convertible bond issued by Fortis Bank and redeemable in Fortis shares, with the two Fortis holding companies as co-obligors. To hedge it's obligation to deliver Fortis shares at the moment of redemption of the CASHES, Fortis Bank acquired at the time of issuance the required number of Fortis shares. To minimise the impact of the changes in fair value of the Fortis shares on the equity and / or the income statement, Fortis Bank decided to record both the CASHES and the Fortis shares at fair value through income statement. Fortis Bank has hedged the difference of the net fair value movements of the Fortis shares and the CASHES through a Relative Performance Note (RPN) concluded with Fortis. This effectively transfers the net fair value movements of the Fortis shares and the CASHES from Fortis Bank to Fortis. The fair value of the Relative Performance Note is very volatile. An explanation of the RPN was published on 6 February 2009 and can be found on www.fortis.com.

2.5 Result discontinued operations

Net result

in EUR million

	FY 2008	FY 2007
Result Discontinued operations	**(27,412)**	**3,910**
Fortis Bank NV SA	(20,822)	491
Fortis Bank Nederland Holding	(8,591)	1,284
Fortis Verzekeringen Nederland	1,746	890
Fortis Corporate Insurance	255	64
Eliminations and minority interests		168
CaiFor		1,013

- **The main components of the result of discontinued operations in 2008 are the divested Banking activities of Fortis Bank SA/NV, including Fortis Bank Nederland (Holding) N.V., and the divested Dutch insurance activities**
- **Total result of discontinued operations is a loss of EUR 27.4 billion. The sale of the banking activities resulted in a loss of EUR 29.4 billion. The sale of the Dutch insurance activities generated a profit of EUR 2.0 billion**

Fortis agreed to a number of transactions on 29 September, and 3 and 6 October, involving the sale of all banking activities and a large part of the Insurance activities.

On 29 September 2008, Fortis and the Belgian government entered into an agreement, whereby the Belgian government (via the SFPI/FPIM) subscribed to a capital increase in Fortis Bank SA/NV. The subscription price amounted to EUR 4.7 billion in return for which the SFPI/FPIM acquired 49.93% of the equity of Fortis Bank SA/NV. As the transaction was structured as a capital increase, the proceeds benefited Fortis Bank SA/NV.

On 3 October 2008, the Government of the Netherlands acquired Fortis Bank Nederland (Holding) N.V., including its stake in RFS Holdings B.V. (incorporating the activities acquired from ABN AMRO), Fortis Verzekeringen Nederland N.V. and Fortis Corporate Insurance N.V., for a total amount of EUR 16.8 billion. Of these proceeds EUR 12.8 billion were allocated to Fortis Bank SA/NV, related to the sale of Fortis Bank Nederland (Holding) N.V., and EUR 4.0 billion was allocated to Fortis Insurance N.V., related to the sale of Fortis Verzekeringen Nederland N.V. and Fortis Corporate Insurance N.V.

On 6 October 2008 it was announced that the remaining Fortis stake of 50% + 1 share in Fortis Bank SA/NV was sold to the Belgian State (via SFPI/FPIM) for EUR 4.7 billion.

As required by IFRS 5, the subsidiaries sold and transferred by Fortis are reported as discontinued operations. The table above provides a breakdown of the net result after tax of the respective discontinued activities. A split of the net result into an operational result and a book result on sale could not be made.

The 2007 result of discontinued operations relates to CaiFor.

3 Investment portfolio and capital position

3.1 Update on investment portfolio and other exposures

The profile of Fortis's investment portfolio has changed substantially as a result of the sale of Fortis Bank to the Belgian State and the sale of the Dutch banking and insurance activities to the Dutch State. The risk profile of the investment portfolio of Fortis Insurance has changed as a result of value decreases and the sale of equity investments.

The table below gives a breakdown of Fortis Insurance's available for sale (AFS) investment portfolio and its real estate exposure, both at market value.

Available for sale portfolio plus real estate at market value

	In EUR billion		In %	
	2008	2007	2008	2007
Fixed income securities	43.6	39.5	90%	82%
Equity securities	1.3	5.6	3%	12%
Real estate investment property	1.8	1.8	4%	4%
Real estate for own use	1.4	1.2	3%	2%
Total	48.1	48.1	100%	100%

Fixed income portfolio

The vast majority of the investment portfolio concerned fixed income securities. Government bonds represented 63%, corporate bonds 36% and structured credits only 1% (or EUR 418 million) of the total bond portfolio at the end of 2008. Investment in CDOs was limited to EUR 73 million. The average credit quality of the bond portfolio was very high, with 98% of the portfolio rated A or higher and 60% AA or higher. Only 1% was below investment grade or unrated. Of the bonds in the corporate debt portfolio, 98% were investment grade or higher. Hybrid debt issued by banks comprised EUR 410 million or 4% of the total corporate debt portfolio. The impact of spread widening remained limited. Unrealised gains and losses on the corporate debt portfolio were EUR 76 million in 2008.

Equity portfolio

Fortis's total equity securities portfolio classified as available for sale (AFS) amounted to EUR 1.3 billion at the end of 2008. The sharp decrease compared with the end of 2007 was the result of the fall in value as well as substantial sales in order to reduce to risk of the overall investment portfolio. Around 40% of the remaining EUR 1.3 billion was invested in shares and equity funds. The other 60% was invested in real estate funds, bond funds and money market funds.

Real estate portfolio

The total fair value of Fortis's real estate portfolio amounted to EUR 3.2 billion, split between EUR 1.8 billion in investment property and EUR 1.4 billion in buildings for own use. Fortis's real estate exposure is mainly geared towards office buildings, commercial assets and public car parks across Europe (Interparking).

The office portfolio is mainly located in the Brussels region, which is known for its relatively low volatility compared with other European markets thanks to the presence of the European Union. The commercial assets are almost exclusively situated within major shopping centres in Belgium. The public car parks are spread over seven European countries with proximity to city centres, hospitals, railway stations, airports and tourist attractions. Leases are often of long-term duration. The diversification strategy is designed to protect against the effects of downturns and should allow the seizure of any investment opportunities that may arise in the various real estate segments.

The unrealised gain after tax on this portfolio after profit sharing amounted to EUR 583 million at the end of 2008. This was not reflected in net equity, as real estate exposure is booked at amortised cost.

3.2 Capital position

Introduction

Since the first quarter of 2007, Fortis has managed its consolidated capital base by focusing on the following core equity targets:

- a capital target for Fortis Bank equal to a 6% core equity ratio under Basel I
- a core equity target for Fortis Insurance of 175% of the regulatory minimum
- a group leverage target (at General) equal to 15% of the target core equity of Banking plus the target core equity of Insurance, implying that 15% of Banking and Insurance's combined target core equity could be financed by group debt
- a group core equity target equal to the sum of the core equity targets of Banking and Insurance after deduction of the targeted group leverage

Fortis's target core capital reflects the diversified nature of the group and the leverage at holding level. With no banking activities, an absence of diversification and positive net equity at holding level, the old target capital model is no longer appropriate.

Once the shareholders' meetings have voted on the revised agreement with the Belgian State and BNP Paribas, Fortis will have a better view on the final composition of its assets and liabilities. During the period thereafter, Fortis will assess its capital requirements. Assuming the shareholders vote in favour of the agreement, the assessment of capital requirements will depend partly on the size of insurance liabilities, the risk profile of the insurance entities' assets, local solvency requirements and the various assets in the General Account. These assets comprise mainly various financial instruments issued by Fortis Bank SA/NV and a EUR 760 million investment in a special purpose vehicle for structured credits.

The assessment of required capital will form part of the overall strategy to be defined by the Board and Executive Management in the coming period. The strategy will also cover various other subjects related to capital management.

Capital ratios

Fortis's core equity amounted to EUR 7.9 billion at the end of 2008. Core equity exceeds the total minimum requirement of the insurance activities by EUR 5.4 billion.

The core equity of insurance operations stood at EUR 4.7 billion, while total available capital at the insurance entities amounted to EUR 5.1 billion, 202% of the regulatory required minimum. The solvency ratio of Fortis Insurance Belgium amounted to 189%. Based on local accounting and regulatory supervision, the solvency ratio of Fortis Insurance Belgium was 204%. Fortis Insurance International's total solvency ratio was 238% at the end of 2008. Fortis Insurance International benefited from the capital gain on the sale of Fortis Corporate Insurance to the Dutch State in the fourth quarter of 2008, which reinforced its solvency.

Key capital indicators

in EUR million

Year end 2008	Insurance Belgium	Insurance International	Total Insurance	General (incl. elim)	Total Fortis
Core equity	2,890	1,767	4,657	3,225	7,882
Total available capital	3,535	1,555	5,090	3,079	8,169
Minimum solvency requirements	1,871	654	2,525		
Amount of total capital above minimum	1,664	901	2,565		
Core solvency ratio	154%	270%	184%		
Total solvency ratio	189%	238%	202%		

Tangible equity

Intangible assets on Fortis's balance sheet are relatively low. They total EUR 1.8 billion, divided between goodwill (EUR 531 million), deferred acquisition costs (DAC, EUR 421 million), value of business acquired (VOBA, EUR 549 million) and other intangible assets such as parking management contracts of EUR 287 million. Taking into account taxation on intangibles and intangibles backed by minority interests, tangible net equity including unrealised gains after tax on real estate amounted to EUR 6.0 billion. This is EUR 0.8 billion below reported shareholders' equity of EUR 6.8 billion.

Reconciliation of shareholders' equity with total capital

Fortis's reconciliation of shareholders' equity with total capital at the end of 2008 is presented below.

Fortis Core Equity

in EUR million

	FY 2008
Share capital and reserves	34,394
Net profit attributable to shareholders	(28,022)
Unrealised gains and losses	423
Shareholders' equity	**6,795**
Non-innovative hybrid capital instruments	1,474
Minority interests	515
Revaluation of real estate to fair value	526
Revaluation on debt securities, net of tax and shadow accounting	(375)
Revaluation of equity securities, net of tax and shadow accounting	
Goodwill	(531)
Other	(522)
Core equity	**7,882**
Innovative capital instruments	456
Subordinated loans	67
Other prudential filters and deductions on total capital	(236)
Total capital	**8,169**

Participating interests that are not fully consolidated are deducted from total capital. The core equity instruments issued by the Fortis group and on-lent to Fortis Bank SA/NV (NITSH 1 and part of NITSH 2 for a total amount of EUR 875 million) are not included in the non-innovative hybrid instruments in the table above. The core equity calculation includes 90% of unrealised net-of-tax gains on real estate at Fortis Insurance Belgium and 100% of the unrealised gains on the remainder of the real estate portfolio.

Fortis's net equity benefited in the fourth quarter from the upward revaluation of fixed income securities, resulting from lower yields. This more than compensated for the negative impact of spread widening on corporate debt and the continued downward trend in equity markets.

Pro forma net equity and cash position

Assuming the execution of the agreement with the Belgian State and BNP Paribas, Fortis's pro forma net equity amounted to EUR 7.5 billion, being net equity at the end of 2008 and the EUR 0.7 million capital gain on the sale of 25% of Fortis Insurance Belgium. The capital gain is 25% of the difference between Fortis Insurance Belgium's net equity of EUR 2.8 billion at the end of 2008 and the agreed sale price of EUR 5.5 billion.

Fortis's pro forma net equity of EUR 7.5 billion at the end of 2008 should be compared with the EUR 7.0 billion pro forma net equity reported in the shareholder circular dated 16 March 2009. The positive increase is explained by the increased book value of Fortis Insurance Belgium due to the positive yield evolution of its bond portfolio.

The pro forma net cash position of General at the end of 2008 amounted to EUR 3.6 billion compared with the net cash position of EUR 3.5 billion mentioned in the shareholder circular dated 16 March 2009. Of the EUR 3.6 billion pro forma net cash, EUR 0.3 billion will be used to improve the funding position and eliminate the leverage of Fortis Insurance International N.V. (the holding of the operating entities outside Belgium) in the course of 2009, thereby reducing the pro forma net cash position to EUR 3.3 billion. This amount is in line with the net cash position of EUR 3.4 billion mentioned in the shareholder circular published on 16 March 2009. The difference is explained amongst others by payments of expenses and interest in the fourth quarter 2008.

The shareholder circular published on 16 March 2009 provides an overview of the financial implications of a negative vote on the proposed transaction.

4. Audit Statement

The joint auditors have nearly completed their audit of the 2008 Consolidated Annual Financial Statements. Their audit opinion has however not yet been finalised. The joint auditors expect this audit report not to be unqualified. On the basis of the current status of their audit activities, the joint auditors anticipate that their audit report will deal with the following matters affecting the 2008 Consolidated Annual Financial Statements:

- uncertainties surrounding the outcome of the legal proceedings in respect of the September/October 2008 transactions;
- uncertainty regarding the financial impact of the group's commitment to fund the SPV in a fall back scenario (and the potential going concern consequences thereof);
- disclosure of the data pertaining to discontinued operations (post tax result of discontinued operations and post tax gain/loss on such disposals).

The Annual Financial Statements 2008, containing a detailed analysis of the 2008 results, will be published on or before 10 April 2009.

These documents will be published on our website: www.fortis.com

Press presentation
Brussels, 31 March, <11.00 CET (10.00 BST) >
Webcast: www.fortis.com
Listen only: (no pin code required)
+ 44 203 043 2462 (United Kingdom)
+ 32 2 401 53 07 (Belgium)
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Analyst and Investor conference call
31 March, <14.00 CET (13.00 BST)>
Participants should mention 333770# when dialling into the conference
Lines will be open ten minutes before the presentation starts, so please dial in five to ten minutes in advance.
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+1 703 621 9121 (US)
Replay: available until 30 April (Pin code: 258397#)
+32 2 401 89 89 (Belgium)

Fortis holding (Fortis SA/NV and Fortis N.V.) consists of (1) Fortis Insurance Belgium (2) Fortis Insurance International, and (3) financial assets and liabilities of various financing vehicles. The international insurance activities (Fortis Insurance International) are located in the UK, France, Hong Kong, Luxembourg (Non-Life), Germany, Turkey, Russia and Ukraine, and in joint ventures in Luxembourg (Life), Portugal, China, Malaysia, India and Thailand. Fortis holding is not involved in banking activities.

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Annex 1 : Consolidated Balance Sheet Fortis 2008
Annex 2 : Income Statement Fortis 2008
Annex 3 : Balance sheet pro forma
Annex 4 : Additional Tables

Annex 1: Consolidated balance sheet

Consolidated balance sheet

	FY 2008	FY 2007
Assets		
Cash and cash equivalents	5,933	26,360
Assets held for trading	237	74,800
Due from banks	13,893	119,036
Due from customers	2,511	316,308
Investments:		
- *Held to maturity*		*4,234*
- *Available for sale*	*44,704*	*164,089*
- *Held at fair value through profit or loss*	*191*	*6,193*
- *Investment property*	*1,290*	*3,656*
- *Associates and joint ventures*	*431*	*28,108*
	46,616	206,280
Investments related to unit-linked contracts	18,040	31,120
Reinsurance and other receivables	1,154	9,718
Property, plant and equipment	1,135	4,004
Goodwill and other intangible assets	1,366	3,339
Accrued interest and other assets	1,985	80,214
Total assets	**92,870**	**871,179**
Liabilities		
Liabilities held for trading	165	89,589
Due to banks	8,759	192,431
Due to customers	148	262,298
Liabilities arising from insurance and investment contracts	47,751	64,732
Liabilities related to unit-linked contracts	18,078	31,788
Debt certificates	4,670	102,073
Subordinated liabilities	2,908	21,925
Other borrowings	179	3,018
Provisions	71	899
Current and deferred tax liabilities	684	2,490
Accrued interest and other liabilities	2,147	65,742
Total liabilities	**85,560**	**836,985**
Shareholders' equity	6,795	33,047
Minority interests	515	1,147
Total equity	**7,310**	**34,194**
Total liabilities and equity	**92,870**	**871,179**

Annex 2: Income Statement 2008

Income Statement 2008

	2008	2007
Income		
Insurance premiums	8,448	9,227
Interest income	3,089	2,737
Dividend and other investment income	571	582
Share in result of associates and joint ventures	27	56
Realised capital gains (losses) on investments	(130)	459
Other realised and unrealised gains and losses	(378)	(299)
Fee and commission income	432	417
Income related to investments for unit-linked contracts	(3,191)	506
Other income	354	349
Total income	**9,222**	**14,034**
Expenses		
Insurance claims and benefits	(8,418)	(9,440)
Charges related to unit-linked contracts	3,219	(641)
Interest expense	(1,343)	(1,280)
Change in impairments	(558)	(49)
Fee and commission expense	(912)	(915)
Depreciation and amortisation of tangible and intangible assets	(174)	(163)
Staff expenses	(644)	(645)
Other expenses	(869)	(780)
Total expenses	**(9,699)**	**(13,913)**
Profit before taxation	**(477)**	**121**
Income tax expense	(108)	21
Net profit for the period	**(585)**	**142**
Net result on discontinued operations	(27,412)	3,910
Net profit before minority interest	**(27,997)**	**4,052**
Net profit attributable to minority interests	25	58
Net profit attributable to shareholders	**(28,022)**	**3,994**
Per share data (EUR)		
Basic earnings per share	(12.21)	2.30
Basic earnings per share before net result on discontinued operations	(0.27)	0.05
Diluted earnings per share	(11.41)	2.04
Diluted earnings per share before net result on discontinued operations	(0.25)	0.04

Annex 3: Pro forma balance sheet

Pro forma balance sheet as per 31 December 2008

	General	Proceeds Sales	SPV	pro forma General	FIB	FII	Eliminations	Total
Assets								
Cash and cash equivalents	2.5	1.4	0.2	4.1	2.8	0.6		7.6
Due from banks short term	6.1			6.1	0.0	1.0		7.1
Due from banks long term	6.7			6.7				6.7
Due from customers	1.5			1.5	2.1	0.1	(1.2)	2.5
Investments	1.1		0.8	1.9	37.3	9.4	(1.2)	47.4
Other assets	0.4			0.4	9.3	14.4	(0.1)	24.0
Total assets	18.2	1.4	1.0	20.6	51.6	25.5	(2.5)	95.2
Liabilities								
Due to banks short term	1.8			1.8	1.2	0.9		4.0
Due to banks long term	4.8		1.0	5.8				5.8
Due to customers	0.0			0.0	0.1	0.1		0.1
Debt certificates	4.8			4.8			(0.1)	4.7
Subordinated liabilities	2.9			2.9	0.9	0.0	(1.0)	2.9
Other	0.9			0.9	46.5	22.1	(0.4)	69.1
Total liabilities	15.3		1.0	16.3	48.7	23.1	(1.5)	86.5
Shareholders' equity	3.0	0.7		3.7	2.8	2.0	(1.0)	7.5
Minority interests		0.7		0.7	0.1	0.4		1.2
Total equity	3.0	1.4	0	4.3	2.9	2.4	(1.0)	8.7
Total liabilities and equity	**18.2**	**1.4**	**0**	**20.6**	**51.6**	**25.5**	**(2.5)**	**95.2**

Annex 4: Additional tables

Fortis Income Statement

Key figures

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Net profit						
- Fortis Insurance Belgium	6	522	(242)	248	237	285
- Fortis Insurance International	0	40	(70)	70	3	37
- General (excl. eliminations)	(629)	(446)	(327)	(302)	(433)	(13)
- Eliminations	13	(32)	(8)	5	(8)	(24)
Net profit continuing operations	**(610)**	**84**	**(631)**	**21**	**(201)**	**285**
- Result discontinued operations	(27,412)	3,910	(29,029)	1,617	1,413	2,497
Net profit attributable to shareholders	**(28,022)**	**3,994**	**(29,660)**	**1,638**	**1,212**	**2,782**
Weighted average number of ordinary shares (in million)	2,296	1,736	2,396	2,195	1,818	1,548
Earnings per share (in EUR)	**(12.21)**	**2.30**	**(12.38)**	**0.75**	**0.67**	**1.80**
- Before Discontinued operations	(0.27)	0.05	(0.31)	0.06	(0.11)	0.18
Net equity per share (in EUR)	2.75	15.08	2.75	12.48	15.08	12.51
FTEs period end	**10,374**	**10,163**	**10,374**	**10,236**	**10,163**	**9,864**

Fortis Insurance Belgium

Income Statement - Life

Insurance Belgium - Life

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Gross written premiums	4,077	4,970	1,754	2,323	2,251	2,719
Gross written premiums deposit accounting	740	1,181	368	372	515	666
Gross inflow Life	**4,817**	**6,151**	**2,122**	**2,695**	**2,766**	**3,385**
Technical result	**(11)**	**242**	**(89)**	**78**	**57**	**185**
Allocated capital gains	(66)	102	(132)	66	72	30
Operating margin	**(77)**	**344**	**(221)**	**144**	**129**	**215**
Non-allocated other income and expenses	93	83	43	50	39	44
Profit before taxation	**16**	**427**	**(178)**	**194**	**168**	**259**
Income tax expenses	(96)	3	(97)	1	8	(5)
Net profit attributable to minority interests	5	5	3	2	3	2
Net profit attributable to shareholders	**(85)**	**425**	**(277)**	**192**	**173**	**252**

Income Statement - Non-Life

Insurance Belgium - Non-Life

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Gross written premiums Non-Life	**1,465**	**1,367**	**691**	**774**	**646**	**721**
Technical Result	119	117	61	58	82	35
Allocated capital gains	(2)	20	(12)	10	14	6
Operating margin	**117**	**137**	**49**	**68**	**96**	**41**
Non-allocated other income and expenses	15	1	11	4	(2)	3
Profit before taxation	**132**	**138**	**60**	**72**	**94**	**44**
Income tax expenses	(40)	(40)	(25)	(15)	(29)	(11)
Net profit attributable to minority interests	1	1	1		1	
Net profit attributable to shareholders	**91**	**97**	**35**	**56**	**64**	**33**

Income Statement

Insurance Belgium

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Operating costs	**(404)**	**(389)**	**(205)**	**(199)**	**(195)**	**(178)**
Net profit attributable to shareholders	**6**	**522**	**(242)**	**248**	**237**	**285**

Fortis Insurance International

Income Statement - Life

Insurance International - Life

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Gross written premiums	1,719	1,611	972	747	923	688
Gross written premiums deposit accounting	2,383	2,300	927	1,456	1,288	1,012
Gross inflow Life	**4,102**	**3,911**	**1,899**	**2,203**	**2,211**	**1,700**
Technical result	**(24)**	**75**	**(78)**	**54**	**36**	**39**
Allocated capital gains	(33)	24	(32)	(1)	11	13
Operating margin	**(57)**	**99**	**(110)**	**53**	**47**	**52**
Non-allocated other income and expenses	1	46	(7)	8	37	9
Profit before taxation	**(56)**	**145**	**(117)**	**61**	**84**	**61**
Income tax expenses	1	(26)	16	(15)	(13)	(13)
Net profit attributable to minority interests	**10**	**43**	**(14)**	**24**	**19**	**24**
Net profit attributable to shareholders	**(65)**	**76**	**(87)**	**22**	**52**	**24**

Income Statement - Non-Life

Insurance International - Non-Life

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Gross written premiums Non-Life	**1,228**	**1,360**	**593**	**635**	**637**	**723**
Technical Result	**109**	**(56)**	**51**	**58**	**(59)**	**3**
Allocated capital gains	(5)	3	(4)	(1)	2	1
Operating margin	**104**	**(53)**	**47**	**57**	**(57)**	**4**
Non-allocated other income and expenses	3	19	(13)	11	(2)	21
Profit before taxation	**107**	**(34)**	**39**	**68**	**(59)**	**25**
Income tax expenses	(33)	7	(17)	(16)	13	(6)
Net profit attributable to minority interests	**9**	**9**	**5**	**4**	**3**	**6**
Net profit attributable to shareholders	**65**	**(36)**	**17**	**48**	**(49)**	**13**

Income Statement

Insurance International

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Operating costs	**(393)**	**(410)**	**(201)**	**(192)**	**(226)**	**(184)**
Net profit attributable to shareholders	**0**	**40**	**(70)**	**70**	**3**	**37**

General

Income Statement

in EUR million

	FY 2008	FY 2007	H2 2008	H1 2008	H2 2007	H1 2007
Net interest Income	(301)	(303)	(136)	(165)	(169)	(134)
Realised / Unrealised capital gains	(184)	(66)	(56)	(128)	(196)	130
Other income	53	83	17	36	19	64
Total income	**(432)**	**(286)**	**(176)**	**(256)**	**(345)**	**59**
Change in impairments	(20)		(20)			
Net revenues	(452)	(286)	(196)	(256)	(345)	59
Staff expenses	(44)	(49)	(21)	(23)	(25)	(24)
Other operating and administrative expenses	(193)	(188)	(118)	(75)	(106)	(82)
Total expenses	**(237)**	**(237)**	**(139)**	**(98)**	**(131)**	**(106)**
Profit before taxation	**(689)**	**(523)**	**(334)**	**(354)**	**(476)**	**(47)**
Taxation	60	77	8	52	44	33
Net profit for the period	**(629)**	**(446)**	**(327)**	**(302)**	**(433)**	**(13)**
Net profit attributable to minority interests						
Net profit attributable to shareholders	**(629)**	**(446)**	**(327)**	**(302)**	**(433)**	**(13)**