

Fortis erred in communication before collapse-report

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(Reuters) - Belgian-Dutch financial group Fortis, which was carved up October 2008 after losing the confidence of clients and investors, made mistakes in communicating with the public, a probe concluded.

The report, ordered by a Dutch court, could expose Ageas, the Belgian insurance group that was created from the remaining assets of Fortis, to damages claims by investors.

Dutch brokerage Rabo Securities said claims against the group could total 400 million euros (\$490 million), but legal wrangling could take years.

The report, released late on Wednesday, also said the break-up of Fortis was "the best possible outcome under the circumstances".

After taking on massive debt to fund its portion of a buyout of Dutch banking group ABN AMRO, Fortis was carved up in 2008 by the Belgian, Dutch and Luxembourg governments after an 11.2 billion euro cash injection failed to stem a slide of Fortis shares.

French bank BNP Paribas has now taken control of Fortis's Belgian banking arm Fortis Bank. The latter also has a 25 percent stake in its remaining Belgian operation, now called AG Insurance.

"Ageas welcomes the report as a step forward in removing part of the uncertainty relating to the events that occurred in 2007 and 2008," the company said in a statement.

The report was ordered by a commercial court in Amsterdam after two shareholder groups asked for an investigation into the collapse of Fortis.