



Press release

Dublin/Brussels/Utrecht, 5 October 2006

Fortis and An Post sign final agreement on creation of financial services joint venture in Ireland

Fortis and An Post announced today that they have signed a final agreement for the creation of a joint venture in the financial services sector. The new retail bank will offer a broad range of financial products and services to the Irish market, including daily banking, savings products, insurance, mortgages, credit cards – in short, everything that can be expected from a first-class retail bank.

The new bank will be a 50/50 partnership between An Post and Fortis, with initial capital of EUR 112 million. Fortis will pay EUR 56 million in cash and An Post will contribute the balance, representing the value of One Direct – which will form an integral part of the new company – and of PostPoint, a distribution network comprising 2,800 agents. An Post will also provide access to its network of 1,400 post office branches, while Fortis will contribute its international experience and expertise in bancassurance, in particular with the Belgian Banque de La Poste.

The joint venture will deliver a wide range of straightforward, value-for-money retail banking products and services targeting a number of segments, including those traditionally underserved by existing banks and those with a strong affinity for the post office. An extensive programme of recruitment, training, refurbishment, branding, promotion and product preparation will be undertaken during the coming months. The new bank's products and services will be rolled out gradually in the course of 2007 and will include telephone and internet banking. The joint venture will commence operations with a workforce of 250, but aims to employ 500 people within five years.

Commenting on the new joint venture, An Post's chairperson Margaret McGinley said: *"This is a very important and exciting day for An Post and we are delighted to welcome Fortis to this joint venture. From the outset we have been acutely aware that the choice of a suitable partner for this deal would be fundamental to its future success. The experience, knowledge, and skills of Fortis will be essential in this highly competitive market. We are confident that the joint venture will provide a strategically significant and sustainable alternative income stream that will contribute to the future financial stability of An Post."*

"This initiative will allow us to restate and reinforce An Post's relevance to the community that it has served so well for so many years by making financial products and services more readily and widely available. The new financial service created through the joint venture will be in touch with what people want, not just now, but into the future. We intend to build on the trust that people have in An Post and we will ensure that we provide a strong appeal to a younger and more diverse Ireland," she added.

An Post's Chief Executive Donal Connell said: *"We are delighted to be welcoming such an internationally successful financial services partner as Fortis to this joint venture and the establishment of this new banking service. This deal is of significant importance to An Post, its customers, its staff and contractors and gives the company a new relevance in the economic, business and social life of the nation."*

Fortis

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“We look forward to delivering a range of outstanding products and services to our thousands of existing customers and the thousands more who can access our post offices throughout the country. At a time when others are departing we are bringing retail banking to the people.”

Jos Clijsters, CEO of Fortis Retail Banking added: *“The values and objectives shared by An Post and Fortis could only lead to successful negotiations and the signing of a promising joint venture agreement. The complementary contributions of the two partners plus their strong reputations will be key to the success of the new banking operation. The Irish market, which offers immense potential yet shares many similarities with Belgium, should benefit from the entrance of a new, forward-looking bank offering transparent and straightforward products at competitive prices. We are looking forward to a lasting and fruitful partnership with An Post.”*

Thierry Schuman, General Manager of Retail Banking at Fortis said: *“We are enthusiastic about this joint venture and look forward to working with An Post and its dedicated and highly professional team. Together we aim to combine the best of An Post’s tradition of trusted customer service with Fortis’s banking and insurance expertise to offer a truly innovative retail banking experience for all – customers, staff and Postmasters alike.”*

The joint venture is expected to receive regulatory approval in early 2007, including a banking licence.

Fortis is an international financial services provider engaged in banking and insurance. We offer our personal, business and institutional customers a comprehensive package of products and services through our own channels, in collaboration with intermediaries and through other distribution partners.

With a market capitalisation of EUR 41.6 billion (30/09/2006), Fortis ranks among the twenty largest financial institutions in Europe. Our sound solvency position, our presence in 50 countries and our dedicated, professional workforce of 58,000 enable us to combine global strength with local flexibility and provide our clients with optimum support. More information is available on www.fortis.com

An Post is a major commercial organisation providing a wide range of services which encompass postal, communication, retail and money transmission services. It is one of Ireland's largest companies directly employing over 9,600 people through its national network of retail, processing and delivery points. It provides agency services for Government Departments, the National Treasury Management Agency, An Post National Lottery Company and many other commercial bodies. An Post manages a network of 1,400 post offices nationwide, a fleet of 2,900 vehicles and 4,500 post boxes. The company is a limited liability company, incorporated under the Companies Act, 1963 to 1983. One ordinary share is held by the Minister for Finance and the remainder of the issued share capital is held by the Minister for Communications, Marine and Natural Resources.

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Fortis will hold a teleconference for the media today on Thursday 5 October, at 12.00 CET, 11.00 AM GMT. Please find below the details for the listen only lines.

The dial in number for **the listen only is:**

+44 (0)20 7138 0827

A repeat of the conference call will be available until 26 October 2006:

+44 (0)20 7806 1970, code 4063549#