

THE SECURITIES ACT

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Order No. 4801

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Section 20(1)

)

June 15, 2005

FB FUNDING COMPANY

WHEREAS:

(A) FB Funding Company ("FB Funding") and to Fortis Bank SA/NV ("Fortis Bank"), on behalf of whom (collectively, the "Applicants") have applied to The Manitoba Securities Commission (the "Commission") for an order under subsection 20(1) of The Securities Act, R.S.M. 1988, c.S50 (the "Act") that in connection with the offering from time-to-time of short term promissory notes of FB Funding (collectively, the "Notes"), FB Funding be exempted from compliance with Part VIII of the Securities Regulation under the Act (the "Securities Regulation").

(B) The Applicants have represented to the Commission that:

1. FB Funding is an unlimited liability company incorporated under the laws of the Province of Nova Scotia and is a wholly-owned indirect subsidiary of Fortis Bank.
2. The business of FB Funding consists of issuing debt securities, including commercial paper, to fund activities of the Fortis group of companies.
3. Fortis Bank offers a wide range of retail banking, commercial banking, corporate banking, private banking, investment banking and asset management services in the Benelux countries; in Canada, Fortis Bank intends to provide commercial finance and hedging services to the natural resources sector in Canada, with an initial focus on Canadian independent oil and gas exploration and production entities and the midstream (transportation and processing) sectors.
4. The registered office of FB Funding is located in Halifax, Nova Scotia and the head office and principal place of business of Fortis Bank is located in Grand Cayman, Cayman Islands.
5. Neither FB Funding nor Fortis Bank is a reporting issuer or the equivalent thereof in any province of Canada and neither of these entities has any present intention of becoming a reporting issuer or the equivalent thereof in any such province.
6. FB Funding proposes to issue from time-to-time an aggregate principal amount of Notes, not exceeding C\$500,000,000 or the equivalent thereof in United States dollars, to raise capital for general corporate purposes of FB Funding and its affiliated companies.

7. The Notes will mature up to but will not exceed one year from their respective dates of issue.
8. The Notes will be issued either as interest-bearing Notes sold at a discount or as interest-bearing Notes sold at par.
9. The Notes will be issued in "book entry" only form in Canadian dollars payable to CDS & Co. (the nominee for the Canadian Depository for Securities Limited), or will be issued in certificated form in United States dollars, or, upon the election of FB Funding, will be issued in Canadian dollars, payable to bearer or to a named payee.
10. The Notes will be unconditionally and irrevocably guaranteed by Fortis Bank as to payment of principal and interest, if any, and will be issuable in denominations of multiples of C\$1,000, subject to a minimum of C\$100,000 in Canadian currency or the equivalent amount at the time of issue in United States currency.
11. The other terms and conditions of the proposed issue of the Notes are contained in an Information Memorandum of the Issuer, a draft of which is filed herewith.
12. Because the net proceeds from the sale of the Notes are being and will be used to finance the activities of affiliates of FB Funding, as well as the activities of FB Funding, FB Funding may be considered to be a "finance company" as that term is defined in Subsection 1(1) of the Securities Regulation.
13. As a finance company which is not a reporting issuer, FB Funding would be required to comply with Part VIII of the Securities Regulation.
14. Manitoba is the only jurisdiction which imposes additional requirements on Finance Companies as described in Part VIII of the Securities Regulation.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the Order.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, FB Funding shall be exempt from the requirements of Part VIII of the Securities Regulation with respect to the Notes and any short term promissory notes and other evidences of indebtedness that may be issued by FB Funding in the future.

2. THAT the fee for this Order shall be \$25.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal