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PRESS RELEASE

New agreement on the terms of the acquisition of Fortis' activities in Belgium and Luxembourg

The Belgian State, Fortis Holding and BNP Paribas have signed a termsheet, amending the Protocol, signed on 10th October 2008, which modifies the terms of BNP Paribas' acquisition of Fortis' activities in Belgium and Luxembourg.

Under the terms of this new agreement and subject to the approval of Fortis Holding's shareholders meeting, the Belgian State will transfer to BNP Paribas 75% of Fortis Bank on the basis of an 11 billion euros valuation for 100% in exchange of BNP Paribas shares issued at 68 euros, and Fortis Bank will acquire 25% of Fortis Insurance Belgium from Fortis Holding.

This transaction will ensure the essential role of Fortis Bank in serving the Belgian economy by uniting it with the BNP Paribas Group, which through this strategic transaction will strengthen its pan-European footprint. The acquisition of 25% of Fortis Insurance Belgium will ensure the development of a strong partnership in *bancassurance* and again give Fortis Holding clear development prospects as the leading insurer in Belgium.

Description of the arrangements

For BNP Paribas, the main changes compared to the October Protocol are as follows:

Strategic partnership with Fortis Insurance Belgium

Acquisition by Fortis Bank of 25% of Fortis Insurance Belgium from Fortis Holding, on the basis of a valuation of 5.5 billion euros for 100% (thus 1.375 billion euros). The exclusive distribution contract will be maintained up to 2020.

Segregation of the riskiest structured loan assets

The assets to be transferred by Fortis Bank to a Special Purpose Vehicle (SPV) will be supplemented, compared to the selection undertaken at the end of 2008 in the context of the original agreement, by additional lines selected from the portfolio of structured assets of Fortis Bank for a total amount close to 2 billion euros. As a result, since approximately 1 billion euros of the assets initially earmarked for the SPV have already been repaid since the first Protocol, the total value of the SPV will approximately be brought to 11.4 billion euros from 10.4 billion euros

BNP Paribas' share of the redefined SPV will be limited to 200 million euros for the 1.7 billion euros equity tranche (12%), and 480 million euros for the 4.85 billion senior debt tranche (10%). The vehicle's debt will be financed by Fortis Bank to the tune of 4.36 billion euros in the form of senior debt guaranteed on demand by the Belgian State, and 4.85 billion euros in



the form of super senior debt. Moreover, BNP Paribas will grant Fortis Holding a loan of 1 billion euros which will allow it to finance its stake in the vehicle, fully guaranteed by the Belgian State on demand.

Partial guarantee from the Belgian State of the portfolio of structured assets remaining on Fortis Bank's balance sheet

Because of the modification to the scope of the SPV, the portion of the portfolio of structured loans remaining on the balance sheet of Fortis Bank will be reduced by 2 billion euros, and will represent a nominal value of around 21.5 billion euros. This portfolio will carry a guarantee by the Belgian State on the second level of loss. Beyond a first tranche of final loss, against the notional value of 3.5 billion euros largely provisioned in the purchase accounting, the Belgian State will guarantee on demand a second loss tranche up to 1.5 billion euros.

Mechanism for maintaining the Tier 1 ratio of Fortis Bank at 9.2%

Fortis Bank will have the option for a period of three years to issue, should its Tier 1 ratio fall below 9.2%, Tier 1-eligible securities to the Belgian State, which undertakes to subscribe to them up to a maximum of 2 billion euros in the form of non-innovative hybrid instruments or the form of shares as long as the State's participation remains below 50%.

Maintenance of the existing CASHES mechanism

The CASHES mechanism will no longer result in the payment by Fortis Holding of a 2.35 billion euros advance as stipulated in the initial Protocol, but will carry a guarantee mechanism by the Belgian State on any eventual payments to be received by Fortis Bank from Fortis Holding.

The industrial project

The project will create the leading European banking group with 4 domestic markets in retail banking, with a deposit base of more than 540 billion euros and a loan to deposit ratio of 120%.

The BNP Paribas Group will extend its integrated retail-banking model to Belgium and Luxembourg, and this includes *bancassurance* thanks to a strong partnership with Fortis Insurance Belgium. In addition, BNP Paribas confirms its intention to locate several of its European or global decision centres in Belgium and in Luxembourg.

The new group will also enjoy greater scale in the strategic businesses of asset management and private banking, with more than 660 billion euros in assets under management for the combined group. It will rank among the top three players in Belgium, Luxembourg and France, offer complete coverage of Western Europe in terms of asset management, and hold key positions in Asia.

Finally, in Corporate and investment banking, the combined group will hold strong franchises in financing businesses and will continue to adapt its strategy to the new environment, in accordance with a customer-oriented model as well as policies to reduce risks and, therefore, allocated capital.



For customers and employees, Fortis Bank's joining one of the most solid European banking groups will end a long period of uncertainty. The project proposed by BNP Paribas will allow Fortis Bank to quickly recover its capacity to serve the Belgian and Luxembourg economies in the best of conditions, particularly through prime access to liquidity. Corporate clients in Belgium and Luxembourg will still be covered by the Fortis Bank teams in Belgium and Luxembourg, and backed by the leadership positions of BNP Paribas, the world leader in export finance, for example. Similarly, individual customers will continue to be supported in their projects by their current branch, which will now form part of a global banking group with one of the most extensive product offerings.

Over the last five months there have been many operational contacts between the teams at Fortis Bank and BNP Paribas. Both sides have demonstrated a strong willingness to work together and great cultural affinity. BNP Paribas has proven its ability, both in the merger which gave rise to it and during the acquisition of BNL in Italy, to conduct large-scale mergers successfully and show respect for the identity of each component whilst also taking into account the local needs of customers.

Financial impact

Based on all these elements, BNP Paribas Group's Tier 1 ratio should remain stable on the day the transaction closes.

In addition this transaction should be accretive as early as 2010, excluding restructuring costs.

This project is completely in line with the acquisition strategy of BNP Paribas, both in terms of financial criteria and of the Group's development model. It represents a major step forward for the Group in the deployment in Europe of its well weathered integrated bank model.

Baudouin Prot, CEO, will hold a conference call with financial analysts on Monday 9th March at 2.30 p.m., Paris time to comment this release. A live webcast will be available on www.invest.bnpparibas.com.

About BNP Paribas

BNP Paribas (www.bnpparibas.com) is a European leader in global banking and financial services and is one of the 6 strongest banks in the world according to Standard & Poor's. The group is present in 85 countries, with more than 171,000 employees, including 131,000 in Europe. The group holds key positions in three major segments: Corporate and Investment Banking, Asset Management & Services and Retail Banking. Present throughout Europe in all of its business lines, the bank's two domestic markets in retail banking are France and Italy. BNP Paribas also has a significant presence in the United States and strong positions in Asia and the emerging markets.

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